



# city of RANCHO CUCAMONGA

10500 Civic Center Drive ✧ Rancho Cucamonga, CA 91730-3801

City Office: (909) 477-2700

## AGENDAS

### FIRE PROTECTION DISTRICT BOARD SUCCESSOR AGENCY PUBLIC FINANCING AUTHORITY CITY COUNCIL

**WEDNESDAY, JULY 1, 2015**

## REGULAR MEETINGS

1<sup>st</sup> and 3<sup>rd</sup> Wednesdays ✧ 7:00 P.M.

## ORDER OF BUSINESS

CLOSED SESSION      **Tapia Conference Room..... 5:00 P.M.**

Call to Order

Public Communications

City Manager Announcements

Conduct of Closed Session

REGULAR MEETINGS      **Council Chambers ..... 7:00 P.M.**

## MEMBERS

MAYOR	<b>L. Dennis Michael</b>
MAYOR PRO TEM	<b>Sam Spagnolo</b>
COUNCIL MEMBERS	<b>William Alexander</b>
	<b>Lynne B. Kennedy</b>
	<b>Diane Williams</b>
CITY MANAGER	<b>John R. Gillison</b>
CITY ATTORNEY	<b>James L. Markman</b>
CITY CLERK	<b>Janice C. Reynolds</b>
CITY TREASURER	<b>James C. Frost</b>





# INFORMATION FOR THE PUBLIC



CITY OF RANCHO CUCAMONGA

## **TO ADDRESS THE FIRE BOARD, SUCCESSOR AGENCY, PUBLIC FINANCING AUTHORITY AND CITY COUNCIL**

The Fire Board, Successor Agency, Public Financing Authority and City Council encourage free expression of all points of view. To allow all persons to speak, given the length of the Agenda, please keep your remarks brief. If others have already expressed your position, you may simply indicate that you agree with a previous speaker. If appropriate, a spokesperson may present the views of your entire group. To encourage all views and promote courtesy to others, the audience should refrain from clapping, booing or shouts of approval or disagreement from the audience.

The public may address the Fire Board, Successor Agency, Public Financing Authority and City Council by filling out a speaker card and submitting it to the City Clerk. The speaker cards are located on the wall at the back of the Chambers, at the front desk behind the staff table and at the City Clerk's desk. If as part of your presentation, you would like to display visual material, please see the City Clerk before the meeting commences. Any handouts for the Fire Board, Successor Agency, Public Financing Authority or City Council should be given to the City Clerk for distribution.

During "Public Communications," your name will be called to speak on any item listed or not listed on the agenda in the order in which it was received. The "Public Communications" period will not exceed one hour prior to the commencement of the business portion of the agenda. During this one hour period, all those who wish to speak on a topic contained in the business portion of the agenda will be given priority, and no further speaker cards for these business items (with the exception of public hearing items) will be accepted once the business portion of the agenda commences. Any other "Public Communications" which have not concluded during this one-hour period may resume after the regular business portion of the agenda has been completed. Comments are to be limited to five minutes per individual or less, as deemed necessary by the Chair, depending upon the number of individuals desiring to speak.

If you are present to speak on an "Advertised Public Hearing" or on an "Administrative Hearing" Item(s), your name will be called when that item is being discussed, in the order in which it was received. Comments are to be limited to five minutes per individual or less, as deemed necessary by the Chair, depending upon the number of individuals desiring to speak.

## **AGENDA BACK-UP MATERIALS**

Staff reports and back-up materials for agenda items are available for review at the City Clerk's counter, the City's Public Library(-ies) and on the City's website. A complete copy of the agenda is also available at the desk located behind the staff table during the Council meeting.

## **LIVE BROADCAST**

Fire Board, Successor Agency, Public Financing Authority and City Council meetings are broadcast live on Channel 3 for those with cable television access. Meetings are rebroadcast on the second and fourth Wednesdays of each month at 11:00 a.m. and 7:00 p.m. The City has added the option for customers without cable access to view the meetings "on-demand" from their computers. The added feature of "Streaming Video On Demand" is available on the City's website at [www.cityofrc.us/cityhall/council/videos.asp](http://www.cityofrc.us/cityhall/council/videos.asp) for those with Hi-bandwidth (DSL/Cable Modem) or Low-bandwidth (Dial-up) Internet service.

**The Fire Board, Successor Agency, Public Financing Authority and City Council meet regularly on the first and third Wednesday of the month at 7:00 p.m. in the Council Chambers located at 10500 Civic Center Drive.**

**Members of the City Council also sit as the Fire Board, Successor Agency, Public Financing Authority and City Council.**

Copies of the agendas and minutes can be found @ [www.cityofrc.us](http://www.cityofrc.us)



If you need special assistance or accommodations to participate in this meeting, please contact the City Clerk's office at (909) 477-2700. Notification of 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility. Listening devices are available for the hearing impaired.

**Please turn off all cellular phones and pagers while the meeting is in session.**



RANCHO CUCAMONGA

**FIRE PROTECTION DISTRICT, SUCCESSOR AGENCY,  
PUBLIC FINANCING AUTHORITY AND  
CITY COUNCIL AGENDA**

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**JULY 1, 2015**

**A. 5:00 P.M. – CLOSED SESSION  
CALL TO ORDER – TAPIA CONFERENCE ROOM**

- A1. Roll Call: Mayor Michael  
Mayor Pro Tem Spagnolo  
Council Members Alexander, Kennedy and Williams

**CLOSED SESSION CALLED TO ORDER AS THE  
FIRE PROTECTION DISTRICT, SUCCESSOR AGENCY  
AND CITY COUNCIL.**

**B. ANNOUNCEMENT OF CLOSED SESSION ITEM(S)**

**C. PUBLIC COMMUNICATIONS ON CLOSED SESSION ITEM(S)**

**D. CITY MANAGER ANNOUNCEMENTS  
(NO DISCUSSION OR ACTION WILL OCCUR)**

**E. CONDUCT OF CLOSED SESSION – TAPIA CONFERENCE ROOM**

- E1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS PER GOVERNMENT CODE SECTION 54956.8 FOR PROPERTY GENERALLY LOCATED AT THE SOUTH SIDE OF SAN BERNARDINO ROAD AND EAST OF VINEYARD AVENUE; NEGOTIATING PARTIES NETTIE NIELSEN REPRESENTING THE CITY OF RANCHO CUCAMONGA AND LIDIA TALAVERA REPRESENTING NAI CAPITAL; REGARDING PRICE AND TERMS. – *CITY*
- E2. CONFERENCE WITH LABOR NEGOTIATOR ROBERT NEIUBER, HUMAN RESOURCES DIRECTOR PER GOVERNMENT CODE SECTION 54954.2 REGARDING LABOR NEGOTIATIONS WITH THE FIRE MANAGEMENT EMPLOYEE GROUP. – *FIRE*
- E3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS PER GOVERNMENT CODE SECTION 54956.8 FOR PROPERTY GENERALLY LOCATED ON THE SOUTH EAST CORNER OF WHITTRAM AND ETIWANDA AVENUES; NEGOTIATING PARTIES LEONARD SANTORO, CBRE AND CHARLIE BUQUET; REGARDING PRICE AND TERMS. – *CITY*
- E4. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(B) – NUMBER OF CASES (2) – *SUCCESSOR AGENCY*



RANCHO CUCAMONGA

# FIRE PROTECTION DISTRICT, SUCCESSOR AGENCY, PUBLIC FINANCING AUTHORITY AND CITY COUNCIL AGENDA

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## JULY 1, 2015

### F. RECESS

CLOSED SESSION TO RECESS TO THE REGULAR FIRE PROTECTION DISTRICT, PUBLIC FINANCING AUTHORITY, SUCCESSOR AGENCY AND CITY COUNCIL MEETINGS AT 7:00 P.M. IN THE COUNCIL CHAMBERS AT CITY HALL, LOCATED AT 10500 CIVIC CENTER DRIVE, RANCHO CUCAMONGA, CALIFORNIA.

### G. REGULAR MEETING CALL TO ORDER – 7:00 P.M. COUNCIL CHAMBERS

THE REGULAR MEETINGS OF THE FIRE PROTECTION DISTRICT, PUBLIC FINANCING AUTHORITY, SUCCESSOR AGENCY AND CITY COUNCIL WILL BE CALLED TO ORDER. IT IS THE INTENT TO CONCLUDE THE MEETINGS BY 10:00 P.M., UNLESS EXTENDED BY CONCURRENCE OF THE FIRE BOARD, AUTHORITY BOARD AND COUNCIL.

- G1. Pledge of Allegiance
- G2. Roll Call: Mayor Michael  
Mayor Pro Tem Spagnolo  
Council Members Alexander, Kennedy and Williams

### H. ANNOUNCEMENTS/PRESENTATIONS

- H1. Announcement of the Lewis Family Playhouse's 2015/16 Season.

### I. PUBLIC COMMUNICATIONS

**This is the time and place for the general public to address the Fire Protection District, Public Financing Authority Board, Successor Agency and City Council on any item listed or not listed on the agenda.** State law prohibits the Fire Protection District, Public Financing Authority Board, Successor Agency and City Council from addressing any issue not previously included on the Agenda. The Fire Board, Public Financing Authority Board, Successor Agency and City Council may receive testimony and set the matter for a subsequent meeting.

**Comments are to be limited to five minutes per individual or less, as deemed necessary by the Mayor, depending upon the number of individuals desiring to speak.** All communications are to be addressed directly to the Fire Board, Authority Board, Successor Agency or City Council not to the members of the audience. This is a professional business meeting and courtesy and decorum are expected. Please refrain from any debate between audience and speaker, making loud noises, or engaging in any activity which might be disruptive to the decorum of the meeting.

**The public communications period will not exceed one hour prior to the commencement of the business portion of the agenda.** During this one hour period, all those who wish to speak on a topic contained in the business portion of the agenda will be given priority, and no further speaker cards for these business items (with the exception of public hearing items) will be accepted once the business portion of the agenda commences. Any other public communications which have not concluded during this one hour period may resume after the regular business portion of the agenda has been completed.



Rancho CUCAMONGA

# FIRE PROTECTION DISTRICT, SUCCESSOR AGENCY, PUBLIC FINANCING AUTHORITY AND CITY COUNCIL AGENDA

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## JULY 1, 2015

### CONSENT CALENDARS:

*The following Consent Calendar items are expected to be routine and non-controversial. They will be acted upon by the Fire Board/Successor Agency/Authority Board/Council at one time without discussion. Any item may be removed by a Fire Board/Successor Agency/Authority Board/Council Member for discussion.*

### J. CONSENT CALENDAR – FIRE PROTECTION DISTRICT

- J1. Consideration to approve Minutes of: June 17, 2015 (Regular Meeting) and June 18, 2015 (Special Meeting – Budget Adoption). ---
- J2. Consideration to approve Check Register dated June 10, 2015 through June 23, 2015 for the total of \$221,511.22. 1
- J3. Consideration for approval to award the purchase of Emergency Medical Supplies and Materials on an as needed basis, to Life Assist, Inc. of Rancho Cordova, California, in accordance with Request for Bid "RFP" #14/15-011 for Fiscal Year 2015/16, in an amount not to exceed \$60,000.00 funded from Account No. 3281504-5200. 10

### K. CONSENT CALENDAR – SUCCESSOR AGENCY

- K1. Consideration to approve Minutes of: June 17, 2015 (Regular Meeting) ---

### L. CONSENT CALENDAR – PUBLIC FINANCING AUTHORITY

- L1. Consideration to approve Minutes of: June 17, 2015 (Regular Meeting) ---

### M. CONSENT CALENDAR – CITY COUNCIL

- M1. Consideration to approve Minutes of: June 17, 2015 (Special Meeting – Drought), June 17, 2015 (Regular Meeting) and June 18, 2015 (Special Meeting – Budget Adoption). ---
- M2. Consideration to approve Check Register dated June 10, 2015 through June 23, 2015 and payroll ending June 23, 2015 for the total of \$3,185,057.76. 12
- M3. Consideration to authorize the award of contracts for automotive maintenance and repair services to A & R Tire Services of Rancho Cucamonga, Ford of Upland, Lim's Auto, Inc of Rancho Cucamonga, R & R Automotive Inc. of Rancho Cucamonga, in accordance with Request for Qualifications "RFQ" #14/15-201, to be funded from various City accounts contingent upon the approved budget for FY 2015-2016. 21
- M4. Consideration of approval to authorize the advertising of the "Notice Inviting Bids" for the Foothill Boulevard Pavement Rehabilitation project from Vineyard Avenue to Haven Avenue to be funded from Measure I Fund and Citywide Infrastructure Fund. 23



RANCHO CUCAMONGA

**FIRE PROTECTION DISTRICT, SUCCESSOR AGENCY,  
PUBLIC FINANCING AUTHORITY AND  
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**JULY 1, 2015**

RESOLUTION NO. 15-107

**24**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA APPROVING PLANS AND SPECIFICATIONS FOR THE "FOOTHILL BOULEVARD PAVEMENT REHABILITATION FROM VINEYARD AVENUE TO HAVEN AVENUE" IN SAID CITY AND AUTHORIZING AND DIRECTING THE CITY CLERK TO ADVERTISE TO RECEIVE BIDS

- M5. Consideration to accept the Etiwanda Creek Park Sidewalk Improvement Project, Contract No. 15-068 as complete, release the Bonds, accept a Maintenance Bond, authorize the City Engineer to file a Notice of Completion and approve the final contract amount of \$108,282.58.

**30**

RESOLUTION NO. 15-108

**33**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA, ACCEPTING THE ETIWANDA CREEK PARK SIDEWALK IMPROVEMENT PROJECT, CONTRACT NO. 15-068, AND AUTHORIZING THE FILING OF A NOTICE OF COMPLETION FOR THE WORK

- M6. Consideration to accept the Fiscal Year 2014/2015 Local Street Pavement Rehabilitation – Overlay of Various Streets project, Contract No. 15-054 as complete, release the Bonds, accept a Maintenance Bond, authorize the City Engineer to file a Notice of Completion and approve the balancing statement and final contract amount of \$747,028.85.

**34**

RESOLUTION NO. 15-109

**37**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA, ACCEPTING THE FISCAL YEAR 2014/2015 LOCAL STREET PAVEMENT REHABILITATION – OVERLAY OF VARIOUS STREETS PROJECT, CONTRACT NO. 15-054, AND AUTHORIZING THE FILING OF A NOTICE OF COMPLETION FOR THE WORK

- M7. Consideration to approve plans and specifications for the new Department of Innovation and Technology (DoIT) Tenant Improvement Project, and authorize the City Clerk to advertise the "Notice Inviting Bids".

**38**

RESOLUTION NO. 15-110

**39**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA APPROVING PLANS AND SPECIFICATIONS FOR THE DEPARTMENT OF INNOVATION AND TECHNOLOGY (DoIT) TENANT IMPROVEMENT PROJECT IN SAID CITY AND AUTHORIZING AND DIRECTING THE CITY CLERK TO ADVERTISE TO RECEIVE BIDS

- M8. Consideration to approve Amendment No. 002 renewing Contract No. 14-017 between NEC Corporation of America and the City of Rancho Cucamonga for Telephone System Maintenance and Support Services for Fiscal Year 2015/16, in the Amount of \$102,050 from Telecommunications Fund 1001217-5300 (Contract Services).

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Rancho Cucamonga

**FIRE PROTECTION DISTRICT, SUCCESSOR AGENCY,  
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**JULY 1, 2015**

**N. ADVERTISED PUBLIC HEARINGS  
CITY COUNCIL**

**The following items have been advertised and/or posted as public hearings as required by law. The Mayor will open the meeting to receive public testimony.**

- N1. Conduct Public Hearing and consideration to approve forming and establishing West-Side Neighborhood Parks and Street Lighting Community Facilities District No. 1 of the City of Rancho Cucamonga, and adopt the Resolution of Formation establishing District, Resolution authorizing and setting a Special Election for the adoption of a Special Tax, and Resolution requesting the Board of Supervisors of the County of San Bernardino to consolidate the Special Election with any election to be held.

**44**

RESOLUTION NO. 15-111

**47**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA, FORMING AND ESTABLISHING WEST-SIDE NEIGHBORHOOD PARKS AND STREET LIGHTING COMMUNITY FACILITIES DISTRICT NO. 1 OF THE CITY OF RANCHO CUCAMONGA, AND AUTHORIZING SUBMITTAL OF THE LEVY OF THE SPECIAL TAX TO THE QUALIFIED ELECTORS.

RESOLUTION NO. 15-112

**93**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA AUTHORIZING AND SETTING A SPECIAL ELECTION FOR THE ADOPTION OF A SPECIAL TAX WITHIN THE BOUNDARIES OF WEST-SIDE NEIGHBORHOOD PARKS AND STREET LIGHTING COMMUNITY FACILITIES DISTRICT NO. 1 OF THE CITY OF RANCHO CUCAMONGA FOR CERTAIN TYPES OF SERVICES AND FACILITIES AND SUBMITTING THE SPECIAL TAX TO THE QUALIFIED VOTERS OF SUCH COMMUNITY FACILITIES DISTRICT

RESOLUTION NO. 15-113

**98**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BERNARDINO TO CONSOLIDATE THE SPECIAL ELECTION WITH ANY ELECTION TO BE HELD AND TO RENDER SPECIFIED SERVICES TO SAID CITY RELATING TO THE CONDUCT OF SAID ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2015



RANCHO CUCAMONGA

**FIRE PROTECTION DISTRICT, SUCCESSOR AGENCY,  
PUBLIC FINANCING AUTHORITY AND  
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**JULY 1, 2015**

**O. CITY MANAGER'S STAFF REPORTS  
CITY COUNCIL/ PUBLIC FINANCING AUTHORITY**

**The following items have no legal publication or posting requirements.**

- O1. Consideration to adopt a Resolution of the City Council of the City of Rancho Cucamonga, acting for and on behalf of itself and in its capacity as the legislative body of Community Facilities District Nos. 2000-01 (South Etiwanda), 2000-02 (Rancho Cucamonga Corporate Park), 2001-01, series 2012 A (Improvement Area 1 & 2), 2001-01, series 2012 B (Improvement Area 3), 2006-01 (Vintner's Grove) and 2006-02 (Amador on Route 66) authorizing and providing for the issuance of Special Tax Refunding Bonds for each such Community Facilities District, approving the forms of Fiscal Agent Agreements, a Special Tax Refunding Bonds Purchase Contract, Escrow Agreements, First Supplemental Agreements and other documents and authorizing certain actions in connection with the issuance of such bonds. - *City*

**100**

**RESOLUTION NO. 15-114**

**102**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, ACTING FOR AND ON BEHALF OF ITSELF AND IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2000-01 (SOUTH ETIWANDA), COMMUNITY FACILITIES DISTRICT NO. 2000-02 (RANCHO CUCAMONGA CORPORATE PARK), COMMUNITY FACILITIES DISTRICT NO. 2001-01, COMMUNITY FACILITY DISTRICT NO. 2006-01 (VINTNER'S GROVE) AND COMMUNITY FACILITIES DISTRICT NO. 2006-02 (AMADOR ON ROUTE 66) AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF SPECIAL TAX REFUNDING BONDS FOR EACH SUCH COMMUNITY FACILITIES DISTRICT, APPROVING THE FORMS OF FISCAL AGENT AGREEMENTS, A SPECIAL TAX REFUNDING BONDS PURCHASE CONTRACT, ESCROW AGREEMENTS, FIRST SUPPLEMENTAL AGREEMENTS AND OTHER DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS.

- O2. Consideration to adopt a Resolution of the Board of Directors of the Rancho Cucamonga Public Finance Authority (PFA) authorizing the issuance of special tax refunding revenue bonds and authorizing certain actions in connection with the issuance of such revenue bonds. -*Public Finance Authority*

**568**

**RESOLUTION NO. 15-115**

**570**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO CUCAMONGA PUBLIC FINANCE AUTHORITY AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF SPECIAL TAX REFUNDING REVENUE BONDS, APPROVING THE FORM OF AN INDENTURE OF TRUST, SPECIAL TAX REFUNDING BONDS PURCHASE CONTRACT, ESCROW AGREEMENT, AND OTHER DOCUMENTS, AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH REVENUE BONDS



RANCHO CUCAMONGA

**FIRE PROTECTION DISTRICT, SUCCESSOR AGENCY,  
PUBLIC FINANCING AUTHORITY AND  
CITY COUNCIL AGENDA**

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**JULY 1, 2015**

**P. COUNCIL BUSINESS**

The following items have been requested by the City Council for discussion.

- P1. INTER-AGENCY UPDATES (Update by the City Council to the community on the meetings that were attended.) ---
- P2. COUNCIL ANNOUNCEMENTS (Comments to be limited to three minutes per Council Member.) ---

**Q. IDENTIFICATION OF ITEMS FOR NEXT MEETING**

**R. ADJOURNMENT**

**CERTIFICATION**

I, Linda A. Troyan, MMC, City Clerk Services Director of the City of Rancho Cucamonga, or my designee, hereby certify under penalty of perjury that a true, accurate copy of the foregoing agenda was posted on June 25, 2015, seventy-two (72) hours prior to the meeting per Government Code 54954.2 at 10500 Civic Center Drive, Rancho Cucamonga, California, and on the City's website.



Linda A. Troyan, MMC  
City Clerk Services Director  
City of Rancho Cucamonga

June 17, 2015

CITY OF RANCHO CUCAMONGA  
CITY COUNCIL SPECIAL MEETING MINUTES

**SPECIAL MEETING  
CALL TO ORDER – 3:00 P.M.  
TRI-COMMUNITIES ROOM**

The Rancho Cucamonga City Council held a special meeting on Wednesday, June 17, 2015 in the Tri-Communities Room, 10500 Civic Center Drive, Rancho Cucamonga, California. The meeting was called to order at 3:00 p.m. by Mayor L. Dennis Michael.

Present were Council Members: Bill Alexander, Lynne Kennedy, Diane Williams, Mayor Pro Tem Sam Spagnolo and Mayor L. Dennis Michael.

Also present were: John Gillison, City Manager; Linda Daniels, Assistant City Manager; Bill Wittkopf, Public Works Services Director; Candyce Burnett, Planning Director; Trang Huynh, Building & Safety Services Director; Mark Steuer, Engineering Services Director, City Engineer and Linda Troyan, City Clerk Services Director.

Linda Daniels, Assistant City Manager, led the Pledge of Allegiance.

**B. COMMUNICATIONS FROM THE PUBLIC**

No public communications were made.

**C. ITEMS OF DISCUSSION**

- C1. **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, STATE OF CALIFORNIA, PROCLAIMING EXISTENCE OF A LOCAL DROUGHT EMERGENCY.**

**RESOLUTION NO. 15-093**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, STATE OF CALIFORNIA, PROCLAIMING EXISTENCE OF A LOCAL EMERGENCY DUE TO DROUGHT**

Breanna Medina, Emergency Management Coordinator, recommended adoption of the resolution in response to the Governor's Executive Order imposing restrictions to achieve a statewide reduction in water usage.

MOTION: Moved by Council Member Alexander, seconded by Council Member Williams, to approve Resolution No. 15-093. Motion carried 5-0.

**C2. PRESENTATION, DISCUSSION AND DIRECTION ON THE CITY'S RESPONSE AND EFFORTS TO CONSERVE WATER DURING THE STATE OF EMERGENCY AND EXECUTIVE ORDER ISSUED BY GOVERNOR BROWN ON THE ONGOING DROUGHT.**

Via Power Point, Bill Wittkopf, Public Works Services Director; Candyce Burnett, Planning Director; Trang Huynh, Building & Safety Services Director; Mark Steuer, Engineering Services Director, City Engineer, and John Gillison, City Manager, presented information on the City's response and efforts to conserve water during the State of Emergency and Executive Order issues by Governor Brown on the ongoing drought. Actions proposed by staff include: Continued efforts to reduce water consumption at City parks and facilities; proposed changes to the Development Code to modify landscaping requirements; proposed short-term changes in enforcement of brown lawns; providing documentation for the public on rainwater capture and graywater systems; and development of policies that will help reduce water use during construction and fire maintenance activities.

Council discussion centered on promoting public awareness of the drought, water conservation and City efforts in reducing water consumption at parks and facilities. Suggestions included use of signage and distribution of information, including the pamphlet on guidelines for graywater and rainwater collecting systems included with the Staff Report. Council thanked and complimented Staff for their pro-active efforts. Staff to inquire through the Inland Empire Utilities Agency, IEUA, about future water supply availability and use of reclaimed water.

MOTION: Moved by Council Member Alexander, seconded by Council Member Kennedy, to adopt Staff Recommendation to continue water conservation actions outlined in the staff report and presentation; continue partnering with Cucamonga Valley Water District (CVWD), market and promote information on water conservation, formalize and promote policies for graywater & rainwater capture and water use during construction; and present at a future Council meeting a policy for temporary suspension of enforcement on green lawns and an amendment to the Development Code to modify landscaping standards. Motion carried 5-0.

**D. ADJOURNMENT**

The special meeting adjourned at 4:17 p.m.

Respectfully submitted,

\_\_\_\_\_  
Linda A. Troyan, MMC  
City Clerk Services Director

Approved: \* \* \* \* \*

June 17, 2015

CITY OF RANCHO CUCAMONGA

CLOSED SESSION, FIRE PROTECTION DISTRICT, SUCCESSOR AGENCY,  
PUBLIC FINANCING AUTHORITY AND CITY COUNCIL REGULAR MEETINGS MINUTES

**A. CALL TO ORDER**

The City of Rancho Cucamonga City Council held a closed session on Wednesday, June 17, 2015 in the Tapia Conference Room at the Civic Center, 10500 Civic Center Drive, Rancho Cucamonga, California. The meeting was called to order at 5:00 p.m. by Mayor L. Dennis Michael.

Present were Council Members: Bill Alexander, Lynne Kennedy, Diane Williams, Mayor Pro Tem Sam Spagnolo and Mayor L. Dennis Michael.

Also present were: John Gillison, City Manager; James L. Markman, City Attorney; Linda Daniels, Assistant City Manager; Lori Sassoon, Deputy City Manager/Administrative Services; Robert Neuber, Human Resources Director; and Jeff Bloom, Deputy City Manager/Economic and Community Development.

**B. ANNOUNCEMENT OF CLOSED SESSION ITEMS**

The following closed session items were considered:

- E1. CONFERENCE WITH LABOR NEGOTIATOR ROBERT NEUBER, HUMAN RESOURCES DIRECTOR PER GOVERNMENT CODE SECTION 54954.2 REGARDING LABOR NEGOTIATIONS WITH THE FIRE MANAGEMENT EMPLOYEE GROUP. – *FIRE*
- E2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS PER GOVERNMENT CODE SECTION 54956.8 FOR PROPERTY GENERALLY LOCATED ON THE SOUTH EAST CORNER OF WHITTRAM AND ETIWANDA AVENUES; NEGOTIATING PARTIES LEONARD SANTORO, CBRE AND CHARLIE BUQUET; REGARDING PRICE AND TERMS. – *CITY*
- E3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(B) – NUMBER OF CASES (2) – *SUCCESSOR AGENCY*

**C. PUBLIC COMMUNICATIONS ON CLOSED SESSION ITEM(S)**

No public communications were made.

**D. CITY MANAGER ANNOUNCEMENTS**

No discussion or action was taken.

**RECESS**

The closed session recessed at 5:50 p.m. with no action taken.

**REGULAR MEETING  
CALL TO ORDER – 7:00 P.M.  
COUNCIL CHAMBER**

The regular meetings of the City of Rancho Cucamonga Fire Protection District, Successor Agency, Public Financing Authority and the City of Rancho Cucamonga City Council reconvened in the City Council Chambers at the City Hall, located at 10500 Civic Center Drive, Rancho Cucamonga, California. Mayor L. Dennis Michael called the meeting to order at 7:00 p.m.

Present were Council Members: Bill Alexander, Lynne Kennedy, Diane Williams, Mayor Pro Tem Sam Spagnolo and Mayor L. Dennis Michael.

Also present were: John Gillison, City Manager; Linda Daniels, Assistant City Manager; James L. Markman, City Attorney; Linda A. Troyan, City Clerk Services Director and Adrian Garcia, Assistant City Clerk.

Council Member Kennedy led the Pledge of Allegiance.

**H. ANNOUNCEMENTS/PRESENTATIONS**

- H1. Library Foundation Board Members Pam Easter and Phil Rodriguez to be sworn in.

Mayor Michael administered the Oath of Office to newly appointed Library Foundation Board Members Pam Easter and Phil Rodriguez.

- H2. Recognition of rescuers: Life Saving Citations for Matthew Hawker, and Certificates of Recognition for Matthew Hernandez, Sam Iftikhar, Umair Ahmed, Tim Barrett, Deputy David King, and Deputy Jason Salinas, who assisted at a structure fire.

Mike Costello, Fire Chief, recognized 17 year old Matthew Hawker for his heroic efforts in rescuing a 5 year old boy and two dogs from their burning home. Mayor Michael and Members of the City Council presented Matthew Hawker along with neighbors and Police Deputies who assisted in this rescue, Certificates of Recognition.

- H3. Recognizing the diligence of Police Department Personnel: Detectives Marc Beitler, Bill Stringer and Angelo Bautista, Deputy Rudy Delgado, Sheriff Service Specialist Laura Barnes, and Crime Analyst Kim Folkens, in solving a burglary.

Danielle Boldt, Police Chief, acknowledged members of the Rancho Cucamonga Police Department for their diligence and use of technology in solving burglaries, recovering stolen items quicker, particularly in a recent burglary. Mayor Michael and Members of the City Council presented Certificates of Recognition to the above Police Department Personnel.

**I. PUBLIC COMMUNICATIONS**

- I1. Sonny Santana, Pastor, Shiloh Tabernacle Church, offered a prayer for the City and community.  
I2. Shane Gray, Shiloh Tabernacle Church, offered a prayer.

13. Loren Smith, Representative from Assemblyman Marc Steinorth's Office, invited everyone to attend a Free Tax Seminar for Nonprofit and Exempt Organizations on Tuesday, July 14, 2015, 9:00 am to 3:30 pm at Goldy S. Lewis Community Center (at Central Park). Event co-sponsors include Senator Mike Morrell, Assemblyman Marc Steinorth, the City, and the Rancho Cucamonga Chamber of Commerce.
14. Dana Keithly spoke about her recent public records request for animal control statistics.
15. Jamie Juarez, Hope Inc., spoke about civil and criminal justice.
16. Katrina Brooks shared her experience at Hope, Inc.
17. Jim Lyons commended Animal Control, Sheriff and Police Department Staff.
18. Mia Gravis addressed Council regarding "No Kill" shelters.

### **CONSENT CALENDARS:**

*The following Consent Calendar items are expected to be routine and non-controversial. They will be acted upon by the Fire Board/Successor Agency/Authority Board/Council at one time without discussion. Any item may be removed by a Fire Board/Successor Agency/Authority Board/Council Member for discussion.*

### **J. CONSENT CALENDAR – FIRE PROTECTION DISTRICT**

- J1. Consideration to approve Minutes of: June 3, 2015 (Regular Meeting) and June 4, 2015 (Special Meeting - Budget).
- J2. Consideration to approve Check Register dated May 27, 2015 through June 09, 2015 for the total of \$164,373.35.
- J3. Consideration to receive and file current Investment Schedule as of May 31, 2015.
- J4. Consideration of approval of Amendments 001 renewing the professional services agreements with no rate increase with Williams Architects, Inc. (CO 14-261), IDS Group, Inc. (CO 14-268), Miller Architectural Corporation (CO 14-267), and SVA Architects, Inc. (CO 14-276) for architectural services; IDS Group, Inc. (CO 14-269) and Dahl, Taylor and Associates (CO 14-162) for electrical engineering services; IDS Group, Inc. (CO 14-270) and Brandow and Johnston, Inc. (CO 14-271) for structural engineering services, all on an as needed basis for FY 2015-2016 for various projects citywide, to be funded from various City and Fire accounts, contingent upon the approved budget for FY 2015-2016.
- J5. Consideration of adoption of Resolution No. FD 15-006 of the Rancho Cucamonga Fire Protection District to provide Workers Compensation Coverage for Volunteer Personnel.

#### RESOLUTION NO. FD 15-006

#### A RESOLUTION OF THE RANCHO CUCAMONGA FIRE PROTECTION DISTRICT TO PROVIDE WORKERS COMPENSATION COVERAGE FOR VOLUNTEER PERSONNEL

- J6. Consideration of adoption of Resolution No. FD 15-007 of the of the Board of the Rancho Cucamonga Fire Protection District requesting membership in the Public Agency Risk Sharing Authority of California and participation in the PARSAC Workers' Compensation program, designation of the authorized Board representative and their authority.

RESOLUTION NO. FD 15-007

A RESOLUTION OF THE BOARD OF THE RANCHO CUCAMONGA FIRE PROTECTION DISTRICT REQUESTING MEMBERSHIP IN THE PUBLIC AGENCY RISK SHARING AUTHORITY OF CALIFORNIA AND PARTICIPATION IN THE PARSAC WORKERS' COMPENSATION PROGRAM, DESIGNATION OF THE AUTHORIZED BOARD REPRESENTATIVE AND THEIR AUTHORITY.

MOTION: Moved by Mayor Pro Tem Spagnolo, seconded by Council Member Williams, to approve the Staff Recommendations in the Staff Reports for Consent Calendar Items J1 – J6. Motion carried 5-0.

**K. CONSENT CALENDAR – SUCCESSOR AGENCY**

K1. Consideration to approve Minutes of: June 3, 2015 (Regular Meeting)

MOTION: Moved by Council Member Williams, seconded by Council Member Alexander, to approve the Minutes of May 20, 2015. Motion carried 5-0.

**L. CONSENT CALENDAR – PUBLIC FINANCING AUTHORITY**

L1. Consideration to approve Minutes of: June 3, 2015 (Regular Meeting)

MOTION: Moved by Mayor Pro Tem Spagnolo, seconded by Council Member Williams, to approve the Minutes of May 20, 2015. Motion carried 5-0.

**M. CONSENT CALENDAR – CITY COUNCIL**

- M1. Consideration to approve Minutes of: June 3, 2015 (Regular Meeting) and June 4, 2015 (Special Meeting - Budget).
- M2. Consideration to approve Check Register dated May 27, 2015 through June 09, 2015 and payroll ending June 09, 2015 for the total of \$5,886,288.71.
- M3. Consideration to receive and file current Investment Schedule as of May 31, 2015.
- M4. Consideration to approve an award to 1 Plus 1 Technology Inc. of Dublin, California, for Microsoft Server Licenses in the amount of \$177,175.00, funded in the amount of \$31,650.00 from Account No. 1001209-5152 (Information Services, Computer Software) and \$145,525.00 from Account No. 1714001-5152 (Computer Equipment/Technology Replacement Fund, Computer Software).
- M5. Consideration of approval of Amendments 001 renewing the professional services agreements with no rate increase with Williams Architects, Inc. (CO 14-261), IDS Group, Inc. (CO 14-268), Miller Architectural Corporation (CO 14-267), and SVA Architects, Inc. (CO 14-276) for architectural services; IDS Group, Inc. (CO 14-269) and Dahl, Taylor and Associates (CO 14-162) for electrical engineering services; IDS Group, Inc. (CO 14-270) and Brandow and Johnston, Inc. (CO 14-271) for structural engineering services, all on an as needed basis for FY 2015-2016 for various projects citywide, to be funded from various City and Fire accounts, contingent upon the approved budget for FY 2015-2016.

- M6. Consideration to approve the use of a Houston-Galveston Area Council Buy Cooperative Contract #EM06-13, award to RDO Equipment Company of Riverside, California, as a piggyback solution for the purchase of one (1) John Deere Backhoe Loader in the amount of \$173,079.08 in accordance with Request for Bids ("RFB") #14/15-014 (replacing Unit #1647) from Account No. 1712001-5603 (Equipment/Vehicle Replacement) in the amount of \$165,000 and authorize an additional appropriation into object 5603 in the amount of \$8,079.08 from the 712 fund balance.
- M7. Consideration of approval of Amendments 001 renewing the professional services agreements with Dahl, Taylor and Associates (CO 14-127), Henrikson Owen (CO 14-128), Design West Engineering (CO 14-129), and Budlong and Associates, Inc. (CO 14-130) and Amendment 002 renewing the professional services agreement with JC Chang and Associates, Inc. (CO 14-126), to provide mechanical engineering services on an as needed basis no rate increases in FY 2015-2016 for various projects citywide, to be funded from various City accounts, contingent upon the approved budget for FY 2015-2016.
- M8. Consideration of approval to authorize the advertising of the "Notice Inviting Bids" for the 4<sup>th</sup> Street from Archibald Avenue to Haven Avenue, 7<sup>th</sup> Street from Hellman Avenue to Archibald Avenue and Archibald Avenue from 4<sup>th</sup> Street to Foothill Boulevard Pavement Rehabilitation Projects to be funded from Gas Tax RT7360 and Measure I Funds.

RESOLUTION NO. 15-086

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA APPROVING PLANS AND SPECIFICATIONS FOR THE "4<sup>TH</sup> STREET FROM ARCHIBALD AVENUE TO HAVEN AVENUE, 7<sup>TH</sup> STREET FROM HELLMAN AVENUE TO ARCHIBALD AVENUE AND ARCHIBALD AVENUE FROM 4<sup>TH</sup> STREET TO FOOTHILL BOULEVARD PAVEMENT REHABILITATION PROJECTS" IN SAID CITY AND AUTHORIZING AND DIRECTING THE CITY CLERK TO ADVERTISE TO RECEIVE BIDS.

- M9. Consideration to approve Amendment No. 002 renewing the Professional Services Agreements with no fee increase for Aufbau Corporation (CO 13-141), Onward Engineering (CO 13-143) and Dan Guerra & Associates (CO 13-142) for providing annual Public Works Inspection/Construction Support and Engineering Support Annual Services for FY 2015/2016, for proposed capital improvement projects throughout the City, to be funded from various individual project accounts as approved in the FY 2015/2016 Budget.
- M10. Consideration to approve Amendment No. 002 renewing the Professional Services Agreements with no fee increase for Dawson Surveying, Inc. (CO 13-137), LEH & Associates (CO 13-138), Westland Group, Inc. (CO 13-139) and Madole & Associates (CO 13-140) for providing annual survey services for FY 2015/2016, for proposed capital improvement projects throughout the City, to be funded from various individual project accounts as approved in the FY 2015/2016 Budget.
- M11. Consideration to approve Amendment No. 002 renewing the Professional Services Agreements with a fee increase for Ninyo & Moore (CO 13-132), Leighton Consulting, Inc. (CO 13-134) and Converse Consultants (CO 13-135) for providing annual soils and materials testing services for FY 2015/2016, for proposed capital improvement projects throughout the City, to be funded from various individual project accounts as approved in the FY 2015/2016 Budget.
- M12. Consideration to accept the bids received and award and authorize the execution of the contract in the amount of \$60,346.00, to the lowest responsive bidder, Vido Samarzich Inc., and authorize the expenditure of a 10% contingency in the amount of \$6,034.60, for the FY 2014/2015 Sidewalk Improvements for Bus Stops at Various Locations to be funded from Gas Tax R&T 7360 and Pedestrian Grant, Article 3 Funds, Account Nos. 1174303-5650/1823174-0 and 1214303-5650/1823214-0.

- M13. Consideration to approve Amendment No. 003 to renew Professional Services Agreement (CO#12-078) with Applied Metering Technologies, Inc. in the amount of \$132,000.00 for installation, configuration and meter reading services within the Rancho Cucamonga Municipal Utility service area for FY 2015/16 to be funded from 17053035309 Municipal Utility Fund and to extend term of said contract for four years with the option to renew in two year increments.
- M14. Consideration to approve Amendment No. 004 to renew Professional Services Agreement (CO#12-077) with Butsko Utility Design, Inc. for technical electrical engineering support within the Rancho Cucamonga Municipal Utility service area for FY 2015/16, to extend the term of said contract for four years with the option to renew in two year increments and increase contract to not exceed \$175,000.00 to be funded from 17053035309 Municipal Utility Fund.
- M15. Consideration to approve Amendment No. 006 to renew Professional Services Agreement (CO#12-075) with International Line Builders, Inc. in the amount of \$165,000.00 for operation and maintenance of the Arbors Substation and the municipal utilities electrical distribution system within the Rancho Cucamonga Municipal Utility service area for FY 2015/16 to be funded from 17053035309 and 17053035603 Municipal Utility Funds and to extend term of said contract for four years with the option to renew in two year increments.
- M16. Consideration to approve and authorize an increase to Professional Services Agreement (CO#14-008) to not exceed \$125,000.00 for Pacific Utility Installation for FY 2015/16 to be funded from 17053035309 and 17053035603 Municipal Utility Funds.
- M17. Consideration to approve Amendment No. 002 to renew Professional Services Agreement (CO#13-083) with Richard Heath and Associates, Inc. in the amount of \$100,000.00 for energy conservation audits and implement a customer direct installation program for Rancho Cucamonga Municipal Utility customers for FY 2015/16 to be funded from 17063035300 Utility Public Benefit Fund.
- M18. Consideration to order the annexation to Landscape Maintenance District No. 1 and Street Light Maintenance Districts No. 1 and 2 for DRC2013-01012, located at 6772 Jasper Street, submitted by Keith M. Arnold.

**RESOLUTION NO. 15-087**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA, ORDERING THE ANNEXATION OF CERTAIN TERRITORY TO LANDSCAPE MAINTENANCE DISTRICT NO. 1 (GENERAL CITY) FOR DRC2013-01012

**RESOLUTION NO. 15-088**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA, ORDERING THE ANNEXATION OF CERTAIN TERRITORY TO STREET LIGHT MAINTENANCE DISTRICT NO. 1 (ARTERIAL STREETS) FOR DRC2013-01012

**RESOLUTION NO. 15-089**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA, ORDERING THE ANNEXATION OF CERTAIN TERRITORY TO STREET LIGHT MAINTENANCE DISTRICT NO. 2 (LOCAL STREETS) FOR DRC2013-01012

- M19. Consideration of approval to Renew/Extend Annual Contract (CO 15-060) with J&S Striping Inc. with no fee increase for Fiscal Year 2015-2016 for "Street Striping and Pavement Marking Maintenance" in the amount of \$150,00 to be Funded from Fund No. 11773035300 (Contract Services FY 2015-16).

- M20. Consideration of approval of a Resolution adopting a Side Letter Agreement to the Memorandum of Understanding between the City of Rancho Cucamonga and the Rancho Cucamonga City Employees Association.

RESOLUTION NO. 15-090

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA APPROVING A SIDE LETTER AGREEMENT BETWEEN THE CITY OF RANCHO CUCAMONGA AND THE RANCHO CUCAMONGA CITY EMPLOYEES ASSOCIATION

- M21. Consideration of approval of a Resolution adopting a Side Letter Agreement to the Memorandum of Understanding between the City of Rancho Cucamonga and the San Bernardino Public Employees Association.

RESOLUTION NO. 15-091

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA APPROVING A SIDE LETTER AGREEMENT BETWEEN THE CITY OF RANCHO CUCAMONGA AND THE SAN BERNARDINO PUBLIC EMPLOYEES ASSOCIATION

- M22. Consideration of approval of Amendment No. 005 for the final payment to Provo Engineering not to exceed \$25,064 from the Building and Safety's budgeted Account Number 1001-302-5200 - Contract Services for the contract fire plan checks and inspections for various construction projects in the City during Fiscal Year 2014-2015.
- M23. Approval of a Professional Services Agreement with Special Service for Groups (SSG) for services associated with the development of the Healthy RC Evaluation Plan in an amount not to exceed \$84,992 to be Funded from Account No. 1218107-5300/0-3731 (Healthy RC Program – Contract Services) in accordance with RFP #14/15-117.

MOTION: Moved by Council Member Alexander, seconded by Council Member Williams, to approve the staff recommendations in the staff reports for Consent Calendar Items M1 – M23. Motion carried 5-0.

## N. CONSENT ORDINANCES

**The following Ordinances have been introduced for first reading. Second readings are expected to be routine and non-controversial. The City Council will act upon them at one time without discussion. The City Clerk will read the title. Any item can be removed for discussion by a Council Member.**

Items N1, N2 and N3 were heard concurrently.

- N1. Second reading of Ordinance No. 874 approving Development Code Amendment DRC2014-00879 – City of Rancho Cucamonga – An Ordinance amending the Development Code to provide a Floor Area Ratio (FAR) for hotels and motels (only) in order to allow more flexibility in the size of these types of uses/developments located within the City.

ORDINANCE NO. 874 (SECOND READING)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA APPROVING DEVELOPMENT CODE AMENDMENT DRC2014-00879, A REQUEST TO AMEND RATIO (FAR) OF 1.0 FOR HOTELS AND MOTELS (ONLY) IN THE INDUSTRIAL PARK DISTRICT IN ORDER TO ALLOW MORE FLEXIBILITY IN THE SIZE OF THESE TYPES OF USES/DEVELOPMENTS LOCATED WITHIN THE CITY AND MAKING FINDINGS IN SUPPORT THEREOF

- N2. Second reading of Ordinance No. 875 approving Zoning Map Amendment DRC2014-00547-7418 Archibald, LLC – A request to amend the Zoning Map from Low (L) Residential to High(H) Residential and to establish a Senior Housing Overlay Zoning District (SH) for 2.25 acres of land, located on the west side of Archibald Avenue, south of Base Line Road; APN: 0208-031-58 and 0208-31-59.

Second Reading of Ordinance No. 876 approving Development Agreement #\_\_\_\_\_ DRC2014-00610 - 7418 Archibald, LLC for the purpose of providing a Senior Housing Project in accordance with the Senior Housing Overlay Zoning District (SHOZD) including a deviation from certain development standards for the development of a 24,462 square foot, 60-unit senior apartment complex on 2.25 acres of land located on the west side of Archibald Avenue, south of Base Line Road; APN: 0208-031-58 and 0208-031-59.

**ORDINANCE NO. 875 (SECOND READING)**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA, APPROVING ZONING MAP AMENDMENT DRC2014-00547 TO CHANGE 2.25 ACRES OF LAND FROM LOW (L) RESIDENTIAL TO HIGH (H) RESIDENTIAL AND TO ESTABLISH A SENIOR HOUSING OVERLAY ZONING DISTRICT (SH), LOCATED ON THE WEST SIDE OF ARCHIBALD AVENUE, SOUTH OF BASE LINE ROAD; APN: 0208-031-58 AND 0208-031-59; AND MAKING FINDINGS IN SUPPORT THEREOF

**ORDINANCE NO. 876 (SECOND READING)**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA APPROVING DEVELOPMENT AGREEMENT DRC2014-00610 FOR THE PURPOSE OF PROVIDING A SENIOR HOUSING PROJECT IN ACCORDANCE WITH THE SENIOR HOUSING OVERLAY ZONING DISTRICT (SHOZD) INCLUDING A DEVIATION FROM CERTAIN DEVELOPMENT STANDARDS FOR THE DEVELOPMENT OF A 24,641 SQUARE FOOT, 60-UNIT SENIOR APARTMENT COMPLEX ON 2.25 ACRES OF LAND LOCATED ON THE WEST SIDE OF ARCHIBALD AVENUE, SOUTH OF BASE LINE ROAD; APN: 0208-031-58 AND 0208-031-59

- N3. Second Reading of Ordinance No. 877 an Ordinance of the City Council of the City of Rancho Cucamonga, California, approving Victoria Community Plan Amendment DRC2014-00561 – Caldwell Land Solutions – A request to change the Victoria Community Plan zoning designation from School (S) to Low Medium (LM) Residential (4-8 dwelling units per acre) for a 6.5 acre site located on the northwest corner of Kenyon Way and Lark Drive in the Victoria Community Plan; APN: 1089-011-04.

**ORDINANCE NO. 877 (SECOND READING)**

AN ORDINANCE OF THE CITY COUNCIL, CITY OF RANCHO CUCAMONGA CALIFORNIA APPROVING VICTORIA COMMUNITY PLAN AMENDMENT DRC2014-00561, A REQUEST TO CHANGE THE VICTORIA COMMUNITY PLAN ZONING DESIGNATION FROM SCHOOL (S) TO LOW MEDIUM (LM) RESIDENTIAL (4-8 DWELLING UNITS PER ACRE) FOR A 6.5 ACRE SITE LOCATED ON THE NORTHWEST CORNER OF KENYON WAY AND LARK DRIVE IN THE VICTORIA COMMUNITY PLAN; AND MAKING FINDINGS IN SUPPORT THEREOF – APN: 1089-011-04.

Mayor Michael opened the public hearing. With no one wishing to speak, Mayor Michael closed the public hearing.

City Clerk Services Director Troyan read the titles of Ordinances 874, 875, 876 and 877.

MOTION: Moved by Spagnolo, seconded by Williams, to adopt Ordinances No. 874, 875, 876, and 877.  
Motion carried 5-0.

## O. ADVERTISED PUBLIC HEARINGS CITY COUNCIL

**The following items have been advertised and/or posted as public hearings as required by law. The Mayor will open the meeting to receive public testimony.**

- O1. CONSIDERATION OF TIME EXTENSION DRC2015-00469 - RANCH HAVEN, LLC AND GOLDEN MEADOWLAND, LLC - A request for a one (1) year time extension of an existing Development Agreement (DRC2002-00156) regarding an approved project of 358 single-family lots on approximately 150.79 acres of land within the Etiwanda North Specific Plan, located south of the Southern California Edison corridor between Etiwanda Avenue and East Avenue. APN: 1087-081-19, 20, 21, 22, 23, 24. Related Files: Annexation DRC2002-00865, Tentative Tract SUBTT16072, Development Agreement Amendment DRC2013-00883. Staff has found the project to be within the scope of the project covered by a prior Environmental Impact Report certified by the City of Rancho Cucamonga in July 2004, and does not raise or create new environmental impacts not already considered in that Environmental Impact Report.

### RESOLUTION NO. 15-092

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA, APPROVING A REQUEST TO EXTEND THE DURATION OF A DEVELOPMENT AGREEMENT BY AN ADDITIONAL ONE (1) YEAR FOR DRC2002-00156, AN AGREEMENT FOR AN APPROVED PROJECT OF 358 SINGLE FAMILY LOTS ON APPROXIMATELY 150.79 ACRES OF LAND WITHIN THE ETIWANDA NORTH SPECIFIC PLAN, LOCATED SOUTH OF THE SOUTHERN CALIFORNIA EDSION CORRIDOR BETWEEN ETIWANDA AVENUE AND EAST AVENUE; AND MAKING FINDINGS IN SUPPORT THEREOF - APN: 1087-081-19, 20, 21, 22, 23, 24.

Via PowerPoint presentation, Mayuko "May" Nakajima, Assistant Planner, introduced the request for a one year time extension.

Mayor Michael opened the public hearing.

Public comment: Gregory Wright, resident living next door, advised of view and water constraints.

With no further public comment, Mayor Michael closed the public hearing.

MOTION: Moved by Council Member Alexander, seconded by Mayor Pro Tem Spagnolo, to adopt Resolution No. 15-092. Motion carried 5-0.

## P. CITY MANAGER'S STAFF REPORTS CITY COUNCIL

- P1. Consideration to approve amendments to the Rancho Cucamonga Municipal Utility's Economic Development Rate Agreement.

Fred Lyn, Utility Division Manager, reviewed the proposed amendments contained in the staff report.

MOTION: Moved by Mayor Pro Tem Spagnolo, seconded by Council Member Williams to approve amendments. Motion carried 5-0.

P2. Consideration of approval to amend the Rancho Cucamonga Municipal Utility Solar Rebate Program.

Fred Lyn, Utility Division Manager, introduced Trina Valdez, Management Analyst I in Engineering, who gave the report. Staff recommended amendment of the program as outlined in the staff report.

MOTION: Moved by Mayor Pro Tem Spagnolo, seconded by Council Member Alexander, to approve the amendments to the Rancho Cucamonga Municipal Utility Solar Rebate Program. Motion carried 5-0.

**Q. COUNCIL BUSINESS**

Q1. INTER-AGENCY UPDATES (Update by the City Council to the community on the meetings that were attended.)

Council Member Kennedy gave a legislative update on actions recently taken by the Transportation, Communication & Public Works Policy Committee of the League of California Cities.

Q2. COUNCIL ANNOUNCEMENTS (Comments to be limited to three minutes per Council Member.)

Mayor Michael reported on a recent visit he took to Washington, DC with others from the City regarding legislative advocacy.

**Q. IDENTIFICATION OF ITEMS FOR NEXT MEETING**

There were none.

**R. ADJOURNMENT**

The meeting was adjourned at 8:21 p.m.

Respectfully submitted,

\_\_\_\_\_  
Linda A. Troyan, MMC  
City Clerk Services Director

Approved: \* \* \* \* \*

June 18, 2015

CITY OF RANCHO CUCAMONGA  
CITY COUNCIL SPECIAL MEETING MINUTES

**SPECIAL MEETING  
CALL TO ORDER – 3:00 P.M.  
CITY COUNCIL CHAMBERS**

The Rancho Cucamonga City Council/Fire Protection District held a special meeting on Wednesday, June 18, 2015 in the Council Chambers, 10500 Civic Center Drive, Rancho Cucamonga, California. The meeting was called to order at 3:00 p.m. by Mayor L. Dennis Michael.

Present were Council Members: Bill Alexander, Lynne Kennedy, Diane Williams, Mayor Pro Tem Sam Spagnolo and Mayor L. Dennis Michael.

Also present were: John Gillison, City Manager; Linda Daniels, Assistant City Manager; Linda Troyan, City Clerk Services Director and Adrian Garcia, Assistant City Clerk.

Linda Troyan, City Clerk Services Director, led the Pledge of Allegiance.

**B. COMMUNICATIONS FROM THE PUBLIC**

There were none.

**CONSENT CALENDARS:**

*The following Consent Calendar items are expected to be routine and non-controversial. They will be acted upon by the Board/City Council at one time without discussion. Any item may be removed by a Board/Council Member for discussion.*

**C. CONSENT CALENDAR – FIRE PROTECTION DISTRICT**

- C1. Consideration to approve the following to be in compliance with Governmental Accounting Standards Board (GASB) Statement No. 54: 1) Updated fund balance policy and 2) a Resolution committing to the level of fiscal reserves for the Rancho Cucamonga Fire Protection District.

RESOLUTION NO. FD 15-008

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO CUCAMONGA FIRE PROTECTION DISTRICT, SAN BERNARDINO COUNTY, CALIFORNIA COMMITTING TO THE LEVEL OF FISCAL RESERVES FOR RANCHO CUCAMONGA FIRE PROTECTION DISTRICT

- C2. Consideration to approve a Resolution adopting Fire District salary schedules for Fiscal Year 2015-16 including a part-time employee benefit summary.

RESOLUTION NO. FD 15-009

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO CUCAMONGA FIRE PROTECTION DISTRICT, RANCHO CUCAMONGA, CALIFORNIA, APPROVING SALARY SCHEDULES FOR FISCAL YEAR 2015-16 INCLUDING A PART-TIME EMPLOYEE BENEFIT SUMMARY

MOTION: Moved by Council Member Kennedy, seconded by Mayor Pro Tem Spagnolo, to approve the Staff Recommendations in the Staff Reports for Consent Calendar Items C1 – C2. Motion carried 5-0.

**D. CONSENT CALENDAR – CITY COUNCIL**

- D1. Consideration to approve the following to be in compliance with Governmental Accounting Standards Board (GASB) Statement No. 54: 1) Updated fund balance policy and 2) a Resolution committing to the level of fiscal reserves for the City of Rancho Cucamonga.

RESOLUTION NO. 15-094

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA COMMITTING TO THE LEVEL OF FISCAL RESERVES FOR THE CITY OF RANCHO CUCAMONGA

- D2. Consideration to approve the Capital Improvement Program (CIP) for Fiscal Year 2015/16.
- D3. Consideration to approve an updated City General Fund Reserve Funding Goals Policy.
- D4. Consideration to approve a Resolution adopting salary schedules for Fiscal Year 2015-16, including a part-time employee benefit summary.

RESOLUTION NO. 15-095

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA, APPROVING THE SALARY SCHEDULES FOR FISCAL YEAR 2015-16, INCLUDING A PART-TIME EMPLOYEE BENEFIT SUMMARY AND CITY COUNCIL BENEFITS

MOTION: Moved by Mayor Pro Tem Spagnolo, seconded by Council Member Williams, to approve the Staff Recommendations in the Staff Reports for Consent Calendar Items D1 – D4. Motion carried 5-0.

**E. CITY MANAGER’S STAFF REPORTS  
FIRE PROTECTION DISTRICT**

John Gillison, Executive Director, presented the preliminary budget for the Fire Protection District. Approval of final budget is scheduled for July 15, 2015.

- E1. Consideration to adopt the Rancho Cucamonga Fire Protection District General Fund preliminary budget in the amount of \$50,451,190, which is a combination of \$24,215,140 in General Fund Operational Expenditures and \$26,236,050 in Capital Reserve Expenditures, primarily for an all-risk training facility; adopt the appropriations limit in the amount of \$33,676,212 for Fiscal Year 2015/2016 and set approval of final budget for July 15, 2015.

RESOLUTION NO. FD 15-010

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO CUCAMONGA FIRE PROTECTION DISTRICT, SAN BERNARDINO COUNTY, CALIFORNIA, ADOPTING A GENERAL FUND APPROPRIATIONS LIMIT FOR FISCAL YEAR 2015/16 PURSUANT TO ARTICLE XIIB OF THE CALIFORNIA CONSTITUTION

- E2. Consideration to approve Resolutions adopting a budget in the amount of \$5,623,460 and approving the appropriations limit in the amount of \$12,828,233 for Fiscal Year 2015/16 in Communities Facilities District (CFD) No. 85-1.

RESOLUTION NO. FD 15-011

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO CUCAMONGA FIRE PROTECTION DISTRICT, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING AND ADOPTING A BUDGET FOR MELLO-ROOS COMMUNITY FACILITIES DISTRICT NO. 85-1 FOR FISCAL YEAR 2015/16

RESOLUTION NO. FD 15-012

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO CUCAMONGA FIRE PROTECTION DISTRICT, SAN BERNARDINO COUNTY, CALIFORNIA, ADOPTING AN APPROPRIATIONS LIMIT FOR MELLO-ROOS COMMUNITY FACILITIES DISTRICT NO. 85-1 FOR FISCAL YEAR 2015/16 PURSUANT TO ARTICLE XIIB OF THE CALIFORNIA CONSTITUTION

- E3. Consideration of approval of Resolutions adopting a budget in the amount of \$2,209,850; approving the appropriations limit in the amount of \$3,096,495 for Fiscal Year 2015/16; and approving the revised appropriations limit in the amount of \$2,888,025 for Fiscal Year 2014/15 in Community Facilities District (CFD) No. 88-1.

RESOLUTION NO. FD 15-013

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO CUCAMONGA FIRE PROTECTION DISTRICT, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, APPROVING AND ADOPTING A BUDGET FOR COMMUNITY FACILITIES DISTRICT NO. 88-1 FOR FISCAL YEAR 2015/16

RESOLUTION NO. FD 15-014

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO CUCAMONGA FIRE PROTECTION DISTRICT, SAN BERNARDINO COUNTY, CALIFORNIA, ADOPTING AN APPROPRIATIONS LIMIT FOR COMMUNITY FACILITIES DISTRICT NO. 88-1 FOR FISCAL YEAR 2015/16 PURSUANT TO ARTICLE XIIB OF THE CALIFORNIA CONSTITUTION

RESOLUTION NO. FD 15-015

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO CUCAMONGA FIRE PROTECTION DISTRICT, SAN BERNARDINO COUNTY, CALIFORNIA, ADOPTING A REVISED APPROPRIATIONS LIMIT FOR COMMUNITY FACILITIES DISTRICT NO. 88-1 FOR FISCAL YEAR 2014/15 PURSUANT TO ARTICLE XIIB OF THE CALIFORNIA CONSTITUTION

MOTION: Moved by Mayor Pro Tem Spagnolo, seconded by Council Member Alexander, to approve the Staff Recommendations in the Staff Reports for Consent Calendar Items 31 – E3. Motion carried 5-0.

**F. CITY MANAGER'S STAFF REPORTS  
CITY COUNCIL**

F1. Consideration of adoption of Fiscal Year 2015/2016 budget and Article XIII B appropriations limit.

RESOLUTION NO. 15-096

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA, ADOPTING THE CITY'S FISCAL YEAR 2015/2016 BUDGET

RESOLUTION NO. 15-097

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA, ESTABLISHING AN APPROPRIATIONS LIMIT PURSUANT TO ARTICLE XIII B OF THE CALIFORNIA STATE CONSTITUTION FOR FISCAL YEAR 2015/2016

City Manager John Gillison presented the City's Budget and Appropriations Limit for Fiscal Year 2015/16. A budget workshop was held on June 4, 2015.

MOTION: Moved by Council Member Williams, seconded by Council Member Kennedy, to adopt Resolution No. 15-096 and Resolution No. 15-097. Motion carried 5-0.

**G. ADJOURNMENT**

The Special Meeting adjourned at 3:07 p.m.

Respectfully submitted,

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Linda A. Troyan, MMC  
City Clerk Services Director

Approved: \* \* \* \* \*

**CITY OF RANCHO CUCAMONGA  
AND  
RANCHO CUCAMONGA FIRE PROTECTION DISTRICT**

**Agenda Check Register**

6/10/2015 through 6/23/2015

<u>Check No.</u>	<u>Check Date</u>	<u>Vendor Name</u>	<u>City</u>	<u>Fire</u>	<u>Amount</u>
AP 00005283	06/10/2015	AECOM	11,152.99	0.00	11,152.99
AP 00005284	06/10/2015	CALIF GOVERNMENT VEBA/RANCHO CUCAMONGA	9,320.00	0.00	9,320.00
AP 00005285	06/10/2015	RCCEA	1,328.00	0.00	1,328.00
AP 00005286	06/10/2015	RCPFA	10,449.56	0.00	10,449.56
AP 00005287	06/10/2015	RIVERSIDE, CITY OF	6,294.00	0.00	6,294.00
AP 00005288	06/10/2015	SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	70.56	0.00	70.56
AP 00005289	06/10/2015	VIASYN INC	1,640.00	0.00	1,640.00
AP 00005290	06/17/2015	FORTISTAR METHANE GROUP LLC	116,645.60	0.00	116,645.60
AP 00005291	06/17/2015	SAN BERNARDINO COUNTY	25.00	0.00	25.00
AP 00358983	06/10/2015	A AND R TIRE SERVICE	1,625.64	0.00	1,625.64
AP 00358984	06/10/2015	A&R BRIDGESTONE/FIRESTONE AUTO	123.27	0.00	123.27
AP 00358985	06/10/2015	A&V SOFTBALL	2,376.00	0.00	2,376.00
AP 00358986	06/10/2015	ACEY DECY EQUIPMENT INC.	155.94	0.00	155.94
AP 00358987	06/10/2015	ADDINGTON, MATTHEW	35.00	0.00	35.00
AP 00358988	06/10/2015	AFLAC GROUP INSURANCE	238.17	0.00	238.17
AP 00358989	06/10/2015	AFLAC GROUP INSURANCE	6,843.06	0.00	6,843.06
AP 00358990	06/10/2015	AGUILERA, ISALAH	300.00	0.00	300.00
AP 00358991	06/10/2015	ALL CITY MANAGEMENT SERVICES INC.	40,825.25	0.00	40,825.25
AP 00358992	06/10/2015	ALL WELDING	2,325.24	0.00	2,325.24
AP 00358993	06/10/2015	ALPHAGRAPHS	946.59	0.00	946.59
AP 00358994	06/10/2015	ALVAREZ, MONICA	500.00	0.00	500.00
AP 00358995	06/10/2015	ANTECH DIAGNOSTICS	2,056.37	0.00	2,056.37
AP 00358996	06/10/2015	APPLIED METERING TECHNOLOGIES INC	11,065.30	0.00	11,065.30
AP 00358997	06/10/2015	ARCHITERRA DESIGN GROUP	10,150.91	0.00	10,150.91
AP 00358998	06/10/2015	ARMIT, GARTH	450.00	0.00	450.00
AP 00358999	06/10/2015	ARROW RESTAURANT EQUIPMENT	5,626.80	0.00	5,626.80
AP 00359000	06/10/2015	BATTERY POWER INC	422.19	0.00	422.19
AP 00359001	06/10/2015	BERNELL HYDRAULICS INC	42.75	0.00	42.75
AP 00359002	06/10/2015	BISHOP COMPANY	359.10	0.00	359.10
AP 00359003	06/10/2015	BUTSKO UTILITY DESIGN INC.	7,872.10	0.00	7,872.10
AP 00359004	06/10/2015	CAL PERS LONG TERM CARE	248.21	0.00	248.21
AP 00359005	06/10/2015	CALIFORNIA FRANCHISE TAX BOARD	55.00	0.00	55.00
AP 00359006	06/10/2015	CALIFORNIA FRANCHISE TAX BOARD	300.00	0.00	300.00
AP 00359007	06/10/2015	CALIFORNIA, STATE OF	602.00	0.00	602.00
AP 00359008	06/10/2015	CARNES, SANDRA	0.00	52.00	52.00
AP 00359009	06/10/2015	CARQUEST AUTO PARTS	1,439.96	182.55	1,622.51 ***
AP 00359010	06/10/2015	CARSON, DANIEL	0.00	129.60	129.60
AP 00359011	06/10/2015	CASA VOLANTE MOBILE HOME PARK	1,400.00	0.00	1,400.00
AP 00359012	06/10/2015	CCS ORANGE COUNTY JANITORIAL INC.	560.50	0.00	560.50
AP 00359013	06/10/2015	CHAVEZ, ALIESE	0.00	66.46	66.46
AP 00359014	06/10/2015	CINTAS CORP. #150	993.32	0.00	993.32
AP 00359015	06/10/2015	CLAYTON, JANICE	223.53	0.00	223.53
AP 00359016	06/10/2015	CORFEE, REINA	2.00	0.00	2.00
AP 00359017	06/10/2015	CORTESE, DEANNE	250.00	0.00	250.00
AP 00359018	06/10/2015	CPRS DISTRICT 11	270.00	0.00	270.00
AP 00359019	06/10/2015	CRIME SCENE STERI-CLEAN LLC	540.00	0.00	540.00
AP 00359020	06/10/2015	CROP PRODUCTION SERVICES INC	82.11	0.00	82.11

**CITY OF RANCHO CUCAMONGA  
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AP 00359021	06/10/2015	CUCAMONGA MIDDLE SCHOOL	200.00	0 00	200.00
AP 00359022	06/10/2015	CUE, DON	300.00	0 00	300.00
AP 00359023	06/10/2015	D AND K CONCRETE COMPANY	984.96	0.00	984.96
AP 00359024	06/10/2015	DANIELS TIRE SERVICE	0.00	92.00	92.00
AP 00359025	06/10/2015	DEL MAR, MARK	100.00	0.00	100.00
AP 00359026	06/10/2015	DEPARTMENT OF CONSUMER AFFAIRS	115.00	0.00	115.00
AP 00359027	06/10/2015	DEPARTMENT OF JUSTICE	49.00	0.00	49.00
AP 00359028	06/10/2015	DOUGLAS, DONA	145.00	0.00	145.00
AP 00359029	06/10/2015	DOWNEY, JENNIFER	15.44	0.00	15.44
AP 00359030	06/10/2015	DUMBELL MAN FITNESS EQUIPMENT, THE	0.00	718.20	718.20
AP 00359031	06/10/2015	EKE, KENNETH	1,000.00	0.00	1,000.00
AP 00359032	06/10/2015	ENGASSER, JACQUELINE	27.00	0.00	27.00
AP 00359033	06/10/2015	ENGELKE, LINDA	10.00	0.00	10.00
AP 00359034	06/10/2015	EXPRESS BRAKE SUPPLY	226.19	0.00	226.19
AP 00359035	06/10/2015	FARRIS, RITA	100.00	0.00	100.00
AP 00359036	06/10/2015	FEDERAL EXPRESS CORP	20.75	0.00	20.75
AP 00359037	06/10/2015	FIRST VETERINARY SUPPLY	140.40	0.00	140.40
AP 00359038	06/10/2015	FLAG SYSTEMS INC.	2,500.00	0.00	2,500.00
AP 00359039	06/10/2015	FLEET SERVICES INC.	0.00	722.09	722.09
AP 00359040	06/10/2015	FOYTIK, CHAD	45.00	0.00	45.00
AP 00359041	06/10/2015	FUND RAISERS LTD	88.86	0.00	88.86
AP 00359042	06/10/2015	G AND M BUSINESS INTERIORS	1,147.95	0.00	1,147.95
AP 00359043	06/10/2015	GILKEY, JOHN	150.00	0.00	150.00
AP 00359044	06/10/2015	GIRARD, RYAN	718.90	0.00	718.90
AP 00359045	06/10/2015	GODINEZ, MARTHA	44.40	0.00	44.40
AP 00359046	06/10/2015	GOODMAN RANCHO SPE LLC	202.67	0.00	202.67
AP 00359047	06/10/2015	GRAINGER	415.65	0.00	415.65
AP 00359048	06/10/2015	GT ENGINEERING	0.00	145.80	145.80
AP 00359049	06/10/2015	HACKETT, RAMONA	86.00	0.00	86.00
AP 00359050	06/10/2015	HARVARD DRUG GROUP - 01	130.00	0.00	130.00
AP 00359051	06/10/2015	HENRY SCHEIN ANIMAL HEALTH SUPPLY	349.90	0.00	349.90
AP 00359052	06/10/2015	HERITAGE EDUCATION GROUP	112.00	0.00	112.00
AP 00359053	06/10/2015	HILWAY SAFETY INC	5,512.79	0.00	5,512.79
AP 00359054	06/10/2015	HILLS PET NUTRITION SALES INC	2,229.13	0.00	2,229.13
AP 00359055	06/10/2015	HMC ARCHITECTS	0.00	139,077.07	139,077.07
AP 00359056	06/10/2015	HOME DEPOT CREDIT SERVICES 645	141.09	0.00	141.09
AP 00359057	06/10/2015	HOOD, KARYE	52.41	0.00	52.41
AP 00359058	06/10/2015	HOSE MAN INC	266.01	0.00	266.01
AP 00359059	06/10/2015	HOYT LUMBER CO , SM	0.00	29.28	29.28
AP 00359060	06/10/2015	IDEXX DISTRIBUTION INC	1,215.39	0.00	1,215.39
AP 00359061	06/10/2015	INDUSTRIAL ELECTRIC MACHINERY LLC	1,168.00	0.00	1,168.00
AP 00359062	06/10/2015	INLAND POWDER COATING CORP	0.00	404.00	404.00
AP 00359063	06/10/2015	INLAND PRESORT & MAILING SERVICES	164.52	0.00	164.52
AP 00359064	06/10/2015	INLAND VALLEY EMERGENCY PET CLINIC	2,750.00	0.00	2,750.00
AP 00359065	06/10/2015	INTERACTIVE DATA CORPORATION	115.52	0.00	115.52
AP 00359066	06/10/2015	INTERINSURANCE EXCHANGE OF THE AUTOMOBILE	534.29	0.00	534.29
AP 00359067	06/10/2015	J AND S STRIPING CO INC	100,377.70	0.00	100,377.70

**CITY OF RANCHO CUCAMONGA  
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<u>Check No.</u>	<u>Check Date</u>	<u>Vendor Name</u>	<u>City</u>	<u>Fire</u>	<u>Amount</u>
AP 00359068	06/10/2015	JCL TRAFFIC SERVICES	4,800.56	0.00	4,800.56
AP 00359069	06/10/2015	JOHN BURR CYCLES INC	652.55	0.00	652.55
AP 00359070	06/10/2015	JOHNNY ALLEN TENNIS ACADEMY	1,570.80	0.00	1,570.80
AP 00359071	06/10/2015	JRC HOUSING	250.00	0.00	250.00
AP 00359072	06/10/2015	JRC HOUSING	770.00	0.00	770.00
AP 00359073	06/10/2015	JRC HOUSING	2,180.00	0.00	2,180.00
AP 00359074	06/10/2015	JZPC PARTY RENTALS INC	588.70	0.00	588.70
AP 00359075	06/10/2015	KIM, BOG	86.00	0.00	86.00
AP 00359076	06/10/2015	KIP AMERICA INC	1,270.00	0.00	1,270.00
AP 00359077	06/10/2015	KNOTTS BERRY FARM	5,040.00	0.00	5,040.00
AP 00359078	06/10/2015	KONG, SOPHEAK	300.00	0.00	300.00
AP 00359079	06/10/2015	LABOR COMPLIANCE PROVIDERS	688.75	0.00	688.75
AP 00359080	06/10/2015	LITTLE BEAR PRODUCTIONS	5,725.00	0.00	5,725.00
AP 00359081	06/10/2015	LOUIS RENE BOYKINS	500.00	0.00	500.00
AP 00359082	06/10/2015	LUCKY FEET SHOES INC	307.70	0.00	307.70
AP 00359083	06/10/2015	MAIN STREET SIGNS	366.98	0.00	366.98
AP 00359084	06/10/2015	MARIPOSA LANDSCAPES INC	52,648.26	0.00	52,648.26
AP 00359085	06/10/2015	MARK CHRISTOPHER INC	21.96	520.37	542.33 ***
AP 00359086	06/10/2015	MARTINEZ TOWING	135.00	0.00	135.00
AP 00359087	06/10/2015	MCMASTER CARR SUPPLY COMPANY	323.92	0.00	323.92
AP 00359088	06/10/2015	MERRILL GARDENS AT RANCHO CUCAMONGA	20,279.00	0.00	20,279.00
AP 00359089	06/10/2015	MIJAC ALARM COMPANY	102.00	0.00	102.00
AP 00359090	06/10/2015	MISPIRETA, DENNIS	10.00	0.00	10.00
AP 00359091	06/10/2015	MMASC	75.00	0.00	75.00
AP 00359092	06/10/2015	MOUNTAIN VIEW SMALL ENG REPAIR	94.39	0.00	94.39
AP 00359093	06/10/2015	NAPA AUTO PARTS	76.09	0.00	76.09
AP 00359094	06/10/2015	NATIONAL DATA & SURVEYING SERVICES	2,100.00	0.00	2,100.00
AP 00359095	06/10/2015	NIMAKO, SOLOMON	300.00	0.00	300.00
AP 00359096	06/10/2015	NINYO & MOORE	16,451.75	0.00	16,451.75
AP 00359097	06/10/2015	O'NEIL, STACIE	47.00	0.00	47.00
AP 00359098	06/10/2015	OCCUPATIONAL HEALTH CTRS OF CA	1,815.50	89.00	1,904.50 ***
AP 00359101	06/10/2015	OFFICE DEPOT	9,289.33	0.00	9,289.33
AP 00359102	06/10/2015	ONTRAC	106.69	0.00	106.69
AP 00359103	06/10/2015	OPARC	396.00	0.00	396.00
AP 00359104	06/10/2015	PAL CAMPAIGN	10.00	0.00	10.00
AP 00359105	06/10/2015	PATTON SALES CORP	0.00	412.29	412.29
AP 00359106	06/10/2015	PENA, NORMA	52.00	0.00	52.00
AP 00359107	06/10/2015	PHOENIX GROUP INFORMATION SYSTEMS	2,056.11	0.00	2,056.11
AP 00359108	06/10/2015	PITNEY BOWES	207.36	0.00	207.36
AP 00359109	06/10/2015	PRE-PAID LEGAL SERVICES INC	84.24	0.00	84.24
AP 00359110	06/10/2015	PTM DOCUMENT SYSTEMS INC	340.44	0.00	340.44
AP 00359111	06/10/2015	PUMP MAN INC	1,867.00	0.00	1,867.00
AP 00359112	06/10/2015	PW GILLIBRAND INC	1,934.92	0.00	1,934.92
AP 00359113	06/10/2015	QIN, RUTH	121.00	0.00	121.00
AP 00359114	06/10/2015	R AND R AUTOMOTIVE	3,336.54	0.00	3,336.54
AP 00359115	06/10/2015	RANCHO ETIWANDA 685 LLC	250,325.00	0.00	250,325.00
AP 00359116	06/10/2015	RANCHO REGIONAL VETERINARY HOSPITAL INC	848.83	0.00	848.83

**CITY OF RANCHO CUCAMONGA  
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**Agenda Check Register**

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<u>Check No.</u>	<u>Check Date</u>	<u>Vendor Name</u>	<u>City</u>	<u>Fire</u>	<u>Amount</u>
AP 00359117	06/10/2015	RANCHO REGIONAL VETERINARY HOSPITAL INC	150.00	0.00	150.00
AP 00359118	06/10/2015	RED WING SHOE STORE	187.35	0.00	187.35
AP 00359119	06/10/2015	REGENCY ENTERPRISES INC	4,903.20	0.00	4,903.20
AP 00359120	06/10/2015	RICHARDS WATSON AND GERSHON	2,676.26	0.00	2,676.26
AP 00359121	06/10/2015	RICO, ELIZABETH	65.00	0.00	65.00
AP 00359122	06/10/2015	RIOS, ARNIE	400.00	0.00	400.00
AP 00359123	06/10/2015	RIPPETOE LAW P C	27,165.25	0.00	27,165.25
AP 00359124	06/10/2015	RIVERA, SANDRA	1,000.00	0.00	1,000.00
AP 00359125	06/10/2015	RJM DESIGN GROUP INC	38,186.67	0.00	38,186.67
AP 00359126	06/10/2015	ROBLES, RAUL P	135.00	0.00	135.00
AP 00359127	06/10/2015	RODRIGUEZ, ANA	36.00	0.00	36.00
AP 00359128	06/10/2015	S AND W PLASTICS	658.80	0.00	658.80
AP 00359129	06/10/2015	SACCHER, BERT	11.00	0.00	11.00
AP 00359130	06/10/2015	SAFE KIDS WORLDWIDE	50.00	0.00	50.00
AP 00359131	06/10/2015	SAMS, LORETTA	71.00	0.00	71.00
AP 00359132	06/10/2015	SAN BERNARDINO CO AUDITOR CONT	5,887.50	0.00	5,887.50
AP 00359133	06/10/2015	SAN BERNARDINO COUNTY SHERIFFS DEPT	2,858.20	0.00	2,858.20
AP 00359134	06/10/2015	SAN BERNARDINO COUNTY SHERIFFS DEPT	197.54	0.00	197.54
AP 00359135	06/10/2015	SAN BERNARDINO CTY	0.00	10,654.98	10,654.98
AP 00359136	06/10/2015	SAN BERNARDINO CTY DEPT OF PUBLIC WORKS	56.56	0.00	56.56
AP 00359137	06/10/2015	SAN BERNARDINO, CITY OF	1,067.22	0.00	1,067.22
AP 00359138	06/10/2015	SBPEA	917.79	0.00	917.79
AP 00359139	06/10/2015	SCCCA	40.00	0.00	40.00
AP 00359140	06/10/2015	SEXTON, SHEILA	6.00	0.00	6.00
AP 00359141	06/10/2015	SHERIFFS COURT SERVICES	150.00	0.00	150.00
AP 00359142	06/10/2015	SHERIFFS COURT SERVICES	93.38	0.00	93.38
AP 00359143	06/10/2015	SHOETERIA	1,031.25	0.00	1,031.25
AP 00359144	06/10/2015	SIEMENS INDUSTRY INC	325.05	0.00	325.05
AP 00359145	06/10/2015	SIGMANET	8,800.00	0.00	8,800.00
AP 00359146	06/10/2015	SKY MOUNTAIN CHARTER	500.00	0.00	500.00
AP 00359147	06/10/2015	SO CALIF GAS COMPANY	89.59	0.00	89.59
AP 00359148	06/10/2015	SO CALIF GAS COMPANY	1,500.97	0.00	1,500.97
AP 00359149	06/10/2015	SOCIAL VOCATIONAL SERVICES	3,080.00	0.00	3,080.00
AP 00359150	06/10/2015	SOUTH COAST AQMD	483.36	0.00	483.36
AP 00359151	06/10/2015	SOUTHERN CALIFORNIA ASSOC OF GOVERNMENTS	15,711.00	0.00	15,711.00
AP 00359156	06/10/2015	SOUTHERN CALIFORNIA EDISON	20,241.54	2,080.44	22,321.98 ***
AP 00359157	06/10/2015	SOUTHLAND FARMERS MARKET ASSOC INC	2,111.00	0.00	2,111.00
AP 00359158	06/10/2015	STERLING COFFEE SERVICE	520.25	0.00	520.25
AP 00359159	06/10/2015	STOTZ EQUIPMENT	145.29	0.00	145.29
AP 00359160	06/10/2015	TINT CITY WINDOW TINTING	320.00	0.00	320.00
AP 00359161	06/10/2015	TRADER, LEONARD	15.00	0.00	15.00
AP 00359162	06/10/2015	TRUELINE CONSTRUCTION & SURFACING INC	126.00	0.00	126.00
AP 00359163	06/10/2015	U S GREEN BUILDING COUNCIL	100.00	0.00	100.00
AP 00359164	06/10/2015	UNITED PACIFIC SERVICES INC	34,017.00	0.00	34,017.00
AP 00359165	06/10/2015	UNITED SITE SERVICES OF CA INC	225.91	0.00	225.91
AP 00359166	06/10/2015	UNITED WAY	159.00	0.00	159.00
AP 00359167	06/10/2015	UPS	156.07	0.00	156.07

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Agenda Check Register

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<u>Check No.</u>	<u>Check Date</u>	<u>Vendor Name</u>	<u>City</u>	<u>Fire</u>	<u>Amount</u>
AP 00359168	06/10/2015	VEND U COMPANY	241.27	0.00	241.27
AP 00359169	06/10/2015	VERIZON CALIFORNIA	4,660.98	1,450.03	6,111.01 ***
AP 00359170	06/10/2015	VICTOR MEDICAL COMPANY	2,737.13	0.00	2,737.13
AP 00359171	06/10/2015	VICTORIA GARDENS	361.95	0.00	361.95
AP 00359172	06/10/2015	VIVERAE INC	3,667.90	0.00	3,667.90
AP 00359173	06/10/2015	VORTEX INDUSTRIES INC	610.95	0.00	610.95
AP 00359174	06/10/2015	WALTERS WHOLESAL E ELECTRIC CO	566.97	0.00	566.97
AP 00359175	06/10/2015	WARREN & CO INC. CARL	69.26	0.00	69.26
AP 00359176	06/10/2015	WAXIE SANITARY SUPPLY	0.00	2,437.26	2,437.26
AP 00359177	06/10/2015	WEST COAST CONCERT LIGHTING	150.00	0.00	150.00
AP 00359178	06/10/2015	WHITE HOUSE PHOTO INC	200.00	0.00	200.00
AP 00359179	06/10/2015	WLC	0.00	3,172.00	3,172.00
AP 00359180	06/10/2015	YERO, ART	300.00	0.00	300.00
AP 00359181	06/10/2015	ZEE MEDICAL INC	283.73	0.00	283.73
AP 00359182	06/11/2015	ABC LOCKSMITHS	139.32	0.00	139.32
AP 00359183	06/11/2015	AIRGAS USA LLC	203.55	1,118.11	1,321.66 ***
AP 00359184	06/11/2015	AUTO BODY 2000	259.03	0.00	259.03
AP 00359186	06/11/2015	BRODART BOOKS	2,812.14	0.00	2,812.14
AP 00359187	06/11/2015	CITRUS MOTORS ONTARIO INC	0.00	109.73	109.73
AP 00359188	06/11/2015	COMP U ZONE	85.00	0.00	85.00
AP 00359190	06/11/2015	CUCAMONGA VALLEY WATER DISTRICT	18,629.16	1,082.98	19,712.14 ***
AP 00359191	06/11/2015	EMCOR SERVICE	1,337.50	0.00	1,337.50
AP 00359192	06/11/2015	EWING IRRIGATION PRODUCTS	1,839.17	0.00	1,839.17
AP 00359193	06/11/2015	FORD OF UPLAND INC	278.14	0.00	278.14
AP 00359194	06/11/2015	GENERATOR SERVICES CO	3,556.08	0.00	3,556.08
AP 00359195	06/11/2015	HOLLIDAY ROCK CO INC	1,595.12	0.00	1,595.12
AP 00359196	06/11/2015	INLAND VALLEY DAILY BULLETIN	4,987.82	0.00	4,987.82
AP 00359197	06/11/2015	KME FIRE APPARATUS	0.00	175.08	175.08
AP 00359198	06/11/2015	ORKIN PEST CONTROL	1,620.66	0.00	1,620.66
AP 00359199	06/11/2015	SIMPLOT PARTNERS	8,058.15	0.00	8,058.15
AP 00359200	06/11/2015	SUNRISE FORD	144.04	0.00	144.04
AP 00359201	06/11/2015	TARGET SPECIALTY PRODUCTS	1,551.85	0.00	1,551.85
AP 00359202	06/11/2015	TOMARK SPORTS INC	275.11	0.00	275.11
AP 00359203	06/11/2015	TW TELECOM	1,408.20	0.00	1,408.20
AP 00359204	06/11/2015	VISTA PAINT	1,260.58	0.00	1,260.58
AP 00359205	06/17/2015	3SI SECURITY SYSTEMS	1,020.00	0.00	1,020.00
AP 00359206	06/17/2015	A AND R TIRE SERVICE	2,751.34	0.00	2,751.34
AP 00359207	06/17/2015	A'JONTUE, ROSE ANN	247.80	0.00	247.80
AP 00359208	06/17/2015	ACEY DECY EQUIPMENT INC.	262.53	0.00	262.53
AP 00359209	06/17/2015	ADVANCED CHEMICAL TRANSPORT	1,343.00	0.00	1,343.00
AP 00359210	06/17/2015	AEF SYSTEMS CONSULTING INC	14,612.50	0.00	14,612.50
AP 00359211	06/17/2015	ALL WELDING	120.00	0.00	120.00
AP 00359212	06/17/2015	ALLIANT INSURANCE SERVICES INC.	285.00	0.00	285.00
AP 00359213	06/17/2015	ALLIED BARTON SECURITY SERVICES LLC	23,067.33	0.00	23,067.33
AP 00359214	06/17/2015	ALPHAGRAPHS	711.18	0.00	711.18
AP 00359215	06/17/2015	ALTA PLANNING AND DESIGN	33,951.48	0.00	33,951.48
AP 00359216	06/17/2015	ARTISTIC RESOURCES CORPORATION	4,158.07	0.00	4,158.07

**CITY OF RANCHO CUCAMONGA  
AND  
RANCHO CUCAMONGA FIRE PROTECTION DISTRICT**

**Agenda Check Register**

6/10/2015 through 6/23/2015

<u>Check No.</u>	<u>Check Date</u>	<u>Vendor Name</u>	<u>City</u>	<u>Fire</u>	<u>Amount</u>
AP 00359217	06/17/2015	ATANACIO, LOLITA CHUA	96.00	0 00	96 00
AP 00359218	06/17/2015	AUTO AND RV SPECIALISTS INC.	62.19	0.00	62.19
AP 00359219	06/17/2015	BARKSHIRE LASER LEVELING INC.	1,234.00	0.00	1,234.00
AP 00359220	06/17/2015	BARNES AND NOBLE	2,339.70	0.00	2,339.70
AP 00359221	06/17/2015	BATCHELDER, ROBERT	500.00	0.00	500.00
AP 00359222	06/17/2015	BEAR VALLEY PARTY RENTALS	425.00	0 00	425 00
AP 00359223	06/17/2015	BEST BEST AND KRIEGER	0.00	112.50	112 50
AP 00359224	06/17/2015	BIBLIOTHECA ITG	681.60	0.00	681.60
AP 00359225	06/17/2015	BUILDING INDUSTRY CREDIT ASSOCIATION	5,000.00	0.00	5,000.00
AP 00359226	06/17/2015	BUREAU VERITAS NORTH AMERICA INC	7,310.62	0.00	7,310.62
AP 00359227	06/17/2015	CAL-STATE RENT A FENCE INC	7,105.00	0.00	7,105.00
AP 00359228	06/17/2015	CALBO	215.00	0.00	215 00
AP 00359229	06/17/2015	CALIFORNIA BOARD OF EQUALIZATION, STATE OF	838.00	0.00	838.00
AP 00359230	06/17/2015	CALIFORNIA LIBRARY ASSOCIATION	2,700.00	0.00	2,700.00
AP 00359231	06/17/2015	CAPITAL ONE COMMERCIAL	2,680.94	0.00	2,680.94
AP 00359232	06/17/2015	CARGANILLA, PAUL	500.00	0.00	500 00
AP 00359233	06/17/2015	CARQUEST AUTO PARTS	243.46	0.00	243.46
AP 00359234	06/17/2015	CCS ORANGE COUNTY JANITORIAL INC.	37,244.67	0.00	37,244.67
AP 00359235	06/17/2015	CHARTER COMMUNICATIONS	1,355.86	532.00	1,887.86 ***
AP 00359236	06/17/2015	CINTAS CORP. #150	1,712.91	0.00	1,712.91
AP 00359237	06/17/2015	CLASSE PARTY RENTALS	351.00	0 00	351 00
AP 00359238	06/17/2015	CLEARWATER GRAPHICS INC	10,575.55	0.00	10,575.55
AP 00359239	06/17/2015	CLIENT FIRST CONSULTING GROUP	5,157.52	0.00	5,157.52
AP 00359240	06/17/2015	CONFIRMDelivery.com	495.87	0.00	495.87
AP 00359241	06/17/2015	CROP PRODUCTION SERVICES INC	112.20	0.00	112 20
AP 00359242	06/17/2015	CRUNCH RANCHO CUCAMONGA FITNESS	15,000.00	0.00	15,000.00
AP 00359243	06/17/2015	DAN GUERRA AND ASSOCIATES	29,710.00	0 00	29,710.00
AP 00359244	06/17/2015	DAWSON SURVEYING INC.	9,330.00	0 00	9,330.00
AP 00359245	06/17/2015	DECOURCEY, KRISTI	52.00	0 00	52.00
AP 00359246	06/17/2015	DIAMOND IN THE ROUGH	1,587.60	0 00	1,587.60
AP 00359247	06/17/2015	DLIMAGING	3,917.46	0 00	3,917.46
AP 00359248	06/17/2015	EIGHTH AVENUE ENTERPRISE LLC	327.46	0.00	327.46
AP 00359249	06/17/2015	ENN GEE CORP	312.00	0 00	312.00
AP 00359250	06/17/2015	ENTERSECT CORP	81.50	0.00	81 50
AP 00359251	06/17/2015	EXPRESS BRAKE SUPPLY	270.68	0.00	270.68
AP 00359252	06/17/2015	FEDERAL LICENSING INC.	110.00	0.00	110.00
AP 00359253	06/17/2015	FIRST CLASS HEATING & AIR	5,500.00	0.00	5,500.00
AP 00359254	06/17/2015	FOOTHILL CHAPTER OF ICC	50.00	0.00	50.00
AP 00359255	06/17/2015	FRS ENVIRONMENTAL	885.23	0.00	885 23
AP 00359256	06/17/2015	FULLMER CONSTRUCTION	5,000.00	0 00	5,000.00
AP 00359257	06/17/2015	GILKEY, JOHN	450.00	0.00	450.00
AP 00359258	06/17/2015	GOOD YEAR SOCCER LEAGUE	1,653.00	0 00	1,653 00
AP 00359259	06/17/2015	GOODYEAR TIRE & RUBBER COMPANY	3,138.97	0 00	3,138.97
AP 00359260	06/17/2015	GOODYEAR TIRE AND RUBBER CO.	409.28	685.54	1,094.82 ***
AP 00359261	06/17/2015	GOUIN, CHRIS	60.00	0 00	60.00
AP 00359262	06/17/2015	GRAINGER	249.18	0.00	249.18
AP 00359263	06/17/2015	GRAPHICS FACTORY INC.	2,683.80	0 00	2,683.80

**CITY OF RANCHO CUCAMONGA  
AND  
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AP 00359264	06/17/2015	GRAVES & KING LLP	638.25	0.00	638.25
AP 00359265	06/17/2015	GRAYBAR	106.96	0.00	106.96
AP 00359266	06/17/2015	GREEN ROCK POWER EQUIPMENT	993.09	0.00	993.09
AP 00359267	06/17/2015	HAMPTON, TERI	10.00	0.00	10.00
AP 00359268	06/17/2015	HEMAUER, PAUL	2,250.00	0.00	2,250.00
AP 00359269	06/17/2015	HERMAN WEISSKER INC	74,105.41	0.00	74,105.41
AP 00359270	06/17/2015	HI WAY SAFETY INC	2,764.45	0.00	2,764.45
AP 00359271	06/17/2015	HOME DEPOT CREDIT SERVICES 645	508.01	0.00	508.01
AP 00359272	06/17/2015	HOSE HEAVEN	2,533.88	0.00	2,533.88
AP 00359273	06/17/2015	HULSE, BERNARD	200.00	0.00	200.00
AP 00359274	06/17/2015	INLAND EMPIRE TOURS AND TRANSPORTATION	4,056.25	0.00	4,056.25
AP 00359275	06/17/2015	INLAND FAIR HOUSING AND MEDIATION BOARD	1,306.52	0.00	1,306.52
AP 00359276	06/17/2015	INTELLI TECH	8,501.28	0.00	8,501.28
AP 00359277	06/17/2015	INTERNATIONAL CODE COUNCIL	29.00	0.00	29.00
AP 00359278	06/17/2015	INTERNATIONAL LINE BUILDERS INC	111,339.33	0.00	111,339.33
AP 00359279	06/17/2015	IRON MOUNTAIN OSDP	774.41	0.00	774.41
AP 00359280	06/17/2015	J AND S STRIPING CO INC	3,199.89	0.00	3,199.89
AP 00359281	06/17/2015	JACKSON, MARTHA	97.00	0.00	97.00
AP 00359282	06/17/2015	JAS PACIFIC	24,980.51	0.00	24,980.51
AP 00359283	06/17/2015	JDC INC	7,645.00	0.00	7,645.00
AP 00359284	06/17/2015	JOHNSON, CAITLIN	22.00	0.00	22.00
AP 00359285	06/17/2015	JOYFUL CHILD FOUNDATION, THE	100.00	0.00	100.00
AP 00359286	06/17/2015	KENT HARRIS TRUCKING & MATERIALS	516.77	0.00	516.77
AP 00359287	06/17/2015	KINETIC LIGHTING INC	350.00	0.00	350.00
AP 00359288	06/17/2015	KVAC ENVIRONMENTAL SERVICES INC	870.00	0.00	870.00
AP 00359289	06/17/2015	LANDORF, RICHARD	0.00	60.00	60.00
AP 00359290	06/17/2015	LITTLE BEAR PRODUCTIONS	4,820.00	0.00	4,820.00
AP 00359293	06/17/2015	LOWES COMPANIES INC.	4,793.75	988.37	5,782.12 ***
AP 00359294	06/17/2015	MARIPOSA LANDSCAPES INC	131,955.95	9,119.96	141,075.91 ***
AP 00359295	06/17/2015	MARTINEZ, SERGIO	50.00	0.00	50.00
AP 00359296	06/17/2015	MATTIE, RICK	200.00	0.00	200.00
AP 00359297	06/17/2015	MCI	32.08	0.00	32.08
AP 00359298	06/17/2015	MCMASTER CARR SUPPLY COMPANY	365.02	0.00	365.02
AP 00359299	06/17/2015	MD ENERGY INC	182,126.21	0.00	182,126.21
AP 00359300	06/17/2015	MELISSA MAXEY AND SUNRISE CONCRETE INC	7,800.00	0.00	7,800.00
AP 00359301	06/17/2015	MIDWEST TAPE	2,198.31	0.00	2,198.31
AP 00359302	06/17/2015	MISSION REPROGRAPHICS	11.88	0.00	11.88
AP 00359303	06/17/2015	NEW COLOR SCREEN PRINTING & EMBROIDERY	301.32	0.00	301.32
AP 00359304	06/17/2015	NIXON EGLI EQUIPMENT CO	953.55	0.00	953.55
AP 00359305	06/17/2015	NUSTAGROUP.COM	0.00	1,957.49	1,957.49
AP 00359306	06/17/2015	OCLC INC	50.45	0.00	50.45
AP 00359309	06/17/2015	OFFICE DEPOT	5,039.87	0.00	5,039.87
AP 00359310	06/17/2015	ONWARD ENGINEERING	11,326.25	0.00	11,326.25
AP 00359311	06/17/2015	OPTIONS FOR YOUTH	80.00	0.00	80.00
AP 00359312	06/17/2015	PATTON SALES CORP	51.14	0.00	51.14
AP 00359313	06/17/2015	PAUL AGUAYO/PSYCHO PUNX BAND	350.00	0.00	350.00
AP 00359314	06/17/2015	PAVEMENT RECYCLING SYSTEM	2,825.00	0.00	2,825.00

**CITY OF RANCHO CUCAMONGA  
AND  
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AP 00359315	06/17/2015	PENINSULA LIBRARY SYSTEM	75.00	0.00	75.00
AP 00359316	06/17/2015	PETES ROAD SERVICE INC	1,003.08	0.00	1,003.08
AP 00359317	06/17/2015	PLANTATION PRODUCTIONS INC	3,125.00	0.00	3,125.00
AP 00359318	06/17/2015	RAKOW, GEORGE	650.00	0.00	650.00
AP 00359319	06/17/2015	REGENCY ENTERPRISES INC	6,713.28	0.00	6,713.28
AP 00359320	06/17/2015	RUGG, KEVIN	116.00	0.00	116.00
AP 00359321	06/17/2015	SALINAS, ISHMAIL	100.00	0.00	100.00
AP 00359322	06/17/2015	SAN BERNARDINO COUNTY SHERIFFS DEPT	640.00	0.00	640.00
AP 00359323	06/17/2015	SAN BERNARDINO COUNTY SHERIFFS DEPT	2,230.40	0.00	2,230.40
AP 00359324	06/17/2015	SAN BERNARDINO COUNTY SHERIFFS DEPT	2,118.88	0.00	2,118.88
AP 00359325	06/17/2015	SAN BERNARDINO COUNTY SHERIFFS DEPT	2,174.64	0.00	2,174.64
AP 00359326	06/17/2015	SAN BERNARDINO COUNTY SHERIFFS DEPT	3,234.08	0.00	3,234.08
AP 00359327	06/17/2015	SAN BERNARDINO CTY OFFICE OF THE ASSESSOR	840.00	0.00	840.00
AP 00359328	06/17/2015	SC FUELS	0.00	9,367.44	9,367.44
AP 00359329	06/17/2015	SHINING GLORY PUBLICATIONS	500.00	0.00	500.00
AP 00359330	06/17/2015	SMARTLITE	395.00	0.00	395.00
AP 00359331	06/17/2015	SO CALIF GAS COMPANY	1,362.96	0.00	1,362.96
AP 00359332	06/17/2015	SOURCE GRAPHICS	676.76	0.00	676.76
AP 00359337	06/17/2015	SOUTHERN CALIFORNIA EDISON	38,687.80	933.79	39,621.59 ***
AP 00359338	06/17/2015	STOTZ EQUIPMENT	30.49	0.00	30.49
AP 00359339	06/17/2015	STOVER SEED COMPANY	4,752.00	0.00	4,752.00
AP 00359340	06/17/2015	SUNGARD PUBLIC SECTOR INC	2,895.11	0.00	2,895.11
AP 00359341	06/17/2015	SWANK MOTION PICTURES INC	735.00	0.00	735.00
AP 00359342	06/17/2015	THOMPSON PLUMBING SUPPLY	2,852.28	0.00	2,852.28
AP 00359343	06/17/2015	TIM KEIFE PAINTING & WATERPROOFING	1,772.50	0.00	1,772.50
AP 00359344	06/17/2015	TORGA ELECTRIC	7,454.40	0.00	7,454.40
AP 00359345	06/17/2015	TRAFFIC MANAGEMENT INC	760.30	0.00	760.30
AP 00359346	06/17/2015	U.S. BANK PARS ACCT #6746022500	1,009.56	0.00	1,009.56
AP 00359347	06/17/2015	U.S. BANK PARS ACCT #6746022500	11,124.82	0.00	11,124.82
AP 00359348	06/17/2015	U.S. BANK PARS ACCT #6746022500	3,900.00	0.00	3,900.00
AP 00359349	06/17/2015	UNIQUE MANAGEMENT SERVICES INC	845.69	0.00	845.69
AP 00359350	06/17/2015	UNITED RENTALS NORTHWEST INC	258.74	0.00	258.74
AP 00359351	06/17/2015	US POSTMASTER	10,500.00	0.00	10,500.00
AP 00359352	06/17/2015	UTILIQUEST	2,383.47	0.00	2,383.47
AP 00359353	06/17/2015	VALLEY CREST LANDSCAPE	537.53	0.00	537.53
AP 00359354	06/17/2015	VALVERDE SCHOOL OF PERFORMING ARTS	12,323.00	0.00	12,323.00
AP 00359355	06/17/2015	Verizon	29.30	0.00	29.30
AP 00359356	06/17/2015	VERIZON BUSINESS SERVICES	19.16	0.00	19.16
AP 00359357	06/17/2015	VERIZON CALIFORNIA	6,067.84	72.58	6,140.42 ***
AP 00359358	06/17/2015	VERIZON WIRELESS - LA	494.13	0.00	494.13
AP 00359359	06/17/2015	VERIZON WIRELESS - LA	0.00	2,878.47	2,878.47
AP 00359360	06/17/2015	VERIZON WIRELESS - LA	233.06	0.00	233.06
AP 00359361	06/17/2015	VIRTUAL PROJECT MANAGER INC	500.00	0.00	500.00
AP 00359362	06/17/2015	VORTEX INDUSTRIES INC	270.04	0.00	270.04
AP 00359363	06/17/2015	WALKER, ROBERT	0.00	260.00	260.00
AP 00359364	06/17/2015	WAXIE SANITARY SUPPLY	2,279.70	0.00	2,279.70
AP 00359365	06/17/2015	WENGER CORPORATION	1,239.02	0.00	1,239.02

**CITY OF RANCHO CUCAMONGA  
AND  
RANCHO CUCAMONGA FIRE PROTECTION DISTRICT**

**Agenda Check Register**

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AP 00359366	06/17/2015	WEST COAST LIGHTS & SIRENS	1,722.15	0.00	1,722.15
AP 00359367	06/17/2015	WESTERN PACIFIC SIGNAL LLC	954.20	0.00	954.20
AP 00359368	06/17/2015	WESTON PRINGLE & ASSOCIATES	2,396.06	0.00	2,396.06
AP 00359369	06/17/2015	WILLIAMS, DEBRA	0.00	222.84	222.84
AP 00359370	06/17/2015	WORD MILL PUBLISHING	800.00	0.00	800.00
AP 00359373	06/17/2015	XEROX CORPORATION	9,096.51	443.87	9,540.38 ***
AP 00359374	06/18/2015	ABC LOCKSMITHS	5,319.68	0.00	5,319.68
AP 00359375	06/18/2015	AGILINE LLC	3,000.00	0.00	3,000.00
AP 00359376	06/18/2015	CALSENSE	2,403.60	0.00	2,403.60
AP 00359379	06/18/2015	CUCAMONGA VALLEY WATER DISTRICT	31,209.02	366.52	31,575.54 ***
AP 00359380	06/18/2015	EMCOR SERVICE	18,826.50	0.00	18,826.50
AP 00359381	06/18/2015	EWING IRRIGATION PRODUCTS	388.31	0.00	388.31
AP 00359382	06/18/2015	HYDRO SCAPE PRODUCTS INC	467.76	0.00	467.76
AP 00359383	06/18/2015	HYDRO SCAPE PRODUCTS INC	822.79	0.00	822.79
AP 00359384	06/18/2015	INLAND VALLEY DAILY BULLETIN	705.00	0.00	705.00
AP 00359385	06/18/2015	INTERSTATE BATTERIES	0.00	1,500.78	1,500.78
AP 00359386	06/18/2015	LN CURTIS AND SONS	0.00	27,087.75	27,087.75
AP 00359387	06/18/2015	PENNY PLUMBING	12,490.00	0.00	12,490.00
AP 00359388	06/18/2015	TOMARK SPORTS INC	81.00	0.00	81.00
AP 00359389	06/18/2015	TRUGREEN LANDCARE	46,404.20	0.00	46,404.20
AP 00359390	06/18/2015	TW TELECOM	1,408.20	0.00	1,408.20
AP 00359391	06/23/2015	KNOTTS BERRY FARM	9,952.40	0.00	9,952.40

**Total City: \$2,157,086.74**  
**Total Fire: \$221,511.22**  
**Grand Total: \$2,378,597.96**

**Note:**

**\*\*\* Check Number includes both City and Fire District expenditures**



# STAFF REPORT

RANCHO CUCAMONGA FIRE PROTECTION DISTRICT

**Date:** July 1, 2015

**To:** President and Members of the Board of Directors  
John R. Gillison, City Manager

**From:** Mike Costello, Fire Chief

**By:** Ruth Cain, CPPB, Purchasing Manager  
Sandy Carnes, RN, EMS Administrator  
Michelle Cowles, Management Aide

**Subject:** **CONSIDERATION FOR APPROVAL TO AWARD THE PURCHASE OF EMERGENCY MEDICAL SUPPLIES AND MATERIALS ON AN AS NEEDED BASIS, TO LIFE ASSIST, INC. OF RANCHO CORDOVA, CALIFORNIA, IN ACCORDANCE WITH REQUEST FOR BID "RFB" #14/15-011 FOR FISCAL YEAR 2015/16, IN AN AMOUNT NOT TO EXCEED \$60,000.00 FUNDED FROM ACCOUNT NO. 3281504-5200.**

## RECOMMENDATION

Consideration for approval to award the purchase of Emergency Medical Services Supplies and Materials on an as needed basis, from Life Assist, Inc. of Rancho Cordova, California in accordance with Request for Bid "RFB" #14/15-011 for Fiscal Year 2015/16 in an amount not to exceed \$60,000.00, to be funded from Account Number 3281504-5200.

## BACKGROUND/ANALYSIS

Each frontline Fire District response unit is staffed and equipped to provide Advanced Life Support (ALS) services in response to a variety of illnesses and injuries. Firefighters, cross trained as certified Paramedics, are responsible for patient assessment, emergency care and advanced treatment. These services can include the administration of controlled medications, advanced airway control, cardiac treatment and trauma management. Staying in line with the Fire District's goal of providing "Premier Service," all ALS fire apparatus need to be equipped and continuously replenished with medical supplies and medications. The cost of medications has increased dramatically over the past two years and are not expected to stabilize in the near future due to a lack of manufacturing plants in the United States. Awarding this bid to Life Assist would lock-in the Fire District's pricing for the year and help with cost containment.

The Fire District provided the medication and supply specifications to the Purchasing Division for review and determination of the best method of procurement. Purchasing prepared and posted a formal Request for Bid (RFB) #14/15-011 to the City's automated procurement system. There were one-hundred and twenty-four (124) notified vendors, nine (9) prospective vendors downloaded and reviewed the RFB, and four (4) bid responses were received, with three (3) deemed non-responsive. After an analysis of the RFB, Life Assist met the Fire District's specification requirements. Fire District and Purchasing staff

APPROVAL TO AWARD THE PURCHASE OF EMS SUPPLIES AND  
MATERIALS TO LIFE ASSIST, INC FOR FY15/16  
JULY 1, 2015

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determined it to be in the best interest to recommend an award to Life Assist for the Emergency Supplies and Materials, as the most responsive bidder that met the specifications required by the Fire District. All applicable bid documentation is on file in the City's automated procurement system and can be accessed through the City's Internet.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mike Costello". The signature is fluid and cursive, with a large initial "M" and a long, sweeping tail.

Mike Costello  
Fire Chief

**CITY OF RANCHO CUCAMONGA  
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AP 00005283	06/10/2015	AECOM	11,152.99	0.00	11,152.99
AP 00005284	06/10/2015	CALIF GOVERNMENT VEBA/RANCHO CUCAMONGA	9,320.00	0.00	9,320.00
AP 00005285	06/10/2015	RCCEA	1,328.00	0.00	1,328.00
AP 00005286	06/10/2015	RCPFA	10,449.56	0.00	10,449.56
AP 00005287	06/10/2015	RIVERSIDE, CITY OF	6,294.00	0.00	6,294.00
AP 00005288	06/10/2015	SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	70.56	0.00	70.56
AP 00005289	06/10/2015	VIASYN INC	1,640.00	0.00	1,640.00
AP 00005290	06/17/2015	FORTISTAR METHANE GROUP LLC	116,645.60	0.00	116,645.60
AP 00005291	06/17/2015	SAN BERNARDINO COUNTY	25.00	0.00	25.00
AP 00358983	06/10/2015	A AND R TIRE SERVICE	1,625.64	0.00	1,625.64
AP 00358984	06/10/2015	A&R BRIDGESTONE/FIRESTONE AUTO	123.27	0.00	123.27
AP 00358985	06/10/2015	A&V SOFTBALL	2,376.00	0.00	2,376.00
AP 00358986	06/10/2015	ACEY DECY EQUIPMENT INC.	155.94	0.00	155.94
AP 00358987	06/10/2015	ADDINGTON, MATTHEW	35.00	0.00	35.00
AP 00358988	06/10/2015	AFLAC GROUP INSURANCE	238.17	0.00	238.17
AP 00358989	06/10/2015	AFLAC GROUP INSURANCE	6,843.06	0.00	6,843.06
AP 00358990	06/10/2015	AGUILERA, ISIAH	300.00	0.00	300.00
AP 00358991	06/10/2015	ALL CITY MANAGEMENT SERVICES INC	40,825.25	0.00	40,825.25
AP 00358992	06/10/2015	ALL WELDING	2,325.24	0.00	2,325.24
AP 00358993	06/10/2015	ALPHAGRAPHICS	946.59	0.00	946.59
AP 00358994	06/10/2015	ALVAREZ, MONICA	500.00	0.00	500.00
AP 00358995	06/10/2015	ANTECH DIAGNOSTICS	2,056.37	0.00	2,056.37
AP 00358996	06/10/2015	APPLIED METERING TECHNOLOGIES INC	11,065.30	0.00	11,065.30
AP 00358997	06/10/2015	ARCHITERRA DESIGN GROUP	10,150.91	0.00	10,150.91
AP 00358998	06/10/2015	ARMIT, GARTH	450.00	0.00	450.00
AP 00358999	06/10/2015	ARROW RESTAURANT EQUIPMENT	5,626.80	0.00	5,626.80
AP 00359000	06/10/2015	BATTERY POWER INC	422.19	0.00	422.19
AP 00359001	06/10/2015	BERNELL HYDRAULICS INC	42.75	0.00	42.75
AP 00359002	06/10/2015	BISHOP COMPANY	359.10	0.00	359.10
AP 00359003	06/10/2015	BUTSKO UTILITY DESIGN INC	7,872.10	0.00	7,872.10
AP 00359004	06/10/2015	CAL PERS LONG TERM CARE	248.21	0.00	248.21
AP 00359005	06/10/2015	CALIFORNIA FRANCHISE TAX BOARD	55.00	0.00	55.00
AP 00359006	06/10/2015	CALIFORNIA FRANCHISE TAX BOARD	300.00	0.00	300.00
AP 00359007	06/10/2015	CALIFORNIA, STATE OF	602.00	0.00	602.00
AP 00359008	06/10/2015	CARNES, SANDRA	0.00	52.00	52.00
AP 00359009	06/10/2015	CARQUEST AUTO PARTS	1,439.96	182.55	1,622.51 ***
AP 00359010	06/10/2015	CARSON, DANIEL	0.00	129.60	129.60
AP 00359011	06/10/2015	CASA VOLANTE MOBILE HOME PARK	1,400.00	0.00	1,400.00
AP 00359012	06/10/2015	CCS ORANGE COUNTY JANITORIAL INC.	560.50	0.00	560.50
AP 00359013	06/10/2015	CHAVEZ, ALIESE	0.00	66.46	66.46
AP 00359014	06/10/2015	CINTAS CORP. #150	993.32	0.00	993.32
AP 00359015	06/10/2015	CLAYTON, JANICE	223.53	0.00	223.53
AP 00359016	06/10/2015	CORFEE, REINA	2.00	0.00	2.00
AP 00359017	06/10/2015	CORTESE, DEANNE	250.00	0.00	250.00
AP 00359018	06/10/2015	CPRS DISTRICT 11	270.00	0.00	270.00
AP 00359019	06/10/2015	CRIME SCENE STERI-CLEAN LLC	540.00	0.00	540.00
AP 00359020	06/10/2015	CROP PRODUCTION SERVICES INC	82.11	0.00	82.11

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AP 00359021	06/10/2015	CUCAMONGA MIDDLE SCHOOL	200.00	0 00	200.00
AP 00359022	06/10/2015	CUE, DON	300.00	0 00	300.00
AP 00359023	06/10/2015	D AND K CONCRETE COMPANY	984.96	0 00	984.96
AP 00359024	06/10/2015	DANIELS TIRE SERVICE	0.00	92.00	92.00
AP 00359025	06/10/2015	DEL MAR, MARK	100 00	0.00	100 00
AP 00359026	06/10/2015	DEPARTMENT OF CONSUMER AFFAIRS	115 00	0.00	115.00
AP 00359027	06/10/2015	DEPARTMENT OF JUSTICE	49 00	0.00	49.00
AP 00359028	06/10/2015	DOUGLAS, DONA	145.00	0.00	145.00
AP 00359029	06/10/2015	DOWNEY, JENNIFER	15.44	0.00	15.44
AP 00359030	06/10/2015	DUMBELL MAN FITNESS EQUIPMENT, THE	0.00	718.20	718.20
AP 00359031	06/10/2015	EKE, KENNETH	1,000.00	0.00	1,000.00
AP 00359032	06/10/2015	ENGASSER, JACAUELINE	27 00	0.00	27.00
AP 00359033	06/10/2015	ENGELKE, LINDA	10.00	0.00	10.00
AP 00359034	06/10/2015	EXPRESS BRAKE SUPPLY	226.19	0.00	226 19
AP 00359035	06/10/2015	FARRIS, RITA	100.00	0.00	100.00
AP 00359036	06/10/2015	FEDERAL EXPRESS CORP	20.75	0.00	20.75
AP 00359037	06/10/2015	FIRST VETERINARY SUPPLY	140.40	0 00	140.40
AP 00359038	06/10/2015	FLAG SYSTEMS INC	2,500.00	0.00	2,500.00
AP 00359039	06/10/2015	FLEET SERVICES INC.	0.00	722.09	722 09
AP 00359040	06/10/2015	FOYTIK, CHAD	45.00	0.00	45 00
AP 00359041	06/10/2015	FUND RAISERS LTD	88.86	0.00	88.86
AP 00359042	06/10/2015	G AND M BUSINESS INTERIORS	1,147.95	0.00	1,147.95
AP 00359043	06/10/2015	GILKEY, JOHN	150.00	0.00	150.00
AP 00359044	06/10/2015	GIRARD, RYAN	718.90	0.00	718.90
AP 00359045	06/10/2015	GODINEZ, MARTHA	44.40	0.00	44.40
AP 00359046	06/10/2015	GOODMAN RANCHO SPE LLC	202.67	0 00	202.67
AP 00359047	06/10/2015	GRAINGER	415.65	0.00	415.65
AP 00359048	06/10/2015	GT ENGINEERING	0.00	145.80	145.80
AP 00359049	06/10/2015	HACKETT, RAMONA	86.00	0.00	86.00
AP 00359050	06/10/2015	HARVARD DRUG GROUP - 01	130.00	0.00	130.00
AP 00359051	06/10/2015	HENRY SCHEIN ANIMAL HEALTH SUPPLY	349.90	0.00	349.90
AP 00359052	06/10/2015	HERITAGE EDUCATION GROUP	112.00	0.00	112.00
AP 00359053	06/10/2015	HI WAY SAFETY INC	5,512 79	0.00	5,512.79
AP 00359054	06/10/2015	HILLS PET NUTRITION SALES INC	2,229 13	0.00	2,229.13
AP 00359055	06/10/2015	HMC ARCHITECTS	0.00	139,077.07	139,077.07
AP 00359056	06/10/2015	HOME DEPOT CREDIT SERVICES 645	141 09	0.00	141.09
AP 00359057	06/10/2015	HOOD, KARYE	52.41	0.00	52.41
AP 00359058	06/10/2015	HOSE MAN INC	266.01	0.00	266.01
AP 00359059	06/10/2015	HOYT LUMBER CO., SM	0.00	29.28	29.28
AP 00359060	06/10/2015	IDEXX DISTRIBUTION INC	1,215.39	0.00	1,215.39
AP 00359061	06/10/2015	INDUSTRIAL ELECTRIC MACHINERY LLC	1,168.00	0.00	1,168.00
AP 00359062	06/10/2015	INLAND POWDER COATING CORP	0.00	404.00	404.00
AP 00359063	06/10/2015	INLAND PRESORT & MAILING SERVICES	164.52	0.00	164.52
AP 00359064	06/10/2015	INLAND VALLEY EMERGENCY PET CLINIC	2,750.00	0.00	2,750 00
AP 00359065	06/10/2015	INTERACTIVE DATA CORPORATION	115.52	0.00	115.52
AP 00359066	06/10/2015	INTERINSURANCE EXCHANGE OF THE AUTOMOBILE	534.29	0.00	534.29
AP 00359067	06/10/2015	J AND S STRIPING CO INC	100,377.70	0.00	100,377.70

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AP 00359068	06/10/2015	JCL TRAFFIC SERVICES	4,800.56	0.00	4,800.56
AP 00359069	06/10/2015	JOHN BURR CYCLES INC	652.55	0.00	652.55
AP 00359070	06/10/2015	JOHNNY ALLEN TENNIS ACADEMY	1,570.80	0.00	1,570.80
AP 00359071	06/10/2015	JRC HOUSING	250.00	0.00	250.00
AP 00359072	06/10/2015	JRC HOUSING	770.00	0.00	770.00
AP 00359073	06/10/2015	JRC HOUSING	2,180.00	0.00	2,180.00
AP 00359074	06/10/2015	JZPC PARTY RENTALS INC	588.70	0.00	588.70
AP 00359075	06/10/2015	KIM. BOG	86.00	0.00	86.00
AP 00359076	06/10/2015	KIP AMERICA INC	1,270.00	0.00	1,270.00
AP 00359077	06/10/2015	KNOTTS BERRY FARM	5,040.00	0.00	5,040.00
AP 00359078	06/10/2015	KONG, SOPHEAK	300.00	0.00	300.00
AP 00359079	06/10/2015	LABOR COMPLIANCE PROVIDERS	688.75	0.00	688.75
AP 00359080	06/10/2015	LITTLE BEAR PRODUCTIONS	5,725.00	0.00	5,725.00
AP 00359081	06/10/2015	LOUIS RENE BOYKINS	500.00	0.00	500.00
AP 00359082	06/10/2015	LUCKY FEET SHOES INC	307.70	0.00	307.70
AP 00359083	06/10/2015	MAIN STREET SIGNS	366.98	0.00	366.98
AP 00359084	06/10/2015	MARIPOSA LANDSCAPES INC	52,648.26	0.00	52,648.26
AP 00359085	06/10/2015	MARK CHRISTOPHER INC	21.96	520.37	542.33 ***
AP 00359086	06/10/2015	MARTINEZ TOWING	135.00	0.00	135.00
AP 00359087	06/10/2015	MCMASTER CARR SUPPLY COMPANY	323.92	0.00	323.92
AP 00359088	06/10/2015	MERRILL GARDENS AT RANCHO CUCAMONGA	20,279.00	0.00	20,279.00
AP 00359089	06/10/2015	MIJAC ALARM COMPANY	102.00	0.00	102.00
AP 00359090	06/10/2015	MISPIRETA, DENNIS	10.00	0.00	10.00
AP 00359091	06/10/2015	MMASC	75.00	0.00	75.00
AP 00359092	06/10/2015	MOUNTAIN VIEW SMALL ENG REPAIR	94.39	0.00	94.39
AP 00359093	06/10/2015	NAPA AUTO PARTS	76.09	0.00	76.09
AP 00359094	06/10/2015	NATIONAL DATA & SURVEYING SERVICES	2,100.00	0.00	2,100.00
AP 00359095	06/10/2015	NIMAKO, SOLOMON	300.00	0.00	300.00
AP 00359096	06/10/2015	NINYO & MOORE	16,451.75	0.00	16,451.75
AP 00359097	06/10/2015	O'NEIL, STACIE	47.00	0.00	47.00
AP 00359098	06/10/2015	OCCUPATIONAL HEALTH CTRS OF CA	1,815.50	89.00	1,904.50 ***
AP 00359101	06/10/2015	OFFICE DEPOT	9,289.33	0.00	9,289.33
AP 00359102	06/10/2015	ONTRAC	106.69	0.00	106.69
AP 00359103	06/10/2015	OPARC	396.00	0.00	396.00
AP 00359104	06/10/2015	PAL CAMPAIGN	10.00	0.00	10.00
AP 00359105	06/10/2015	PATTON SALES CORP	0.00	412.29	412.29
AP 00359106	06/10/2015	PENA, NORMA	52.00	0.00	52.00
AP 00359107	06/10/2015	PHOENIX GROUP INFORMATION SYSTEMS	2,056.11	0.00	2,056.11
AP 00359108	06/10/2015	PITNEY BOWES	207.36	0.00	207.36
AP 00359109	06/10/2015	PRE-PAID LEGAL SERVICES INC	84.24	0.00	84.24
AP 00359110	06/10/2015	PTM DOCUMENT SYSTEMS INC	340.44	0.00	340.44
AP 00359111	06/10/2015	PUMP MAN INC	1,867.00	0.00	1,867.00
AP 00359112	06/10/2015	PW GILLIBRAND INC	1,934.92	0.00	1,934.92
AP 00359113	06/10/2015	QIN, RUTH	121.00	0.00	121.00
AP 00359114	06/10/2015	R AND R AUTOMOTIVE	3,336.54	0.00	3,336.54
AP 00359115	06/10/2015	RANCHO ETIWANDA 685 LLC	250,325.00	0.00	250,325.00
AP 00359116	06/10/2015	RANCHO REGIONAL VETERINARY HOSPITAL INC	848.83	0.00	848.83

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AP 00359117	06/10/2015	RANCHO REGIONAL VETERINARY HOSPITAL INC	150.00	0.00	150.00
AP 00359118	06/10/2015	RED WING SHOE STORE	187.35	0.00	187.35
AP 00359119	06/10/2015	REGENCY ENTERPRISES INC	4,903.20	0.00	4,903.20
AP 00359120	06/10/2015	RICHARDS WATSON AND GERSHON	2,676.26	0.00	2,676.26
AP 00359121	06/10/2015	RICO, ELIZABETH	65.00	0.00	65.00
AP 00359122	06/10/2015	RIOS, ARNIE	400.00	0.00	400.00
AP 00359123	06/10/2015	RIPPETOE LAW P C	27,165.25	0.00	27,165.25
AP 00359124	06/10/2015	RIVERA, SANDRA	1,000.00	0.00	1,000.00
AP 00359125	06/10/2015	RJM DESIGN GROUP INC	38,186.67	0.00	38,186.67
AP 00359126	06/10/2015	ROBLES, RAUL P	135.00	0.00	135.00
AP 00359127	06/10/2015	RODRIGUEZ, ANA	36.00	0.00	36.00
AP 00359128	06/10/2015	S AND W PLASTICS	658.80	0.00	658.80
AP 00359129	06/10/2015	SACCHER, BERT	11.00	0.00	11.00
AP 00359130	06/10/2015	SAFE KIDS WORLDWIDE	50.00	0.00	50.00
AP 00359131	06/10/2015	SAMS, LORETTA	71.00	0.00	71.00
AP 00359132	06/10/2015	SAN BERNARDINO CO AUDITOR CONT	5,887.50	0.00	5,887.50
AP 00359133	06/10/2015	SAN BERNARDINO COUNTY SHERIFFS DEPT	2,858.20	0.00	2,858.20
AP 00359134	06/10/2015	SAN BERNARDINO COUNTY SHERIFFS DEPT	197.54	0.00	197.54
AP 00359135	06/10/2015	SAN BERNARDINO CTY	0.00	10,654.98	10,654.98
AP 00359136	06/10/2015	SAN BERNARDINO CTY DEPT OF PUBLIC WORKS	56.56	0.00	56.56
AP 00359137	06/10/2015	SAN BERNARDINO, CITY OF	1,067.22	0.00	1,067.22
AP 00359138	06/10/2015	SBPEA	917.79	0.00	917.79
AP 00359139	06/10/2015	SCCCA	40.00	0.00	40.00
AP 00359140	06/10/2015	SEXTON, SHEILA	6.00	0.00	6.00
AP 00359141	06/10/2015	SHERIFFS COURT SERVICES	150.00	0.00	150.00
AP 00359142	06/10/2015	SHERIFFS COURT SERVICES	93.38	0.00	93.38
AP 00359143	06/10/2015	SHOETERIA	1,031.25	0.00	1,031.25
AP 00359144	06/10/2015	SIEMENS INDUSTRY INC	325.05	0.00	325.05
AP 00359145	06/10/2015	SIGMANET	8,800.00	0.00	8,800.00
AP 00359146	06/10/2015	SKY MOUNTAIN CHARTER	500.00	0.00	500.00
AP 00359147	06/10/2015	SO CALIF GAS COMPANY	89.59	0.00	89.59
AP 00359148	06/10/2015	SO CALIF GAS COMPANY	1,500.97	0.00	1,500.97
AP 00359149	06/10/2015	SOCIAL VOCATIONAL SERVICES	3,080.00	0.00	3,080.00
AP 00359150	06/10/2015	SOUTH COAST AQMD	483.36	0.00	483.36
AP 00359151	06/10/2015	SOUTHERN CALIFORNIA ASSOC OF GOVERNMENTS	15,711.00	0.00	15,711.00
AP 00359156	06/10/2015	SOUTHERN CALIFORNIA EDISON	20,241.54	2,080.44	22,321.98 ***
AP 00359157	06/10/2015	SOUTHLAND FARMERS MARKET ASSOC INC	2,111.00	0.00	2,111.00
AP 00359158	06/10/2015	STERLING COFFEE SERVICE	520.25	0.00	520.25
AP 00359159	06/10/2015	STOTZ EQUIPMENT	145.29	0.00	145.29
AP 00359160	06/10/2015	TINT CITY WINDOW TINTING	320.00	0.00	320.00
AP 00359161	06/10/2015	TRADER, LEONARD	15.00	0.00	15.00
AP 00359162	06/10/2015	TRUELINE CONSTRUCTION & SURFACING INC	126.00	0.00	126.00
AP 00359163	06/10/2015	U S GREEN BUILDING COUNCIL	100.00	0.00	100.00
AP 00359164	06/10/2015	UNITED PACIFIC SERVICES INC	34,017.00	0.00	34,017.00
AP 00359165	06/10/2015	UNITED SITE SERVICES OF CA INC	225.91	0.00	225.91
AP 00359166	06/10/2015	UNITED WAY	159.00	0.00	159.00
AP 00359167	06/10/2015	UPS	156.07	0.00	156.07

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AP 00359168	06/10/2015	VEND U COMPANY	241.27	0.00	241.27
AP 00359169	06/10/2015	VERIZON CALIFORNIA	4,660.98	1,450.03	6,111.01 ***
AP 00359170	06/10/2015	VICTOR MEDICAL COMPANY	2,737.13	0.00	2,737.13
AP 00359171	06/10/2015	VICTORIA GARDENS	361.95	0.00	361.95
AP 00359172	06/10/2015	VIVERAE INC	3,667.90	0.00	3,667.90
AP 00359173	06/10/2015	VORTEX INDUSTRIES INC	610.95	0.00	610.95
AP 00359174	06/10/2015	WALTERS WHOLESALE ELECTRIC CO	566.97	0.00	566.97
AP 00359175	06/10/2015	WARREN & CO INC. CARL	69.26	0.00	69.26
AP 00359176	06/10/2015	WAXIE SANITARY SUPPLY	0.00	2,437.26	2,437.26
AP 00359177	06/10/2015	WEST COAST CONCERT LIGHTING	150.00	0.00	150.00
AP 00359178	06/10/2015	WHITE HOUSE PHOTO INC	200.00	0.00	200.00
AP 00359179	06/10/2015	WLC	0.00	3,172.00	3,172.00
AP 00359180	06/10/2015	YERO, ART	300.00	0.00	300.00
AP 00359181	06/10/2015	ZEE MEDICAL INC	283.73	0.00	283.73
AP 00359182	06/11/2015	ABC LOCKSMITHS	139.32	0.00	139.32
AP 00359183	06/11/2015	AIRGAS USA LLC	203.55	1,118.11	1,321.66 ***
AP 00359184	06/11/2015	AUTO BODY 2000	259.03	0.00	259.03
AP 00359186	06/11/2015	BRODART BOOKS	2,812.14	0.00	2,812.14
AP 00359187	06/11/2015	CITRUS MOTORS ONTARIO INC	0.00	109.73	109.73
AP 00359188	06/11/2015	COMP U ZONE	85.00	0.00	85.00
AP 00359190	06/11/2015	CUCAMONGA VALLEY WATER DISTRICT	18,629.16	1,082.98	19,712.14 ***
AP 00359191	06/11/2015	EMCOR SERVICE	1,337.50	0.00	1,337.50
AP 00359192	06/11/2015	EWING IRRIGATION PRODUCTS	1,839.17	0.00	1,839.17
AP 00359193	06/11/2015	FORD OF UPLAND INC	278.14	0.00	278.14
AP 00359194	06/11/2015	GENERATOR SERVICES CO	3,556.08	0.00	3,556.08
AP 00359195	06/11/2015	HOLLIDAY ROCK CO INC	1,595.12	0.00	1,595.12
AP 00359196	06/11/2015	INLAND VALLEY DAILY BULLETIN	4,987.82	0.00	4,987.82
AP 00359197	06/11/2015	KME FIRE APPARATUS	0.00	175.08	175.08
AP 00359198	06/11/2015	ORKIN PEST CONTROL	1,620.66	0.00	1,620.66
AP 00359199	06/11/2015	SIMPLOT PARTNERS	8,058.15	0.00	8,058.15
AP 00359200	06/11/2015	SUNRISE FORD	144.04	0.00	144.04
AP 00359201	06/11/2015	TARGET SPECIALTY PRODUCTS	1,551.85	0.00	1,551.85
AP 00359202	06/11/2015	TOMARK SPORTS INC	275.11	0.00	275.11
AP 00359203	06/11/2015	TW TELECOM	1,408.20	0.00	1,408.20
AP 00359204	06/11/2015	VISTA PAINT	1,260.58	0.00	1,260.58
AP 00359205	06/17/2015	3SI SECURITY SYSTEMS	1,020.00	0.00	1,020.00
AP 00359206	06/17/2015	A AND R TIRE SERVICE	2,751.34	0.00	2,751.34
AP 00359207	06/17/2015	A'JONTUE, ROSE ANN	247.80	0.00	247.80
AP 00359208	06/17/2015	ACEY DECY EQUIPMENT INC.	262.53	0.00	262.53
AP 00359209	06/17/2015	ADVANCED CHEMICAL TRANSPORT	1,343.00	0.00	1,343.00
AP 00359210	06/17/2015	AEF SYSTEMS CONSULTING INC	14,612.50	0.00	14,612.50
AP 00359211	06/17/2015	ALL WELDING	120.00	0.00	120.00
AP 00359212	06/17/2015	ALLIANT INSURANCE SERVICES INC.	285.00	0.00	285.00
AP 00359213	06/17/2015	ALLIED BARTON SECURITY SERVICES LLC	23,067.33	0.00	23,067.33
AP 00359214	06/17/2015	ALPHAGRAPHICS	711.18	0.00	711.18
AP 00359215	06/17/2015	ALTA PLANNING AND DESIGN	33,951.48	0.00	33,951.48
AP 00359216	06/17/2015	ARTISTIC RESOURCES CORPORATION	4,158.07	0.00	4,158.07

**CITY OF RANCHO CUCAMONGA  
AND  
RANCHO CUCAMONGA FIRE PROTECTION DISTRICT**

**P17**

**Agenda Check Register**

6/10/2015 through 6/23/2015

<u>Check No.</u>	<u>Check Date</u>	<u>Vendor Name</u>	<u>City</u>	<u>Fire</u>	<u>Amount</u>
AP 00359217	06/17/2015	ATANACIO, LOLITA CHUA	96.00	0.00	96.00
AP 00359218	06/17/2015	AUTO AND RV SPECIALISTS INC.	62.19	0.00	62.19
AP 00359219	06/17/2015	BARKSHIRE LASER LEVELING INC	1,234.00	0.00	1,234.00
AP 00359220	06/17/2015	BARNES AND NOBLE	2,339.70	0.00	2,339.70
AP 00359221	06/17/2015	BATCHELDER, ROBERT	500.00	0.00	500.00
AP 00359222	06/17/2015	BEAR VALLEY PARTY RENTALS	425.00	0.00	425.00
AP 00359223	06/17/2015	BEST BEST AND KRIEGER	0.00	112.50	112.50
AP 00359224	06/17/2015	BIBLIOTHECA ITG	681.60	0.00	681.60
AP 00359225	06/17/2015	BUILDING INDUSTRY CREDIT ASSOCIATION	5,000.00	0.00	5,000.00
AP 00359226	06/17/2015	BUREAU VERITAS NORTH AMERICA INC	7,310.62	0.00	7,310.62
AP 00359227	06/17/2015	CAL-STATE RENT A FENCE INC	7,105.00	0.00	7,105.00
AP 00359228	06/17/2015	CALBO	215.00	0.00	215.00
AP 00359229	06/17/2015	CALIFORNIA BOARD OF EQUALIZATION, STATE OF	838.00	0.00	838.00
AP 00359230	06/17/2015	CALIFORNIA LIBRARY ASSOCIATION	2,700.00	0.00	2,700.00
AP 00359231	06/17/2015	CAPITAL ONE COMMERCIAL	2,680.94	0.00	2,680.94
AP 00359232	06/17/2015	CARGANILLA, PAUL	500.00	0.00	500.00
AP 00359233	06/17/2015	CARQUEST AUTO PARTS	243.46	0.00	243.46
AP 00359234	06/17/2015	CCS ORANGE COUNTY JANITORIAL INC.	37,244.67	0.00	37,244.67
AP 00359235	06/17/2015	CHARTER COMMUNICATIONS	1,355.86	532.00	1,887.86 ***
AP 00359236	06/17/2015	CINTAS CORP. #150	1,712.91	0.00	1,712.91
AP 00359237	06/17/2015	CLASSE PARTY RENTALS	351.00	0.00	351.00
AP 00359238	06/17/2015	CLEARWATER GRAPHICS INC	10,575.55	0.00	10,575.55
AP 00359239	06/17/2015	CLIENT FIRST CONSULTING GROUP	5,157.52	0.00	5,157.52
AP 00359240	06/17/2015	CONFIRMDelivery.com	495.87	0.00	495.87
AP 00359241	06/17/2015	CROP PRODUCTION SERVICES INC	112.20	0.00	112.20
AP 00359242	06/17/2015	CRUNCH: RANCHO CUCAMONGA FITNESS	15,000.00	0.00	15,000.00
AP 00359243	06/17/2015	DAN GUERRA AND ASSOCIATES	29,710.00	0.00	29,710.00
AP 00359244	06/17/2015	DAWSON SURVEYING INC.	9,330.00	0.00	9,330.00
AP 00359245	06/17/2015	DECOURCEY, KRISTI	52.00	0.00	52.00
AP 00359246	06/17/2015	DIAMOND IN THE ROUGH	1,587.60	0.00	1,587.60
AP 00359247	06/17/2015	DLIMAGING	3,917.46	0.00	3,917.46
AP 00359248	06/17/2015	EIGHTH AVENUE ENTERPRISE LLC	327.46	0.00	327.46
AP 00359249	06/17/2015	ENN GEE CORP	312.00	0.00	312.00
AP 00359250	06/17/2015	ENTERSECT CORP	81.50	0.00	81.50
AP 00359251	06/17/2015	EXPRESS BRAKE SUPPLY	270.68	0.00	270.68
AP 00359252	06/17/2015	FEDERAL LICENSING INC.	110.00	0.00	110.00
AP 00359253	06/17/2015	FIRST CLASS HEATING & AIR	5,500.00	0.00	5,500.00
AP 00359254	06/17/2015	FOOTHILL CHAPTER OF ICC	50.00	0.00	50.00
AP 00359255	06/17/2015	FRS ENVIRONMENTAL	885.23	0.00	885.23
AP 00359256	06/17/2015	FULLMER CONSTRUCTION	5,000.00	0.00	5,000.00
AP 00359257	06/17/2015	GILKEY, JOHN	450.00	0.00	450.00
AP 00359258	06/17/2015	GOOD YEAR SOCCER LEAGUE	1,653.00	0.00	1,653.00
AP 00359259	06/17/2015	GOODYEAR TIRE & RUBBER COMPANY	3,138.97	0.00	3,138.97
AP 00359260	06/17/2015	GOODYEAR TIRE AND RUBBER CO.	409.28	685.54	1,094.82 ***
AP 00359261	06/17/2015	GOUIN, CHRIS	60.00	0.00	60.00
AP 00359262	06/17/2015	GRAINGER	249.18	0.00	249.18
AP 00359263	06/17/2015	GRAPHICS FACTORY INC.	2,683.80	0.00	2,683.80

**CITY OF RANCHO CUCAMONGA  
AND  
RANCHO CUCAMONGA FIRE PROTECTION DISTRICT**

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**Agenda Check Register**

6/10/2015 through 6/23/2015

<u>Check No.</u>	<u>Check Date</u>	<u>Vendor Name</u>	<u>City</u>	<u>Fire</u>	<u>Amount</u>
AP 00359264	06/17/2015	GRAVES & KING LLP	638.25	0.00	638.25
AP 00359265	06/17/2015	GRAYBAR	106.96	0.00	106.96
AP 00359266	06/17/2015	GREEN ROCK POWER EQUIPMENT	993.09	0.00	993.09
AP 00359267	06/17/2015	HAMPTON, TERI	10.00	0.00	10.00
AP 00359268	06/17/2015	HEMAUER, PAUL	2,250.00	0.00	2,250.00
AP 00359269	06/17/2015	HERMAN WEISSKER INC	74,105.41	0.00	74,105.41
AP 00359270	06/17/2015	HI WAY SAFETY INC	2,764.45	0.00	2,764.45
AP 00359271	06/17/2015	HOME DEPOT CREDIT SERVICES 645	508.01	0.00	508.01
AP 00359272	06/17/2015	HOSE HEAVEN	2,533.88	0.00	2,533.88
AP 00359273	06/17/2015	HULSE, BERNARD	200.00	0.00	200.00
AP 00359274	06/17/2015	INLAND EMPIRE TOURS AND TRANSPORTATION	4,056.25	0.00	4,056.25
AP 00359275	06/17/2015	INLAND FAIR HOUSING AND MEDIATION BOARD	1,306.52	0.00	1,306.52
AP 00359276	06/17/2015	INTELLI TECH	8,501.28	0.00	8,501.28
AP 00359277	06/17/2015	INTERNATIONAL CODE COUNCIL	29.00	0.00	29.00
AP 00359278	06/17/2015	INTERNATIONAL LINE BUILDERS INC	111,339.33	0.00	111,339.33
AP 00359279	06/17/2015	IRON MOUNTAIN OSDP	774.41	0.00	774.41
AP 00359280	06/17/2015	J AND S STRIPING CO INC	3,199.89	0.00	3,199.89
AP 00359281	06/17/2015	JACKSON, MARTHA	97.00	0.00	97.00
AP 00359282	06/17/2015	JAS PACIFIC	24,980.51	0.00	24,980.51
AP 00359283	06/17/2015	JDC INC	7,645.00	0.00	7,645.00
AP 00359284	06/17/2015	JOHNSON, CAITLIN	22.00	0.00	22.00
AP 00359285	06/17/2015	JOYFUL CHILD FOUNDATION, THE	100.00	0.00	100.00
AP 00359286	06/17/2015	KENT HARRIS TRUCKING & MATERIALS	516.77	0.00	516.77
AP 00359287	06/17/2015	KINETIC LIGHTING INC	350.00	0.00	350.00
AP 00359288	06/17/2015	KVAC ENVIRONMENTAL SERVICES INC	870.00	0.00	870.00
AP 00359289	06/17/2015	LANDORF, RICHARD	0.00	60.00	60.00
AP 00359290	06/17/2015	LITTLE BEAR PRODUCTIONS	4,820.00	0.00	4,820.00
AP 00359293	06/17/2015	LOWES COMPANIES INC.	4,793.75	988.37	5,782.12 ***
AP 00359294	06/17/2015	MARIPOSA LANDSCAPES INC	131,955.95	9,119.96	141,075.91 ***
AP 00359295	06/17/2015	MARTINEZ, SERGIO	50.00	0.00	50.00
AP 00359296	06/17/2015	MATTIE, RICK	200.00	0.00	200.00
AP 00359297	06/17/2015	MCI	32.08	0.00	32.08
AP 00359298	06/17/2015	MCMASTER CARR SUPPLY COMPANY	365.02	0.00	365.02
AP 00359299	06/17/2015	MD ENERGY INC	182,126.21	0.00	182,126.21
AP 00359300	06/17/2015	MELISSA MAXEY AND SUNRISE CONCRETE INC	7,800.00	0.00	7,800.00
AP 00359301	06/17/2015	MIDWEST TAPE	2,198.31	0.00	2,198.31
AP 00359302	06/17/2015	MISSION REPROGRAPHICS	11.88	0.00	11.88
AP 00359303	06/17/2015	NEW COLOR SCREEN PRINTING & EMBROIDERY	301.32	0.00	301.32
AP 00359304	06/17/2015	NIXON EGLI EQUIPMENT CO	953.55	0.00	953.55
AP 00359305	06/17/2015	NUSTAGROUP.COM	0.00	1,957.49	1,957.49
AP 00359306	06/17/2015	OCLC INC	50.45	0.00	50.45
AP 00359309	06/17/2015	OFFICE DEPOT	5,039.87	0.00	5,039.87
AP 00359310	06/17/2015	ONWARD ENGINEERING	11,326.25	0.00	11,326.25
AP 00359311	06/17/2015	OPTIONS FOR YOUTH	80.00	0.00	80.00
AP 00359312	06/17/2015	PATTON SALES CORP	51.14	0.00	51.14
AP 00359313	06/17/2015	PAUL AGUAYO/PSYCHO PUNX BAND	350.00	0.00	350.00
AP 00359314	06/17/2015	PAVEMENT RECYCLING SYSTEM	2,825.00	0.00	2,825.00

**CITY OF RANCHO CUCAMONGA  
AND  
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**Agenda Check Register**

6/10/2015 through 6/23/2015

<u>Check No.</u>	<u>Check Date</u>	<u>Vendor Name</u>	<u>City</u>	<u>Fire</u>	<u>Amount</u>
AP 00359315	06/17/2015	PENINSULA LIBRARY SYSTEM	75.00	0.00	75.00
AP 00359316	06/17/2015	PETES ROAD SERVICE INC	1,003.08	0.00	1,003.08
AP 00359317	06/17/2015	PLANTATION PRODUCTIONS INC	3,125.00	0.00	3,125.00
AP 00359318	06/17/2015	RAKOW, GEORGE	650.00	0.00	650.00
AP 00359319	06/17/2015	REGENCY ENTERPRISES INC	6,713.28	0.00	6,713.28
AP 00359320	06/17/2015	RUGG, KEVIN	116.00	0.00	116.00
AP 00359321	06/17/2015	SALINAS, ISHMAIL	100.00	0.00	100.00
AP 00359322	06/17/2015	SAN BERNARDINO COUNTY SHERIFFS DEPT	640.00	0.00	640.00
AP 00359323	06/17/2015	SAN BERNARDINO COUNTY SHERIFFS DEPT	2,230.40	0.00	2,230.40
AP 00359324	06/17/2015	SAN BERNARDINO COUNTY SHERIFFS DEPT	2,118.88	0.00	2,118.88
AP 00359325	06/17/2015	SAN BERNARDINO COUNTY SHERIFFS DEPT	2,174.64	0.00	2,174.64
AP 00359326	06/17/2015	SAN BERNARDINO COUNTY SHERIFFS DEPT	3,234.08	0.00	3,234.08
AP 00359327	06/17/2015	SAN BERNARDINO CTY OFFICE OF THE ASSESSOR	840.00	0.00	840.00
AP 00359328	06/17/2015	SC FUELS	0.00	9,367.44	9,367.44
AP 00359329	06/17/2015	SHINING GLORY PUBLICATIONS	500.00	0.00	500.00
AP 00359330	06/17/2015	SMARTLITE	395.00	0.00	395.00
AP 00359331	06/17/2015	SO CALIF GAS COMPANY	1,362.96	0.00	1,362.96
AP 00359332	06/17/2015	SOURCE GRAPHICS	676.76	0.00	676.76
AP 00359337	06/17/2015	SOUTHERN CALIFORNIA EDISON	38,687.80	933.79	39,621.59 ***
AP 00359338	06/17/2015	STOTZ EQUIPMENT	30.49	0.00	30.49
AP 00359339	06/17/2015	STOVER SEED COMPANY	4,752.00	0.00	4,752.00
AP 00359340	06/17/2015	SUNGARD PUBLIC SECTOR INC	2,895.11	0.00	2,895.11
AP 00359341	06/17/2015	SWANK MOTION PICTURES INC	735.00	0.00	735.00
AP 00359342	06/17/2015	THOMPSON PLUMBING SUPPLY	2,852.28	0.00	2,852.28
AP 00359343	06/17/2015	TIM KEIFE PAINTING & WATERPROOFING	1,772.50	0.00	1,772.50
AP 00359344	06/17/2015	TORGA ELECTRIC	7,454.40	0.00	7,454.40
AP 00359345	06/17/2015	TRAFFIC MANAGEMENT INC	760.30	0.00	760.30
AP 00359346	06/17/2015	U.S. BANK PARS ACCT #6746022500	1,009.56	0.00	1,009.56
AP 00359347	06/17/2015	U.S. BANK PARS ACCT #6746022500	11,124.82	0.00	11,124.82
AP 00359348	06/17/2015	U S BANK PARS ACCT #6746022500	3,900.00	0.00	3,900.00
AP 00359349	06/17/2015	UNIQUE MANAGEMENT SERVICES INC	845.69	0.00	845.69
AP 00359350	06/17/2015	UNITED RENTALS NORTHWEST INC	258.74	0.00	258.74
AP 00359351	06/17/2015	US POSTMASTER	10,500.00	0.00	10,500.00
AP 00359352	06/17/2015	UTILIQUEST	2,383.47	0.00	2,383.47
AP 00359353	06/17/2015	VALLEY CREST LANDSCAPE	537.53	0.00	537.53
AP 00359354	06/17/2015	VALVERDE SCHOOL OF PERFORMING ARTS	12,323.00	0.00	12,323.00
AP 00359355	06/17/2015	Verizon	29.30	0.00	29.30
AP 00359356	06/17/2015	VERIZON BUSINESS SERVICES	19.16	0.00	19.16
AP 00359357	06/17/2015	VERIZON CALIFORNIA	6,067.84	72.58	6,140.42 ***
AP 00359358	06/17/2015	VERIZON WIRELESS - LA	494.13	0.00	494.13
AP 00359359	06/17/2015	VERIZON WIRELESS - LA	0.00	2,878.47	2,878.47
AP 00359360	06/17/2015	VERIZON WIRELESS - LA	233.06	0.00	233.06
AP 00359361	06/17/2015	VIRTUAL PROJECT MANAGER INC	500.00	0.00	500.00
AP 00359362	06/17/2015	VORTEX INDUSTRIES INC	270.04	0.00	270.04
AP 00359363	06/17/2015	WALKER, ROBERT	0.00	260.00	260.00
AP 00359364	06/17/2015	WAXIE SANITARY SUPPLY	2,279.70	0.00	2,279.70
AP 00359365	06/17/2015	WENGER CORPORATION	1,239.02	0.00	1,239.02

**CITY OF RANCHO CUCAMONGA  
AND  
RANCHO CUCAMONGA FIRE PROTECTION DISTRICT**

**Agenda Check Register**

6/10/2015 through 6/23/2015

<u>Check No.</u>	<u>Check Date</u>	<u>Vendor Name</u>	<u>City</u>	<u>Fire</u>	<u>Amount</u>
AP 00359366	06/17/2015	WEST COAST LIGHTS & SIRENS	1,722.15	0.00	1,722.15
AP 00359367	06/17/2015	WESTERN PACIFIC SIGNAL LLC	954.20	0.00	954.20
AP 00359368	06/17/2015	WESTON PRINGLE & ASSOCIATES	2,396.06	0.00	2,396.06
AP 00359369	06/17/2015	WILLIAMS, DEBRA	0.00	222.84	222.84
AP 00359370	06/17/2015	WORD MILL PUBLISHING	800.00	0.00	800.00
AP 00359373	06/17/2015	XEROX CORPORATION	9,096.51	443.87	9,540.38 ***
AP 00359374	06/18/2015	ABC LOCKSMITHS	5,319.68	0.00	5,319.68
AP 00359375	06/18/2015	AGILINE LLC	3,000.00	0.00	3,000.00
AP 00359376	06/18/2015	CALSENSE	2,403.60	0.00	2,403.60
AP 00359379	06/18/2015	CUCAMONGA VALLEY WATER DISTRICT	31,209.02	366.52	31,575.54 ***
AP 00359380	06/18/2015	EMCOR SERVICE	18,826.50	0.00	18,826.50
AP 00359381	06/18/2015	EWING IRRIGATION PRODUCTS	388.31	0.00	388.31
AP 00359382	06/18/2015	HYDRO SCAPE PRODUCTS INC	467.76	0.00	467.76
AP 00359383	06/18/2015	HYDRO SCAPE PRODUCTS INC	822.79	0.00	822.79
AP 00359384	06/18/2015	INLAND VALLEY DAILY BULLETIN	705.00	0.00	705.00
AP 00359385	06/18/2015	INTERSTATE BATTERIES	0.00	1,500.78	1,500.78
AP 00359386	06/18/2015	LN CURTIS AND SONS	0.00	27,087.75	27,087.75
AP 00359387	06/18/2015	PENNY PLUMBING	12,490.00	0.00	12,490.00
AP 00359388	06/18/2015	TOMARK SPORTS INC	81.00	0.00	81.00
AP 00359389	06/18/2015	TRUGREEN LANDCARE	46,404.20	0.00	46,404.20
AP 00359390	06/18/2015	TW TELECOM	1,408.20	0.00	1,408.20
AP 00359391	06/23/2015	KNOTT'S BERRY FARM	9,952.40	0.00	9,952.40

**Total City: \$2,157,086.74**  
**Total Fire: \$221,511.22**  
**Grand Total: \$2,378,597.96**

**Note:**

\*\*\* Check Number includes both City and Fire District expenditures

# STAFF REPORT

RANCHO CUCAMONGA POLICE DEPARTMENT



**DATE:** June 18, 2015  
**TO:** Mayor and Members of the City Council  
 John R. Gillison, City Manager  
**FROM:** Danielle Boldt, Chief of Police  
**BY:** Kirk Larson, Automotive Coordinator  
 Ruth Cain, Purchasing Manager

**SUBJECT: CONSIDERATION TO AUTHORZE THE AWARD OF CONTRACTS FOR AUTOMOTIVE MAINTENANCE AND REPAIR SERVICES TO A & R TIRE SERVICE OF RANCHO CUCAMONGA, FORD OF UPLAND, LIM'S AUTO, INC OF RANCHO CUCAMONGA, R & R AUTOMOTIVE INC. OF RANCHO CUCAMONGA, IN ACCORDANCE WITH REQUEST FOR QUALIFICATIONS "RFQ" #14/15-201, TO BE FUNDED FROM VARIOUS CITY ACCOUNTS CONTINGENT UPON THE APPROVED BUDGET FOR FY 2015-2016.**

## RECOMMENDATION

CONSIDERATION TO AUTHORZE THE AWARD OF CONTRACTS FOR AUTOMOTIVE MAINTENANCE AND REPAIR SERVICES TO A & R TIRE SERVICE OF RANCHO CUCAMONGA, FORD OF UPLAND, LIM'S AUTO, INC OF RANCHO CUCAMONGA, R & R AUTOMOTIVE INC. OF RANCHO CUCAMONGA, IN ACCORDANCE WITH REQUEST FOR QUALIFICATIONS "RFQ" #14/15-201, TO BE FUNDED FROM VARIOUS CITY ACCOUNTS CONTINGENT UPON THE APPROVED BUDGET FOR FY 2015-2016.

## BACKGROUND/ANALYSIS

The Police Department submitted specifications for automotive maintenance and repair services to the Purchasing Division. Purchasing prepared and posted a formal Request for Qualifications, (RFQ) #14/15-201 to the City's automated procurement system. As a result, there were forty-eight (48) notified vendors and fourteen (14) vendors downloaded the Request for Qualifications documentation and six (6) responses were received. One (1) response was deemed as non-responsive and one (1) response did not meet the specification requirements.

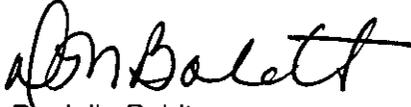
An Evaluation Committee consisting of staff from various departments conducted a thorough analysis and scored and ranked the of the Request for Qualification responses, After reviewing the responses, staff is recommending the award of contracts to A&R Tire of Rancho Cucamonga, Ford of Upland, Lim's Auto, Inc. of Rancho Cucamonga and R&R Automotive, Inc. of Rancho Cucamonga. If approved, the contract terms would be for three (3) years with an option to renew in one (1) increments up to a total of four (4) additional years, contingent upon the vendors ability to

CONSIDERATION TO AUTHORZE THE AWARD OF CONTRACTS FOR AUTOMOTIVE MAINTENANCE AND REPAIR SERVICES TO A & R TIRE SERVICE OF RANCHO CUCAMONGA, FORD OF UPLAND, LIM'S AUTO, INC OF RANCHO CUCAMONGA, R & R AUTOMOTIVE INC. OF RANCHO CUCAMONGA, IN ACCORDANCE WITH REQUEST FOR QUALIFICATIONS "RFQ" #14/15-201, TO BE FUNDED FROM VARIOUS CITY ACCOUNTS CONTINGENT UPON THE APPROVED BUDGET FOR FY 2015-2016

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hold the quoted pricing for the term of the agreement. All applicable documentation is on file in the City's electronic bidding system and can be accessed through the City's internet.

Respectfully submitted,



Danielle Boldt  
Chief of Police

DB:klp,rc



# STAFF REPORT

ENGINEERING SERVICES DEPARTMENT

**Date:** July 1, 2015

**To:** Mayor and Members of the City Council  
John R. Gillison, City Manager

**From:** Mark A. Steuer, Director of Engineering Services/City Engineer

**By:** Romeo M. David, Associate Engineer *RMD*

**Subject:** CONSIDERATION OF APPROVAL TO AUTHORIZE THE ADVERTISING OF THE "NOTICE INVITING BIDS" FOR THE FOOTHILL BOULEVARD PAVEMENT REHABILITATION PROJECT FROM VINEYARD AVENUE TO HAVEN AVENUE TO BE FUNDED FROM MEASURE I FUND AND CITYWIDE INFRASTRUCTURE FUND

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## RECOMMENDATION

It is recommended that the City Council approve the project specifications for the pavement rehabilitation of Foothill Boulevard from Vineyard Avenue to Haven Avenue, and approve the attached resolution authorizing the City Clerk to advertise the "Notice Inviting Bids".

## BACKGROUND/ANALYSIS

The scope of work consists of, but not limited to cold milling, crack sealing, Asphalt Rubber Hot Mix overlay, adjusting existing manholes and valves to new grade, traffic loops replacement or installation of traffic signal video detection and striping. The project will be funded from Measure I Fund and Citywide Infrastructure fund. Staff has determined that the project is categorically exempt per Article 19, Section 15301(c) of the CEQA guidelines.

The Engineer's estimate is \$1,100,000.00. Legal advertising is scheduled for July 7, 2015 and July 14, 2015, with bid opening at 2:00 p.m. on Tuesday, July 21, 2015, unless extended by addendum.

Respectfully submitted,

  
Mark A. Steuer  
Director of Engineering Services/City Engineer

MAS/RMD:ls

Attachment

**RESOLUTION NO. 15-107**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA APPROVING PLANS AND SPECIFICATIONS FOR THE "FOOTHILL BOULEVARD PAVEMENT REHABILITATION FROM VINEYARD AVENUE TO HAVEN AVENUE" IN SAID CITY AND AUTHORIZING AND DIRECTING THE CITY CLERK TO ADVERTISE TO RECEIVE BIDS**

**WHEREAS**, it is the intention of the City of Rancho Cucamonga to construct certain improvements in the City of Rancho Cucamonga.

**WHEREAS**, the City of Rancho Cucamonga has prepared plans and specifications for the construction of certain improvements.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, HEREBY RESOLVES**, that the plans and specifications presented by the City of Rancho Cucamonga be and are hereby approved as the plans and specifications for the **"FOOTHILL BOULEVARD PAVEMENT REHABILITATION FROM VINEYARD AVENUE TO HAVEN AVENUE"**.

**BE IT FURTHER RESOLVED** that the City Clerk is hereby authorized and directed to advertise as required by law for the receipt of sealed bids or proposals for doing the work specified in the aforesaid plans and specifications, which said advertisement shall be substantially in the following words and figures, to wit:

**"NOTICE INVITING SEALED BIDS OR PROPOSALS"**

Pursuant to a Resolution of the Council of the City of Rancho Cucamonga, San Bernardino County, California, directing this notice, **NOTICE IS HEREBY GIVEN** that said City of Rancho Cucamonga will receive at the Office of the City Clerk in the offices of the City of Rancho Cucamonga, on or before the hour of 2:00 p.m. on Tuesday, July 21, 2015, sealed bids or proposals for the **"FOOTHILL BOULEVARD PAVEMENT REHABILITATION FROM VINEYARD AVENUE TO HAVEN AVENUE"** in said City.

Bids will be publicly opened and read in the office of the City Clerk, 10500 Civic Center Drive, Rancho Cucamonga, California 91730.

Bids must be made on a form provided for the purpose, addressed to the City of Rancho Cucamonga, California, marked, "Bid for Construction of the **FOOTHILL BOULEVARD PAVEMENT REHABILITATION FROM VINEYARD AVENUE TO HAVEN AVENUE"**.

**PREVAILING WAGE:** Notice is hereby given that in accordance with the provisions of California Labor Code, Division 2, Part 7, Chapter 1, Articles 1 and 2, the Contractor is required to pay not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work. In that regard, the Director of the Department of Industrial Relations of the State of California is required to and has determined such general

prevailing rates of per diem wages. Copies of such prevailing rates of per diem wages are on file in the office of the City Clerk, City of Rancho Cucamonga, 10500 Civic Center Drive, Rancho Cucamonga, California, and are available to any interested party on request. They can also be found at [www.dir.ca.gov/](http://www.dir.ca.gov/) under the "Statistics and Research" Tab. The Contracting Agency also shall cause a copy of such determinations to be posted at the job site.

No contractor or subcontractor may be listed on a bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 (with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)).

No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.

This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

For all new projects awarded on or after April 1, 2015, the contractors and subcontractors must furnish electronic certified payroll records to the Labor Commissioner.

The requirement to furnish electronic certified payroll records to the Labor Commissioner will apply to all public works projects, whether new or ongoing, beginning January 1, 2016.

Pursuant to provisions of Labor Code Section 1775, the Contractor shall forfeit, as penalty to the City of Rancho Cucamonga, not more than two hundred dollars (\$200.00) for each laborer, workman, or mechanic employed for each calendar day or portion thereof, if such laborer, workman or mechanic is paid less than the general prevailing rate of wages herein before stipulated for any work done under the attached contract, by him or by any subcontractor under him, in violation of the provisions of said Labor Code.

Attention is directed to the provisions in Sections 1777.5 and 1777.6 of the Labor Code concerning the employment of apprentices by the Contractor or any subcontractor under him.

Section 1777.5, as amended, requires the Contractor or subcontractor employing tradesmen in any apprenticeship occupation to apply to the joint apprenticeship committee nearest the site of the public works project and which administers the apprenticeship program in that trade for a certificate of approval. The certificate will also fix the ratio of apprentices to journeymen that will be used in the performance of the contract. The ratio of apprentices to journeymen in such cases shall not be less than one to five except:

- A. When unemployment in the area of coverage by the joint apprenticeship committee has exceeded an average of 15 percent in the 90 days prior to the request of certificate, or
- B. When the number of apprentices in training in the area exceeds a ratio of one to five, or
- C. When the trade can show that it is replacing at least 1/30 of its membership through apprenticeship training on an annual basis statewide or locally, or
- D. When the Contractor provides evidence that he employs registered apprentices on all

of his contracts on an annual average of not less than one apprentice to eight journeymen.

The Contractor is required to make contributions to funds established for the administration of apprenticeship programs if he employs registered apprentices or journeymen in any apprenticable trade on such contracts and if other Contractors on the public works site are making such contributions.

The Contractor and subcontractor under him shall comply with the requirements of Sections 1777.5 and 1777.6 in the employment of apprentices.

Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of Industrial Relations, ex-officio the Administrator of Apprenticeship, San Francisco, California, or from the Division of Apprenticeship Standards and its branch offices.

Eight (8) hours of labor shall constitute a legal day's work for all workmen employed in the execution of this contract and the Contractor and any subcontractor under him shall comply with and be governed by the laws of the State of California having to do with working hours as set forth in Division 2, Part 7, Chapter 1, Article 3 of the Labor Code of the State of California as amended.

The Contractor or Subcontractor shall forfeit, as a penalty to the City of Rancho Cucamonga, twenty-five dollars (\$25.00) for each worker employed in the execution of the contract by the respective contractor or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of this article.

Contractor agrees to pay travel and subsistence pay to each workman needed to execute the work required by this contract as such travel and subsistence payments are defined in the applicable collective bargaining agreement filed in accordance with Labor Code Section 1773.1.

The bidder must submit with his proposal, cash, cashier's check, certified check, or bidder's bond, payable to the City of Rancho Cucamonga for an amount equal to at least 10% of the amount of said bid as a guarantee that the bidder will enter into the proposed contract if the same is awarded to him, and in event of failure to enter into such contract said cash, cashiers' check, certified check, or bond shall become the property of the City of Rancho Cucamonga.

If the City of Rancho Cucamonga awards the contract to the next lowest bidder, the amount of the lowest bidder's security shall be applied by the City of Rancho Cucamonga to the difference between the low bid and the second lowest bid, and the surplus, if any shall be returned to the lowest bidder.

The amount of the bond to be given to secure a faithful performance of the contract for said work shall be 100% of the contract price thereof, and an additional bond in an amount equal to 100% of the contract price for said work shall be given to secure the payment of claims for any materials or supplies furnished for the performance of the work contracted to be done by the Contractor, or any work or labor of any kind done thereon, and the Contractor will also be required to furnish a certificate that he carries compensation insurance covering his employees upon work to be done under contract which may be entered into between him and the said City of Rancho Cucamonga for the construction of said work.

Contractor shall possess any and all contractor licenses, in form and class as required by any and all applicable laws with respect to any and all of the work to be performed under this contract; including, but not limited to, a Class "A" License (General Engineering Contractor) or Class "C-12" License in accordance with the provisions of the Contractor's License Law (California Business and Professions Code, Section 7000 et. seq.) and rules and regulation adopted pursuant thereto.

The Contractor, pursuant to the "California Business and Professions Code," Section 7028.15, shall indicate his or her State License Number on the bid, together with the expiration date, and be signed by the Contractor declaring, under penalty of perjury, that the information being provided is true and correct.

The work is to be done in accordance with the profiles, plans, and specifications of the City of Rancho Cucamonga on file in the Office of the City Clerk at 10500 Civic Center Drive, Rancho Cucamonga, California.

In an effort to go green and paperless, digital copies of the plans, specifications, and bid proposal, including any future addenda or revisions to the bid documents, are available by going to [www.ciplist.com](http://www.ciplist.com) and signing up, by going to Member Login or Member Signup (it's free), then choose California, then scroll down to San Bernardino County and click on Browse Cities, then scroll down to Rancho Cucamonga and click on City Projects, then click on the Project of interest under the Title and follow directions for download. Note, copies of the plans, specifications, bid proposal, addendums and revisions will not be provided, digital copies must be downloaded from the above website then printed. Prospective bidders must register for an account on [www.ciplist.com](http://www.ciplist.com) to be included on the prospective bidder's list(s) and to receive email updates of any addenda or revisions to the bid documents. Be advised that the information contained on this site may change over time and without notice to prospective bidders or registered users. While effort is made to keep information current and accurate and to notify registered prospective bidders of any changes to the bid documents, it is the responsibility of each prospective bidder to register with [www.ciplist.com](http://www.ciplist.com) and to check this website on a DAILY basis through the close of bids for any applicable addenda or updates.

**No proposal will be considered from a Contractor to whom a proposal form has not been issued by the City of Rancho Cucamonga to registered prospective bidders from [www.ciplist.com](http://www.ciplist.com).**

The successful bidder will be required to enter into a contract satisfactory to the City of Rancho Cucamonga.

In accordance with the requirements of Section 9-3.2 of the General Provisions, as set forth in the Plans and Specifications regarding the work contracted to be done by the Contractor, the Contractor may, upon the Contractor's request and at the Contractor's sole cost and expense, substitute authorized securities in lieu of monies withheld (performance retention).

The City of Rancho Cucamonga, reserves the right to reject any or all bids.

Questions regarding this Notice Inviting Bids for the "FOOTHILL BOULEVARD PAVEMENT REHABILITATION FROM VINEYARD AVENUE TO HAVEN AVENUE" may be directed to:

ROMEO M. DAVID, ASSOCIATE ENGINEER & PROJECT MANAGER  
10500 Civic Center Drive, Rancho Cucamonga, CA 91730  
(909) 477-2740, ext. 4070

ADVERTISE ON: July 7, 2015 and July 14, 2015

**PROJECT  
LOCATION**

**UPLAND**



**CITY OF RANCHO CUCAMONGA**

**FOOTHILL BOULEVARD PAVEMENT REHABILITATION  
(Vineyard Avenue to Haven Avenue)**



**N.T.S.**



# STAFF REPORT

ENGINEERING SERVICES DEPARTMENT

**Date:** July 1, 2015

**To:** Mayor and Members of the City Council  
John R. Gillison, City Manager

**From:** Mark A. Steuer, Director of Engineering Services/City Engineer

**By:** Romeo M. David, Associate Engineer *RMD*  
Shelley Hayes, Assistant Engineer *SH*

**Subject:** CONSIDERATION TO ACCEPT THE ETIWANDA CREEK PARK SIDEWALK IMPROVEMENT PROJECT, CONTRACT NO. 15-068 AS COMPLETE, RELEASE THE BONDS, ACCEPT A MAINTENANCE BOND, AUTHORIZE THE CITY ENGINEER TO FILE A NOTICE OF COMPLETION AND APPROVE THE FINAL CONTRACT AMOUNT OF \$108,282.58

## RECOMMENDATION

It is recommended that the City Council accept the Etiwanda Creek Park Sidewalk improvement Project, Contract No. 15-068, as complete, authorize the City Engineer to file a Notice of Completion, release the Faithful Performance Bond, accept a Maintenance Bond, authorize the release of the Labor and Materials Bond in the amount of \$111,772.20 six months after the recordation of said notice if no claims have been received, and authorize the release of the retention in the amount of \$5,414.13 35 days after acceptance. Also approve the final contract amount of \$108,282.58.

## BACKGROUND/ANALYSIS

The subject project has been completed in accordance with the approved plans and specifications and to the satisfaction of the City Engineer.

The Etiwanda Creek Park Sidewalk improvement Project scope of work consisted of replacing some DG material, turf and dirt area with concrete sidewalks. In addition, a handicap ramp was provided for this same path of travel for ADA accessibility and minor landscape and irrigation modifications. Pertinent information of the project is as follows:

- Budgeted Amount: \$250,000.00
- Account Numbers: 1120401-5650/1861120-0
- City Council Approval to Advertise: February 18, 2015
- Publish dates for local paper: February 24 and March 3, 2015
- Bid Opening: March 10, 2015
- Contract Award Date: April 1, 2015
- Low Bidder: Kasa Construction Inc.

CITY COUNCIL STAFF REPORT  
Re: ETIWANDA CREEK PARK SIDEWALK IMPROVEMENT PROJECT  
JULY 1, 2015  
PAGE 2

- Contingency: \$11,177.22
- Final Contract Amount: \$108,282.58
- Difference in Contract Amount: (-\$3,489.62) (-3.12%)

The net decrease in the total cost of the project is a result of two (2) Contract Change Orders, including the Balancing Statement. The notable change significant to the decrease of the Contract amount was: 1,030 less square feet of sidewalk needed than originally bid. The balancing statement also accounted for other minor increases and decreases in the project quantities.

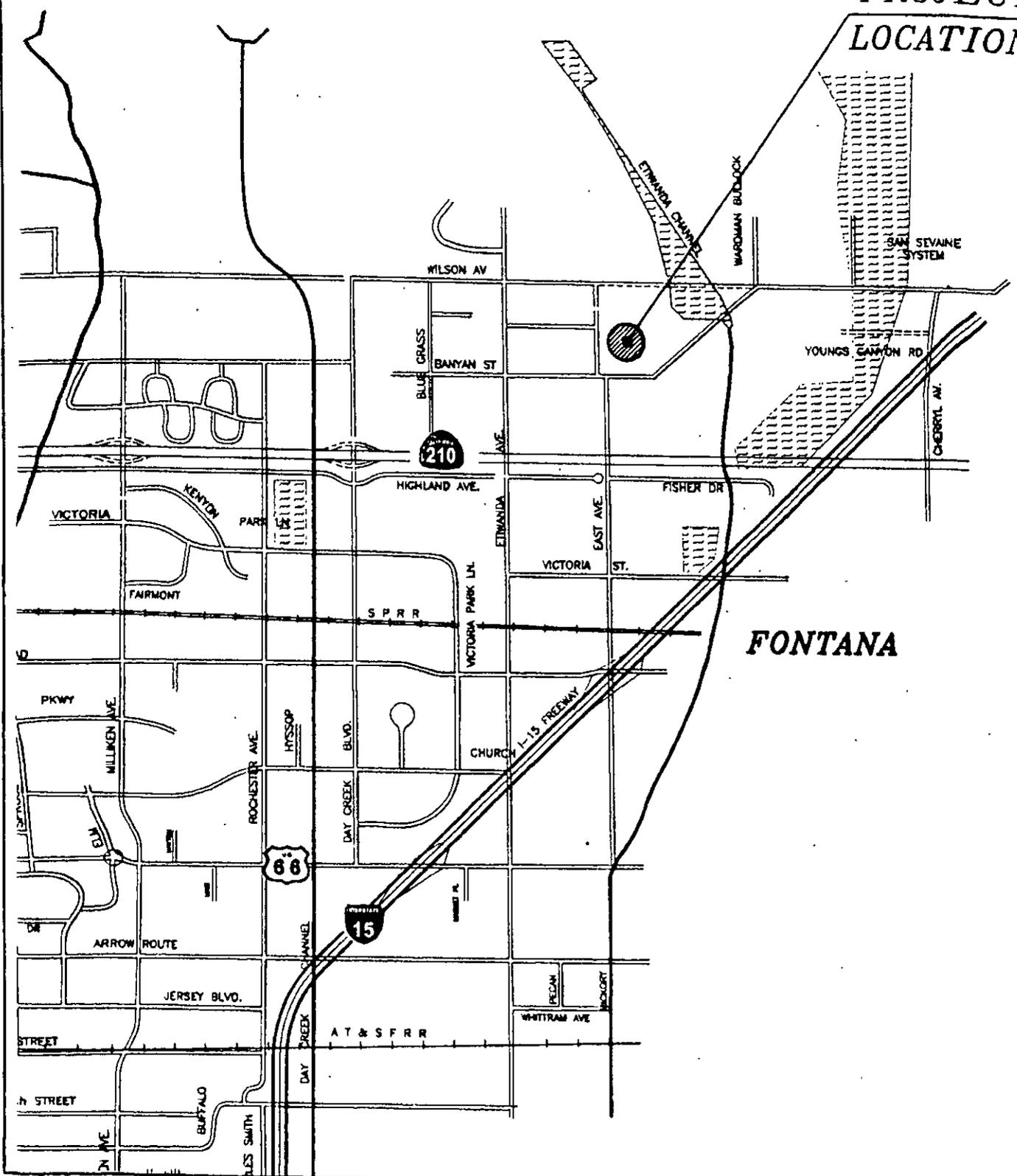
Respectfully submitted,



Mark A. Steuer  
Director of Engineering Services/City Engineer

MAS/RMD/SH:ls  
Attachment

# PROJECT LOCATION



CITY OF RANCHO CUCAMONGA

ETIWANDA CREEK PARK  
SIDEWALK IMPROVEMENTS



RESOLUTION NO. 15-108

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA, ACCEPTING THE ETIWANDA CREEK PARK SIDEWALK IMPROVEMENT PROJECT, CONTRACT NO. 15-068, AND AUTHORIZING THE FILING OF A NOTICE OF COMPLETION FOR THE WORK

WHEREAS, the Etiwanda Creek Park Sidewalk improvement Project Contract No. 15-068, has been completed to the satisfaction of the City Engineer; and

WHEREAS, a Notice of Completion is required to be filed, certifying the work complete.

NOW, THEREFORE, the CITY COUNCIL of the City of Rancho Cucamonga hereby resolves that the work is hereby accepted and the City Engineer is authorized to sign and file a Notice of Completion with the County Recorder of San Bernardino County.



# STAFF REPORT

ENGINEERING SERVICES DEPARTMENT

**Date:** July 1, 2015

**To:** Mayor and Members of the City Council  
John R. Gillison, City Manager

**From:** Mark A. Steuer, Director of Engineering Services/City Engineer

**By:** Romeo M David, Associate Engineer *RMD*  
Shelley Hayes, Assistant Engineer *SH*

**Subject:** CONSIDERATION TO ACCEPT THE FISCAL YEAR 2014/2015 LOCAL STREET PAVEMENT REHABILITATION – OVERLAY OF VARIOUS STREETS PROJECT, CONTRACT NO. 15-054 AS COMPLETE, RELEASE THE BONDS, ACCEPT A MAINTENANCE BOND, AUTHORIZE THE CITY ENGINEER TO FILE A NOTICE OF COMPLETION AND APPROVE THE BALANCING STATEMENT AND FINAL CONTRACT AMOUNT OF \$747,028.85

## RECOMMENDATION

It is recommended that the City Council accept the Fiscal Year 2014/2015 Local Street Pavement Rehabilitation – Overlay of Various Streets project, Contract No. 15-054, as complete, authorize the City Engineer to file a Notice of Completion, release the Faithful Performance Bond, accept a Maintenance Bond, authorize the release of the Labor and Materials Bond in the amount of \$575,911.25 six months after the recordation of said notice if no claims have been received and authorize the release of the retention in the amount of \$37,351.45 35 days after acceptance. Also approve the balancing statement and final contract amount of \$747,028.85.

## BACKGROUND/ANALYSIS

The subject project has been completed in accordance with the approved plans and specifications and to the satisfaction of the City Engineer.

The Fiscal Year 2014/2015 Local Street Pavement Rehabilitation – Overlay of Various Streets project scope of work consisted of the installation of crack sealing, patching, cold planing, A.C. overlay, re-striping and pavement markings. Pertinent information of the project is as follows:

- Budgeted Amount: \$850,000 00
- Account Numbers: 1174303-5650/1022174-0
- City Council Approval to Advertise: February 4, 2015
- Publish dates for local paper: February 10 and 17, 2015
- Bid Opening: February 24, 2015
- Contract Award Date: March 18, 2015
- Low Bidder: R. J. Noble Company

CITY COUNCIL STAFF REPORT

Re: FISCAL YEAR 2014/2015 LOCAL STREET PAVEMENT REHABILITATION – OVERLAY OF VARIOUS STREETS PROJECT

JULY 1, 2015

PAGE 2

- Contract Amount: \$575,911.25
- Contingency: \$57,591.13
- Final Contract Amount: \$747,028.85
- Difference in Contract Amount: \$171,117.60 (29.71%)

The net increase in the total cost of the project is a result of three (3) Contract Change Orders, including the Balancing Statement. The notable changes that were significant to the increase of the Contract amount were: the addition of the Civic Center north parking lot including cold milling, paving and striping, and 1,640 tons of additional Asphalt Concrete overlay needed than originally bid to correct the unevenness and ride ability of the pavement. The balancing statement also accounted for the additional Asphalt Concrete and other minor increases and decreases in the project quantities.

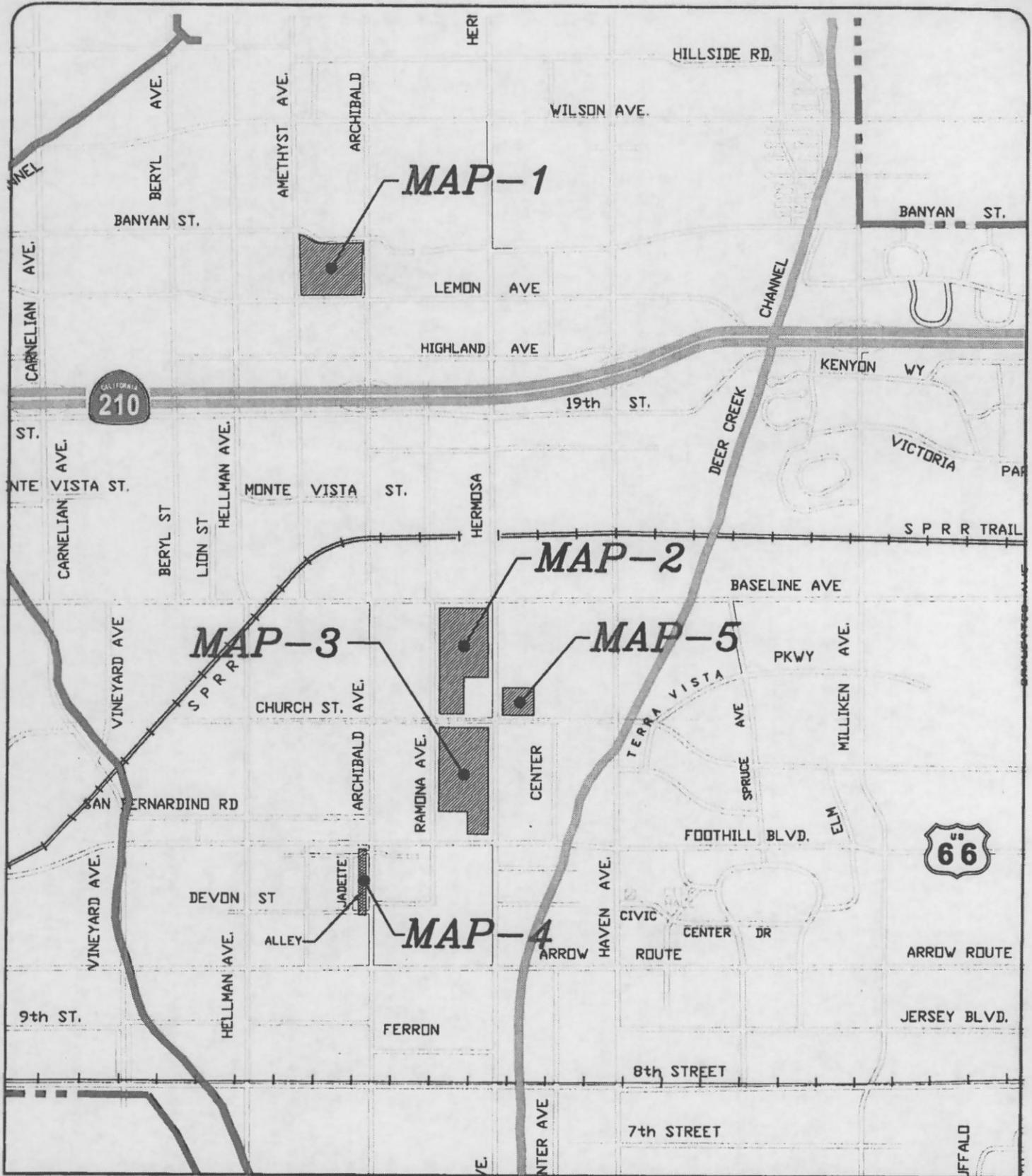
Respectfully submitted,



Mark A. Steuer  
Director of Engineering Services/City Engineer

MAS/RMD/SH:ls

Attachment



**CITY OF RANCHO CUCAMONGA**

**FY 2014/2015 LOCAL STREET PAVEMENT REHABILITATION  
OVERLAY AT VARIOUS LOCATIONS**



N.T.S.

RESOLUTION NO. 15-109

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA, ACCEPTING THE FISCAL YEAR 2014/2015 LOCAL STREET PAVEMENT REHABILITATION – OVERLAY OF VARIOUS STREETS PROJECT, CONTRACT NO. 15-054, AND AUTHORIZING THE FILING OF A NOTICE OF COMPLETION FOR THE WORK

WHEREAS, the Fiscal Year 2014/2015 Local Street Pavement Rehabilitation – Overlay of Various Streets project Contract No. 15-054, has been completed to the satisfaction of the City Engineer; and

WHEREAS, a Notice of Completion is required to be filed, certifying the work complete.

NOW, THEREFORE, the CITY COUNCIL of the City of Rancho Cucamonga hereby resolves that the work is hereby accepted and the City Engineer is authorized to sign and file a Notice of Completion with the County Recorder of San Bernardino County.

# STAFF REPORT

PUBLIC WORKS SERVICES DEPARTMENT



P38

**Date:** July 1, 2015

**To:** Mayor and Members of the City Council  
John R. Gillison, City Manager

**From:** William Wittkopf, Public Works Services Director

**By:** Ty Quaintance, Facilities Superintendent

**Subject:** CONSIDERATION TO APPROVE PLANS AND SPECIFICATIONS FOR THE NEW DEPARTMENT OF INNOVATION AND TECHNOLOGY (DoIT) TENANT IMPROVEMENT PROJECT, AND AUTHORIZE THE CITY CLERK TO ADVERTISE THE "NOTICE INVITING BIDS"

## RECOMMENDATION

It is recommended that the City Council approve the plans and specifications for the Department of Innovation and Technology (DoIT) Tenant Improvement Project and approve the attached resolution authorizing the City Clerk to advertise the "Notice Inviting Bids".

## BACKGROUND/ANALYSIS

Effective the new fiscal year, the G.I.S. and I.S. Divisions are combining to form the "Department of Innovation and Technology (DoIT)". In order to accommodate the combined staff in one physical location, the new team will relocate to the former Engineering space on the Lower Level of City Hall. This space has not been modified or updated since City Hall was originally built. As part of this project, the space will be renovated and become the Innovation Lab, accommodating the DoIT staff and a multi-purpose training and conference room. Workstations and other furnishings from the existing IS and GIS spaces will be re-used in the new spaces, augmented by new furnishing where required, in order to contain project costs.

In order to accommodate this change, the City is currently contracting with Williams Architects on the drawings and specifications for tenant improvements.

The 4,838 sq. ft. tenant improvement will include upgrades to the electrical distribution, communications, heating, ventilation and cooling systems, relocation of existing light fixtures to allow for occupancy sensors as well as day light harvesting. All ceiling tiles will be replaced, new carpet installed and fresh paint applied to all walls.

Legal advertising is scheduled for July 7, 2015 and July 14, 2015 with a bid opening at 2:00 p.m. on Tuesday, August 4, 2015, unless extended by Addenda. A mandatory pre-bid job walk is scheduled at 10:00 a.m. on Monday, July 20, 2015. Staff anticipates awarding a contract on August 19, 2015. The contractor will have 30 working days to complete the project.

The Engineer's Estimate for this project is \$150,000 and will be funded through the Capital Reserve Fund.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "William Wittkopf".

William Wittkopf  
Public Works Services Director

WW:TQ

Attachment: Resolution

## RESOLUTION NO. 15-110

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA APPROVING PLANS AND SPECIFICATIONS FOR THE DEPARTMENT OF INNOVATION AND TECHNOLOGY (DoIT) TENANT IMPROVEMENT PROJECT IN SAID CITY AND AUTHORIZING AND DIRECTING THE CITY CLERK TO ADVERTISE TO RECEIVE BIDS**

**WHEREAS**, it is the intention of the City of Rancho Cucamonga to construct certain improvements in the City of Rancho Cucamonga.

**WHEREAS**, the City of Rancho Cucamonga has prepared plans and specifications for the construction of certain improvements.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, HEREBY RESOLVES**, that the plans and specifications presented by the City of Rancho Cucamonga be and are hereby approved as the plans and specifications for the "DEPARTMENT OF INNOVATION AND TECHNOLOGY (DoIT) TENANT IMPROVEMENT PROJECT"

**BE IT FURTHER RESOLVED** that the City Clerk is hereby authorized and directed to advertise as required by law for the receipt of sealed bids or proposals for doing the work specified in the aforesaid plans and specifications, which said advertisement shall be substantially in the following words and figures, to wit:

**"NOTICE INVITING SEALED BIDS OR PROPOSALS"**

Pursuant to a Resolution of the Council of the City of Rancho Cucamonga, San Bernardino County, California, directing this notice, NOTICE IS HEREBY GIVEN that said City of Rancho Cucamonga will receive at the Office of the City Clerk in the offices of the City of Rancho Cucamonga, on or before the hour of 2:00 p.m. on Tuesday, August 4, 2015, sealed bids or proposals for the "DEPARTMENT OF INNOVATION AND TECHNOLOGY (DoIT) TENANT IMPROVEMENT PROJECT" in said City.

Bids will be publicly opened and read in the office of the City Clerk, 10500 Civic Center Drive, Rancho Cucamonga, California 91730.

Bids must be made on a form provided for the purpose, addressed to the City of Rancho Cucamonga, California, marked, "Bid for Construction of the "DEPARTMENT OF INNOVATION AND TECHNOLOGY (DoIT) TENANT IMPROVEMENT PROJECT"

**A mandatory Pre-Bid meeting and site tour will be held on Monday, July 20, 2015, beginning at 10:00 a.m. Refer to Item "O. Pre-Bid Meeting" of the "Instructions to Bidders" of the bid documents for approximate directions. Attendees are required to sign in at the Pre-Bid meeting. Bids from companies that did not have a representative sign in at the Pre-Bid meeting will be rejected.**

**PREVAILING WAGE:** Notice is hereby given that in accordance with the provisions of California Labor Code, Division 2, Part 7, Chapter 1, Articles 1 and 2, the Contractor is required to pay not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work. In that regard, the Director of the Department of Industrial Relations of the State of California is required to and has determined such general

prevailing rates of per diem wages. Copies of such prevailing rates of per diem wages are on file in the office of the City Clerk, City of Rancho Cucamonga, 10500 Civic Center Drive, Rancho Cucamonga, California, and are available to any interested party on request. They can also be found at [www.dir.ca.gov/](http://www.dir.ca.gov/) under the "Statistics and Research" Tab. The Contracting Agency also shall cause a copy of such determinations to be posted at the job site.

Pursuant to provisions of Labor Code Section 1775, the Contractor shall forfeit, as penalty to the City of Rancho Cucamonga, not more than two hundred dollars (\$200.00) for each laborer, workman, or mechanic employed for each calendar day or portion thereof, if such laborer, workman or mechanic is paid less than the general prevailing rate of wages herein before stipulated for any work done under the attached contract, by him or by any subcontractor under him, in violation of the provisions of said Labor Code.

Attention is directed to the provisions in Sections 1777.5 and 1777.6 of the Labor Code concerning the employment of apprentices by the Contractor or any subcontractor under him.

Section 1777.5, as amended, requires the Contractor or subcontractor employing tradesmen in any apprenticeship occupation to apply to the joint apprenticeship committee nearest the site of the public works project and which administers the apprenticeship program in that trade for a certificate of approval. The certificate will also fix the ratio of apprentices to journeymen that will be used in the performance of the contract. The ratio of apprentices to journeymen in such cases shall not be less than one to five except:

- A. When unemployment in the area of coverage by the joint apprenticeship committee has exceeded an average of 15 percent in the 90 days prior to the request of certificate, or
- B. When the number of apprentices in training in the area exceeds a ratio of one to five, or
- C. When the trade can show that it is replacing at least 1/30 of its membership through apprenticeship training on an annual basis statewide or locally, or
- D. When the Contractor provides evidence that he employs registered apprentices on all of his contracts on an annual average of not less than one apprentice to eight journeymen.

The Contractor is required to make contributions to funds established for the administration of apprenticeship programs if he employs registered apprentices or journeymen in any apprenticeship trade on such contracts and if other Contractors on the public works site are making such contributions.

The Contractor and subcontractor under him shall comply with the requirements of Sections 1777.5 and 1777.6 in the employment of apprentices.

Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of Industrial Relations, ex-officio the Administrator of Apprenticeship, San Francisco, California, or from the Division of Apprenticeship Standards and its branch offices.

Eight (8) hours of labor shall constitute a legal day's work for all workmen employed in the execution of this contract and the Contractor and any subcontractor under him shall comply with and be governed by the laws of the State of California having to do with working hours as set forth in Division 2, Part 7, Chapter 1, Article 3 of the Labor Code of the State of California as amended.

The Contractor shall forfeit, as a penalty to the City of Rancho Cucamonga, twenty-five dollars (\$25.00) for each laborer, workman, or mechanic employed in the execution of the contract, by him or any subcontractor under him, upon any of the work herein before mentioned, for each calendar day during which said laborer, workman, or mechanic is required or permitted to labor more than eight (8) hours in violation of said Labor Code.

Contractor agrees to pay travel and subsistence pay to each workman needed to execute the work required by this contract as such travel and subsistence payments are defined in the applicable collective bargaining agreement filed in accordance with Labor Code Section 1773.1.

The bidder must submit with his proposal, cash, cashier's check, certified check, or bidder's bond, payable to the City of Rancho Cucamonga for an amount equal to at least 10% of the amount of said bid as a guarantee that the bidder will enter into the proposed contract if the same is awarded to him, and in event of failure to enter into such contract said cash, cashiers' check, certified check, or bond shall become the property of the City of Rancho Cucamonga.

If the City of Rancho Cucamonga awards the contract to the next lowest bidder, the amount of the lowest bidder's security shall be applied by the City of Rancho Cucamonga to the difference between the low bid and the second lowest bid, and the surplus, if any shall be returned to the lowest bidder.

The amount of the bond to be given to secure a faithful performance of the contract for said work shall be 100% of the contract price thereof, and an additional bond in an amount equal to 100% of the contract price for said work shall be given to secure the payment of claims for any materials or supplies furnished for the performance of the work contracted to be done by the Contractor, or any work or labor of any kind done thereon, and the Contractor will also be required to furnish a certificate that he carries compensation insurance covering his employees upon work to be done under contract which may be entered into between him and the said City of Rancho Cucamonga for the construction of said work.

Contractor shall possess any and all contractor licenses, in form and class as required by any and all applicable laws with respect to any and all of the work to be performed under this contract; including, but not limited to, a Class "A" (General Engineering Contractor) in accordance with the provisions of the Contractor's License Law (California Business and Professions Code, Section 7000 et. seq.) and rules and regulation adopted pursuant thereto.

The Contractor, pursuant to the "California Business and Professions Code," Section 7028.15, shall indicate his or her State License Number on the bid, together with the expiration date, and be signed by the Contractor declaring, under penalty of perjury, that the information being provided is true and correct.

The work is to be done in accordance with the specifications of the City of Rancho Cucamonga on file in the Office of the City Clerk at 10500 Civic Center Drive, Rancho Cucamonga, California.

In an effort to go green and paperless, digital copies of the plans, specifications, and bid proposal, including any future addenda or revisions to the bid documents, are available by going to [www.ciplist.com](http://www.ciplist.com) and signing up, by going to Member Login or Member Signup (it's free), then choose California, then scroll down to San Bernardino County and click on Browse Cities, then scroll down to Rancho Cucamonga and click on City Projects, then click on the Project of interest under the Title and follow directions for download. Note, copies of the plans, specifications, bid proposal, addendums and revisions will not be provided, digital copies must be downloaded from the above website then printed. Prospective bidders must register for an account on [www.ciplist.com](http://www.ciplist.com) to be included on the prospective bidder's list(s) and to receive email updates of any addenda or revisions to the bid documents. Be advised that the information contained on this site may change over time and without notice to prospective bidders or registered users.





# STAFF REPORT

ADMINISTRATIVE SERVICES GROUP

**Date:** July 1, 2015

**To:** Mayor and Members of the City Council  
John R. Gillison, City Manager

**From:** Lori Sassoon, Deputy City Manager/Administrative Services *B*

**By:** Ingrid Y. Bruce, GIS/Special Districts Manager

**Subject:** **CONSIDERATION TO APPROVE AMENDMENT NO. 002 RENEWING CONTRACT NO. 14-017 BETWEEN NEC CORPORATION OF AMERICA AND THE CITY OF RANCHO CUCAMONGA FOR TELEPHONE SYSTEM MAINTENANCE AND SUPPORT SERVICES FOR FISCAL YEAR 2015/16, IN THE AMOUNT OF \$102,050 FROM TELECOMMUNICATIONS FUND 1001217-5300 (CONTRACT SERVICES).**

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## RECOMMENDATION:

It is recommended that the City Council approve amendment No. 002 renewing contract No. 14-017 between NEC Corporation of America and the City of Rancho Cucamonga for Telephone System Maintenance and Support Services for Fiscal Year 2015/2016, in the amount \$102,050, from Telecommunications Fund 1001217-5300 (Contract Services).

## BACKGROUND/ANALYSIS:

In 1999 the City installed a complete Private Branch Exchange (PBX) telecommunications network for City Hall and all offsite locations manufactured by NEC Corporation of America (hereinafter "NEC"). NEC has been under contract to provide citywide telephone maintenance and support services on the City's equipment since 2001. NEC has proven to provide required technical knowledge, support service, and responsiveness resulting in minimal system down-time.

In Spring 2015, the City released a Request For Proposal (RFP) to explore the options available for replacing the entire phone system and/or a citywide phone upgrade phased over a number of years. The existing, aged system is past its useful life and at risk of system failure. At this point, vendor proposals have been received and in the next few weeks, the top 4 vendors will be invited to make presentations to key staff who will be evaluating each presentation to ensure that the phone needs of the city are met. In the meantime, the services are NEC are required to support the existing system until the new system is acquired. If and when a decision is made and approved to proceed with replacing the telephone system, at that time the City can provide NEC with a 30-day written notice to terminate this maintenance and support services agreement.

# STAFF REPORT

ADMINISTRATIVE SERVICES GROUP



**Date:** July 1, 2015

**To:** Mayor and Members of City Council  
John R. Gillison, City Manager

**From:** Lori E. Sassoon, Deputy City Manager/Administrative Services *LB*

**By:** Ingrid Y. Bruce, GIS/Special Districts Manager

**Subject:** **CONDUCT PUBLIC HEARING AND CONSIDERATION TO APPROVE FORMING AND ESTABLISHING THE WEST-SIDE NEIGHBORHOOD PARKS AND STREET LIGHTING COMMUNITY FACILITIES DISTRICT NO. 1 OF THE CITY OF RANCHO CUCAMONGA, AND ADOPT THE RESOLUTION OF FORMATION ESTABLISHING THE DISTRICT, RESOLUTION AUTHORIZING AND SETTING A SPECIAL ELECTION FOR THE ADOPTION OF A SPECIAL TAX, AND RESOLUTION REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BERNARDINO TO CONSOLIDATE THE SPECIAL ELECTION WITH ANY ELECTION TO BE HELD.**

## RECOMMENDATION

It is recommended that the City Council conduct a public hearing and consider approve forming and establishing West-Side Neighborhood Parks and Street Lighting Community Facilities District No. 1 of the City of Rancho Cucamonga, and adopt the Resolution of Formation establishing the said District, Resolution authorizing and setting a special election for the adoption of a special tax, and Resolution requesting the Board of Supervisors of the County of San Bernardino to consolidate the special election with any election to be held.

## BACKGROUND

Over the last 18 months, the City has engaged in an extensive effort of analysis and public information regarding the need to address funding issues in our West-side parks and street lighting districts. More than 3,500 residents have been engaged during this time through informational meetings, surveys, and presentations. Results from the third-party surveys indicate that Rancho Cucamonga residents value safe, walkable neighborhoods with well-lit streets and clean, well-maintained parks. The City has been working to ensure that the community's West-side neighborhoods continue to have parks and streets that are well-lit, well-maintained, and flourishing.

On March 4, 2015, the City Council directed the formation of a new West-side Parks and Street Lighting Community Facilities District to fund neighborhood parks, street lights, and landscaping in that area. If approved, this new District would completely dissolve certain existing West-side districts (PD 85, LMD 1, LMD 3a, LMD 3b, LMD 5, SLD 2, SLD 6), in which some property owners are currently paying less than others, and replace them a single district with uniform rates. The existing LMD/SLD assessments for the districts noted above would be eliminated, and a special tax

**CONDUCT PUBLIC HEARING AND CONSIDERATION TO APPROVE FORMING AND ESTABLISHING THE WEST-SIDE NEIGHBORHOOD PARKS AND STREET LIGHTING COMMUNITY FACILITIES DISTRICT NO. 1 OF THE CITY OF RANCHO CUCAMONGA, AND ADOPT THE RESOLUTION OF FORMATION ESTABLISHING THE DISTRICT, RESOLUTION AUTHORIZING AND SETTING A SPECIAL ELECTION FOR THE ADOPTION OF A SPECIAL TAX, AND RESOLUTION REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BERNARDINO TO CONSOLIDATE THE SPECIAL ELECTION WITH ANY ELECTION TO BE HELD.**

July 1, 2015

would be levied annually against the private residential and non-residential properties that are located within the boundaries.

The new district would maintain:

- Clean, maintained parks
- Safe playgrounds
- Graffiti removal
- Park lighting
- Trash cleanup
- Well-maintained street lights

The new measure would require that all revenues be deposited into a separate fund that, by law, can only be spent on maintaining our local neighborhood parks, street lighting, and landscaping. Annual independent audits and review by a Citizens' Oversight Committee would also be required.

Rates in the new district would be \$89 per single family unit; \$44.50 per residential unit for seniors 65 years of age or older; and \$712 per acre for non-residential parcels. The rate upon sale for single family units would be \$178, or \$89 for seniors 65 years of age or older. The complete rate chart is found on page 5 of the Special Tax Report, which is included in this agenda packet. Generally speaking, most current residential rates in the affected area are between \$31 and \$200 per unit depending upon in which district or districts the parcel is located.

Staff has received several questions regarding future increases to the maximum special tax, which is noted in the Special Tax Report and the Resolution of Formation. All of the City's updated districts include these escalator factors in their rates structures, so that the rates can be adjusted incrementally over time to keep pace with growth in costs of utilities, contracts, etc. It is important to note that while the maximum tax increases each year, this does not mean that the actual amount levied is required to increase each year. As is the case in our other LMD's and CFD's that have been approved in recent years, the maximum tax is a ceiling, not a floor; there are no automatic increases to the actual tax imposed on property owners. By law, the City Council can only levy what is required to meet the actual expenses of the district, as noted on Page 5 of the Special Tax Report: "*The actual Special Tax imposed for a given year may not exceed the then current year Maximum Annual Special Tax amount or the actual costs of the District, whichever is less*" (emphasis added).

On April 1, 2015, the City Council adopted Resolution No. 15-047 establishing the boundary of the then proposed West-Side Neighborhood Parks and Street Lighting Community Facilities District No.1. On May 20, 2015, City Council approved the adoption of Resolution No. 15-079, declaring its intention to establish West-Side Neighborhood Parks and Street Lighting Communities Facilities District No. 1, to authorize the levy of a special tax to finance certain facilities and services, and also set the time and place for a public hearing on these matters.

**CONDUCT PUBLIC HEARING AND CONSIDERATION TO APPROVE FORMING AND ESTABLISHING THE WEST-SIDE NEIGHBORHOOD PARKS AND STREET LIGHTING COMMUNITY FACILITIES DISTRICT NO. 1 OF THE CITY OF RANCHO CUCAMONGA, AND ADOPT THE RESOLUTION OF FORMATION ESTABLISHING THE DISTRICT, RESOLUTION AUTHORIZING AND SETTING A SPECIAL ELECTION FOR THE ADOPTION OF A SPECIAL TAX, AND RESOLUTION REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BERNARDINO TO CONSOLIDATE THE SPECIAL ELECTION WITH ANY ELECTION TO BE HELD.**

July 1, 2015

Pursuant to the requirements of the Resolution of Intention, the City Clerk has published with the Daily Bulletin, a notice of the time and place of this public hearing pursuant to Section 53322 of the California Code at least seven (7) days before the date of the hearing. Additionally, a Notice of Public Hearing was mailed on June 12, 2015 through the United States Postal Service to each registered voter and property owner within the District's boundary as prescribed by Section 53322.4 of the California Government Code with the time and place of the meeting.

One purpose of the public hearing is to determine whether or not a majority protest exists against the formation of the District. A majority protest in this proceeding would require a written protest of at least 14,967 property owners, or at least 26,220 voters. At the hearing, the Director of City Clerk Services will provide the City Council with a tally of the number of protests received, so that the determination can be made as to whether or not a majority protest exists.

Provided that there is no majority written protest by the qualified voters or landowners within the District, the City Council may adopt these Resolutions. Adoption of the Resolutions does not approve the District, it only provides for the preliminary establishment of the District so that it may be placed on a ballot and brought forward to the voters; calls for an election on the matter; consolidates the election with County's election in November to reduce costs; and establishes the priority and process for the filing of ballot arguments. Please note that while the Council has the option to provide the ballot argument in support of the measure, it is recommended that the Council not exercise that option.

Approval of these resolutions only forms the District but does not enact the levy of the special taxes; rather, these resolutions allow the measure to go forward for a vote November 3, 2015. Ultimately, it is the electorate in this district that will determine whether or not the District is approved, through the democratic process. Approval of the District and the associated rates can only happen through an affirmative vote of more than 2/3 of the eligible voters who cast votes in the November 3, 2015 election. If the measure passes, it does not become effective until the FY 2016-17 fiscal year.

Attachments:  
Resolutions

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA, FORMING AND ESTABLISHING WEST-SIDE NEIGHBORHOOD PARKS AND STREET LIGHTING COMMUNITY FACILITIES DISTRICT NO. 1 OF THE CITY OF RANCHO CUCAMONGA, AND AUTHORIZING SUBMITTAL OF THE LEVY OF THE SPECIAL TAX TO THE QUALIFIED ELECTORS**

**WHEREAS**, the City Council of the City of Rancho Cucamonga (the "City"), has, by the adoption of Resolution No. 15-079 (the "Resolution of Intention"), previously declared its intention to form a community facilities district pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act") for the purpose of financing the public services and facilities described herein below; such community facilities district referred to as West-Side Neighborhood Parks and Street Lighting Community Facilities District No. 1 of the City of Rancho Cucamonga (the "District"); and

**WHEREAS**, notice of a public hearing relating to the establishment of the District, the extent of the District, the financing of certain types of services and facilities and all other related matters has been given, and a Community Facilities District Report, as ordered by this City Council, has been presented to this City Council and has been made a part of the record of the hearing to establish the District; and

**WHEREAS**, all communications relating to the establishment of the District, the financing of certain types of public services and facilities and the proposed rate and method of apportionment of the special tax have been presented, and it has further been determined that a majority protest as defined by law has not been received against these proceedings; and

**WHEREAS**, the Registrar of Voters of the County of San Bernardino has certified that there are more than twelve (12) registered voters residing within the proposed boundaries of the District; and

**WHEREAS**, inasmuch as there are more than twelve (12) registered voters within the territory of the District, the authorization to levy the special tax within the District shall be submitted to the registered voters of the District, such registered voters being the qualified electors as authorized by law.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Rancho Cucamonga, California, as follows:

**Section 1. Recitals.** The above recitals are all true and correct.

**Section 2. Determinations.** It is hereby determined by this City Council that:

- A. All prior proceedings pertaining to the formation of the District were valid and taken in conformity with the requirements of the law, and specifically the provisions of the Act, and that this finding and determination is made pursuant to the provisions of Government Code Section 53325.1.
- B. The written protests received, if any, do not represent a majority protest as defined by the applicable provisions of the Act and, therefore, the special taxes proposed to be levied within the District have not been precluded by majority protest pursuant to Section 53324 of the Government Code of the State of California.
- C. The District as proposed conforms with the City of Rancho Cucamonga's statement of goals and policies regarding the establishment of community facilities districts (the "Goals and Policies").

- D. The formation of the District, the authorization to levy the special tax within the District to finance the public services and the facilities described below does not constitute a commitment to finance any specific project which may result in a potentially significant physical impact on the environment. The formation of District and such authorization to levy the special tax constitute the creation of a government funding mechanism which does not involve the commitment to any specific project which may result in a potentially significant physical impact on the environment. Therefore, the formation of the District and the authorization to levy the special tax within District do not constitute a "project" which is subject to the provisions of the California Environmental Quality Act (California Public Resources Code Section 21000 and following).
- E. More than twelve (12) persons have been registered to vote within the District for each of the ninety (90) days preceding the close of the public hearing, therefore, pursuant to the Act the qualified electors of the District shall be the registered voters of the District with each registered voter having one (1) vote.
- F. A successful election relating to the special tax authorization shall, as applicable, establish and/or change the appropriations limit as authorized by Article XIII B of the California Constitution as it is applicable to the District.

**Section 3. Community Facilities District Report.** The Community Facilities District Report, as prepared pursuant to the Act and the Resolution of Intention and now

submitted and received by this City Council, shall stand as the Community Facilities District Report for all future proceedings and all terms and contents are approved as set forth therein.

**Section 4. Name of the Community Facilities District.** This legislative body does hereby establish and declare the formation of the District to be known and designated as "West-Side Neighborhood Parks and Street Lighting Community Facilities District No. 1 of the City of Rancho Cucamonga."

**Section 5. Boundaries of CFD No. 2014-01.** The boundaries of the District are generally described as follows:

All property shown on a boundary map approved by this legislative body, said boundary map designated as "Proposed Boundary Map of West-Side Neighborhood Parks and Street Lighting Community Facilities District No. 1 of the City of Rancho Cucamonga, County of San Bernardino, State of California" a copy of which is on file in the Office of the City Clerk of the City Council and shall remain open for public inspection.

**Section 6. Description of Authorized Services and Authorized Facilities.**

The types of public facilities and services proposed to be provided for and financed by the proposed community facilities district are:

(a) Parks, trails, landscaped areas, medians, and park and recreation improvements, including but not limited to playground equipment, restrooms, sports field, lighting and water features, acquisition and/or installation of street lighting and

other improvements placed in parks, trails, medians, or landscaped areas (the "Facilities"); and

(b) the services which are proposed to be funded with the revenues from special taxes which are to be levied on parcels of taxable property within the District are the maintenance of public parks, trails, park and recreation improvements throughout the District and public parkways and open space areas, including but not limited to, street trees, graffiti removal, replacement, repair or rehabilitation of playground equipment, restrooms, sports field, lighting and water features, street lighting and other improvements placed in parks, trails, medians, or landscaped areas, public safety services provided within the park and recreation areas, public parkways and open spaces, landscape and street lighting, including but not limited to furnishing of electric current or energy, gas or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements within the District (the "Services"); and

(c) The incidental expenses which will be incurred are: (i) the cost of planning and designing the Facilities and the cost of environmental evaluations thereof, (ii) all costs associated with the formation of the proposed community facilities district, the determination of the amount of and collection of special taxes, the payment of special taxes, and costs otherwise incurred in order to carry out the authorized purposes of the community facilities district, and (iii) any other expenses incidental to the construction, completion, and inspection of the Facilities and the provision of the Services.

For a further description of the public services and the public facilities, reference is made to the Community Facilities District Report, a copy of which is on file in the Office of the City Clerk of the City Council.

The City Council finds that the Facilities and the Services described in this Section 6 hereof are necessary to meet increased demands placed upon the City's parks, trails and recreation areas.

**Section 7. Special Taxes.** A special tax sufficient to finance the Facilities and Services and related incidental expenses authorized by the Act, secured by recordation of a continuing lien against all non-exempt real property in the District, will be levied annually within the boundaries of the District. For further particulars as to the rate and method of apportionment of the proposed special tax, reference is made to the attached and incorporated Exhibit A (the "Rate and Method"), which sets forth in sufficient detail the rate and method of apportionment of the special tax to allow each landowner or resident within the proposed District to clearly estimate the maximum amount of that such person will have to pay for the Facilities and Services.

In addition, pursuant to Government Code Section 53321, the maximum amounts of special taxes which may be levied in any fiscal year on parcels within the proposed community facilities district which are used for private residential purposes ("Residential Parcels") are specified in dollar amounts in Exhibit "A" hereto. Special taxes shall not be used to finance the acquisition and construction of Facilities after June 30, 2036, or earlier upon a determination by the City Council as set forth in the Rate and Method of Apportionment, attached hereto as Exhibit "A." Special taxes shall be levied on Residential Parcels to pay the annual costs of the Services which are to be funded

thereby, as described in subsection (b) of Section 6 hereof, as long as the City provides the Services. Under no circumstances shall the special tax levied in any fiscal year on any parcel used for private residential purposes be increased as a consequence of delinquency or default in the payment of special taxes by the owner or owners of any other parcel or parcels by more than ten percent (10%) above the amount of the special tax that would have been levied in that fiscal year had there never been any such delinquencies or defaults.

The special tax, to the extent possible, shall be collected in the same manner as ad valorem property taxes or in such other manner as this City Council or its designee shall determine, including direct billing of the affected property owners. Such special tax shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes. Any special taxes that may not be collected on the County tax roll shall be collected through a direct billing procedure by the Finance Director of the City, acting for and on behalf of the District.

Pursuant to Government Code Section 53340 and except as provided in Government Code Section 53317.3, properties of entities of the state, federal, and local governments shall be exempt from the levy of the special tax.

Upon recordation of a Notice of Special Tax Lien pursuant to Section 3114.5 of the Streets and Highways Code of the State of California, a continuing lien to secure each levy of the special tax shall attach to all non-exempt real property in the District and this lien shall continue in force and effect until collection of the special tax by the legislative body ceases.

**Section 8. Special Tax Accountability Measures.** Pursuant to and in compliance with the provisions of Government Code Section 50075.1, this City hereby establishes the following accountability measures pertaining to the levy by the District of the special tax described in Section 7 above:

- A. The special tax shall be levied for the specific purposes set forth in Section 7 above.
- B. The proceeds of the levy of such special tax shall be applied only to the specific applicable purposes set forth in Section 7 above.
- C. The District shall establish a separate account into which the proceeds of such special taxes shall be deposited.
- D. The City Manager of the City of Rancho Cucamonga, or his or her designee, acting for and on behalf of the District, shall annually file a report with the City as required pursuant to Government Code Section 50075.3.

The City Manager is hereby authorized to establish a procedure for the appointment of a citizen's oversight committee to monitor the expenditure of special taxes of the District.

**Section 9. Preparation of Annual Tax Roll.** The name, address and telephone number of the office, department, or bureau which will be responsible for preparing annually a current roll of the special tax levy obligations by Assessor's parcel number and which shall be responsible for estimating future special tax levies pursuant to Section 53340.2 of the Government Code of the State of California, are as follows:

CITY CLERK  
CITY OF RANCHO CUCAMONGA  
10500 CIVIC CENTER DRIVE  
RANCHO CUCAMONGA, CALIFORNIA 91730  
(909) 477-2700

**Section 10. Substitute Facilities.** The description of the Authorized Facilities, as set forth herein, is general in its nature. The final nature and location of such facilities will be determined upon the preparation of final plans and specifications. The final plans may show substitutes in lieu of, or modification to, the proposed facilities, and any such substitution shall not be a change or modification in the proceedings as long as the facilities provide a service substantially similar to that as set forth in this Resolution.

**Section 11. Advances of Funds or Work In-Kind.** At any time either before or after the formation of the District, the City Council may accept advances of funds or work-in-kind from any source, including, but not limited to, private persons or private entities and may provide, by resolution, for the use of those funds or that work-in-kind for any authorized purpose, including, but not limited to, paying any cost incurred by the City in creating the District. The City may enter into an agreement, by resolution, with the person or entity advancing the funds or work-in-kind, to repay all or a portion of the funds so advanced, or to reimburse the person or entity for the value, or cost, whichever is less, of the work-in-kind, as determined by the City Council. No such agreement shall constitute a debt or liability of the City.

**Section 12. Election.** This legislative body intends to submit the levy of the special tax to the qualified electors of the District, said electors being the registered voters of the District, with each registered voter having one (1) vote.

**Section 13. Effective Date.** This resolution shall become effective upon its adoption.

**PASSED, APPROVED, AND ADOPTED**, this 1st day of July, 2015.

**AYES:**

**NOES:**

**ABSENT:**

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**L. Dennis Michael, Mayor**

**ATTEST**

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**Janice C. Reynolds, City Clerk**

Exhibit A

Rate and Method of Apportionment of Special Taxes

## EXHIBIT "A"

### RATE AND METHOD OF APPORTIONMENT FOR THE WEST-SIDE NEIGHBORHOOD PARKS AND STREET LIGHTING COMMUNITY FACILITIES DISTRICT NO. 1 OF THE CITY OF RANCHO CUCAMONGA

A Special Tax as hereinafter defined shall be levied on each Assessor's Parcel of Taxable Property within the West-Side Neighborhood Parks and Street Lighting Community Facilities District No. 1 of the City of Rancho Cucamonga ("West-Side CFD") and collected each Fiscal Year commencing with Fiscal Year 2016-2017 in an amount determined by the City Council through the application of this Rate and Method of Apportionment as described below. All of the real property in West-Side CFD, unless exempted by law or by the provisions hereof, shall be taxed for the purposes of, to the extent and in the manner herein provided.

#### A. DEFINITIONS

The terms hereinafter set forth have the following meaning:

**"Acreage" or "Acre"** means that acreage shown on the Assessor's Parcel Map or in the Assessor's Data for each Assessor's Parcel. In the event that the Assessor's Parcel Map or Assessor's Data shows no acreage, the Acreage for any Assessor's Parcel shall be determined by the CFD Administrator based upon the applicable condominium plan, final map, parcel map or GIS records.

**"Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

**"Administrative Expenses"** means the actual or reasonably estimated costs directly related to the administration of West-Side CFD including, but not limited to, the following: the costs of computing the Special Tax and preparing the annual Special Tax collection schedules (whether by the City, the CFD Administrator, or both); the costs of collecting the Special Taxes (whether by the County, the City, or otherwise); the costs to the City, West-Side CFD, or any designee thereof of complying with disclosure requirements; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; and the costs of the City, West-Side CFD, or any designee thereof related to any appeal of the levy or application of the Special Tax. Administrative Expenses shall also include amounts estimated or advanced by the City or West-Side CFD for any other administrative purposes, including, but not limited to, attorney's fees.

**"Assessor's Data"** means Acreage or other Assessor's Parcel information contained in the records of the County Assessor.

**"Assessor's Parcel"** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

**"Assessor's Parcel Map"** means an official map of the County Assessor of the County designating parcels by an Assessor's Parcel number.

**"CFD Administrator"** means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

**"City"** means the City of Rancho Cucamonga

**"City Council"** means the City Council of the City, acting as the legislative body of West-Side CFD.

**“County”** means the County of San Bernardino.

**“Developed Property”** means for each Fiscal Year, all Taxable Property, for which a building permit was issued prior to the March 1 preceding the Fiscal Year for which the Special Tax is being levied.

**“Exempt Property”** means all Assessors’ Parcels that are exempt from the Special Tax pursuant to Section E.

**“Facilities”** means parks, trails, landscaped areas, medians and park recreation improvements, including but not limited to playground equipment, restrooms, sports field, lighting and water features, acquisition and or/installation of street lighting, and other improvements placed in parks, trails, medians, or landscaped areas.

**“Fiscal Year”** means the period starting July 1 and ending on the following June 30.

**“Eligible Senior”** means a Senior Citizen who is a property owner of any Residential Property, excluding Senior Housing Property, and who has been determined by the City to qualify under procedures to be established by the City, as may later be amended, to determine whether Residential Property may be classified as Eligible Senior Residential Property or Eligible Senior Residential Property – After Sale.

**“Eligible Senior Residential Property”** means all Assessor’s Parcels of Residential Property, excluding Senior Housing Property or Senior Housing Property – After Sale, owned by an Eligible Senior. For properties containing more than one Residential Unit, only a maximum of one Residential Unit may be classified as an Eligible Senior Unit. All remaining Residential Units shall be classified and taxed as Residential Property.

**“Eligible Senior Residential Property – After Sale”** means all Assessor’s Parcels of Residential Property – After Sale, excluding Senior Housing Property and Senior Housing Property – After Sale, owned by an Eligible Senior. For properties containing more than one Residential Unit, only a maximum of one Residential Unit may be classified as an Eligible Senior Unit. All remaining Residential Units shall be classified and taxed as Residential Property – After sale.

**“Eligible Senior Unit”** means for any Residential Unit that can be classified as Eligible Senior Residential Property or Eligible Senior Residential Property – After Sale and is owned and occupied by an Eligible Senior.

**“Maximum Annual Special Tax”** means the maximum annual Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Non-Residential Property”** means all Assessor’s Parcels of Developed Property that cannot be classified as Residential Property, Residential Property – After Sale, Eligible Senior Residential Property, Eligible Senior Residential Property – After Sale, Senior Housing Property, or Senior Housing Property – After Sale.

**“Property Owner Association Property”** means any property which is owned or irrevocably offered for dedication by a homeowners’ or property owners’ association, including any master or sub-association.

**“Proportionately”** means for Taxable Property that the ratio of the Special Tax levy to the Maximum Annual Special Tax is equal for all Assessors’ Parcels of Taxable Property within West-Side CFD.

**“Public Property”** means any property which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and acreage on a final subdivision map as property which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

**“Residential Property”** means all Assessor’s Parcels of Developed Property for purposes of constructing one or more Residential Units.

**“Residential Property – After Sale”** means Residential Property that was sold or transferred ownership after January 1, 2017. Transferred ownership excludes Residential Property where the property owners transferred the property to a trust after January 1, 2017, and where the property owners are the trustees and owned the property prior to January 1, 2017. Beginning Fiscal Year 2017/2018, Residential Property – After Sale also includes all Assessor’s Parcels of Developed Property for the purposes of constructing one or more Residential Units that was previously classified as Undeveloped Property and for which the property has not sold or transferred ownership.

**“Residential Unit”** means for Residential Property, an individual single family Residential Unit, each individual Residential Unit within a duplex, triplex, fourplex, townhome or condominium structure, or each individual apartment Residential Unit.

**“Senior Citizen”** means a person 65 years of age or older, or 55 years of age or older in a Senior Housing Property.

**“Senior Housing Property”** means a residential development developed, substantially rehabilitated, or substantially renovated for occupancy by Senior Citizens that has at least 35 Residential Units.

**“Senior Housing Property – After Sale”** means Senior Housing Property that was sold or transferred ownership after January 1, 2017.

**“Services”** means labor, material, administration, personnel, equipment and utilities necessary to maintain the public parks, trails, park and recreation improvements throughout the West-Side CFD and public parkways and open space areas, including but not limited to, street trees, graffiti removal, replacement, repair or rehabilitation of playground equipment, restrooms, sports field, lighting and water features, street lighting and other improvements placed in parks, trails, medians, or landscaped areas, public safety services provided within the park and recreation areas, public parkways and open spaces, landscape and street lighting, including but not limited to furnishing of electric current or energy, gas or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements within the West-Side CFD.

**“Special Tax”** means the annual special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Special Tax Requirement.

**“Special Tax Requirement”** means that amount of Special Tax revenue required in any Fiscal Year for West-Side CFD to: (i) pay for the costs of construction, operation, maintenance and servicing of the Facilities and Services; (ii) pay Administrative Expenses; (iii) repay any amounts advanced by the City as authorized by City Council, (iv) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds for West-Side CFD; (v) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; and (vi) a credit for funds available to reduce the annual Special Tax levy, as determined by the CFD Administrator.

**“State”** means the State of California.

**“Taxable Property”** means all of the Assessor's Parcels within the boundaries of West-Side CFD that are not exempt from the Special Tax pursuant to law or Section E below.

**“Undeveloped Property”** means all Assessor's Parcels of Taxable Property that cannot be classified as Residential Property, Residential Property – After Sale, Eligible Senior Residential Property, Eligible Senior Residential Property – After Sale, Senior Housing Property, Senior Housing Property – After Sale, or Non-Residential Property.

**“West-Side CFD”** means the West-Side Neighborhood Parks and Street Lighting Community Facilities District No. 1 of the City of Rancho Cucamonga.

**B. ASSIGNMENT TO LAND USE CATEGORIES**

On, or around, July 1 of each Fiscal Year, the CFD Administrator shall:

1. Determine the valid Assessor's Parcels for the current Fiscal Year for all Taxable Property within the West-Side CFD. If any Assessor's Parcels are no longer valid from the previous Fiscal Year, the CFD Administrator shall determine the new Assessor's Parcels that are in effect for the current Fiscal Year. To the extent an Assessor's Parcel or Assessor's Parcels are subdivided, consolidated, or otherwise reconfigured, the Special Tax shall be assigned to the new Assessor's Parcels pursuant to Section C.
2. Each Assessor's Parcel of Taxable Property shall further be classified as Residential Property, Residential Property – After Sale, Eligible Senior Residential Property, Eligible Senior Residential Property – After Sale, Senior Housing Property, Senior Housing Property – After Sale, Non Residential Property, or Undeveloped Property. Taxable Property shall be subject to the levy of annual Special Taxes determined pursuant to Sections C and D below.

**C. MAXIMUM ANNUAL SPECIAL TAX RATE**

The Maximum Annual Special Tax for each Assessor's Parcel of Taxable Property shall be assigned according to the table below:

<b>Taxable Property Land Use</b>	<b>2016-2017 Maximum Annual Special Tax Amount</b>
Residential Property	\$89.00 per Residential Unit
Residential Property – After Sale	\$178.00 per Residential Unit
Eligible Senior Residential Property	\$44.50 per Eligible Senior Unit
Eligible Senior Residential Property – After Sale	\$89.00 per Eligible Senior Unit
Senior Housing Property	\$44.50 per Residential Unit
Senior Housing Property – After Sale	\$89.00 per Residential Unit
Non-Residential Property	\$712.00 per Acre or portion thereof
Undeveloped Property	\$40.00 per Acre or portion thereof

On July 1 of each Fiscal Year, commencing on July 1, 2017, the Maximum Annual Special Tax rates set forth in the table above shall be increased by an amount equal to two percent (2%) of

the Maximum Annual Special Tax amount in effect for the previous Fiscal Year until the earlier of a) the date that the City Council determines the special taxes will no longer be used to finance the acquisition and/or construction of Facilities, or b) June 30, 2036; at which point the then Maximum Annual Special Tax amount shall be increased by an amount equal to three percent (3%) beginning the following fiscal year. The annual Special Tax levied may be less than the Maximum Annual Special Tax, based on the current year Special Tax Requirement and approved by City Council

**D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

Commencing with Fiscal Year 2016-2017 and for each subsequent Fiscal Year, the CFD Administrator shall determine the Special Tax Requirement and shall levy the Special Tax on each Assessor's Parcel of Taxable Property until the total amount of Special Taxes equals the Special Tax Requirement.

The Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Property at a rate up to 100% of the applicable Maximum Annual Special Tax to satisfy the Special Tax Requirement.

Notwithstanding the above, under no circumstances will the Special Tax levied against any Assessor's Parcel of Residential Property, Residential Property – After Sale, Eligible Senior Residential Property, Eligible Senior Residential Property – After Sale, Senior Housing Property, or Senior Housing Property – After Sale be increased by more than ten percent (10%) above what the Assessor's Parcel of Residential Property, Residential Property – After Sale, Eligible Senior Residential Property, Eligible Senior Residential Property – After Sale, Senior Housing Property, or Senior Housing Property – After Sale would have been levied had there been no delinquencies.

**E. EXEMPTIONS**

The CFD Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement, and any other parcel that is normally exempt from the levy of general ad valorem property taxes under California law, including, but not limited to, streets, schools, parks, churches, drainage ways, landscaping, green belts, and open space.

If the use of an Assessor's Parcel of Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth above that would make such Assessor's Parcel eligible to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property.

**F. REVIEW/APPEAL COMMITTEE**

Any landowner or resident who feels that the amount of the Special Tax levied on their Assessor's Parcel is in error shall first consult with the CFD Administrator regarding such error. If following such consultation, the CFD Administrator determines that an error has occurred, the CFD Administrator may amend the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the CFD Administrator), the landowner or resident believes such error still exists, such person may file a written notice with the City appealing the amount of the Special Tax levied on such Assessor's Parcel. The City may establish such procedures, as it deems necessary to undertake the review of any such appeal. The City shall interpret this Rate and Method of Apportionment and make determinations relative to the annual administration of the Special Tax and any landowner or resident appeals, as herein specified. The decision of the City shall be final and binding as to all persons.

**G. MANNER OF COLLECTION**

The annual Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that West-Side CFD, may directly bill the Special Tax, and may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations.

**H. PREPAYMENT OF SPECIAL TAX**

The Special Tax may not be prepaid.

**I. TERM OF SPECIAL TAX**

The Special Tax shall be levied, commencing in Fiscal Year 2016-2017, as long as necessary to satisfy the Special Tax Requirement provided, however Special Taxes will not be used to finance the acquisition of facilities after Fiscal Year 2035-2036

**J. APPROPRIATIONS LIMIT**

Upon approval of the voters of the West-Side CFD, the West-Side CFD shall be subject to an appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution in the amount of \$14,500,000 in accordance with Section 8 of Article XIII B of the California Constitution.

**West-Side Neighborhood Parks and Street Lighting  
Community Facilities District No. 1  
City of Rancho Cucamonga**

**Special Tax Report**

**July 2015**

Prepared by



*For and on behalf of the City of Rancho Cucamonga*

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## INTRODUCTION

The City Council (the "City Council") of the City of Rancho Cucamonga (the "City") did, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (Sections 53311 and following, California Government Code; hereafter referred to as the "Act"), on April 1, 2015, adopted a resolution entitled Resolution adopting a Boundary Map of the Territory Proposed for Inclusion in Proposed West-Side Neighborhood Parks and Street Lighting Community Facilities District No. 1 (the "Resolution Adopting Boundary Map") and on May 20, 2015, adopted a resolution entitled the Resolution of the City Council of the City of Rancho Cucamonga, California Declaring Its Intention to Establish West-Side Neighborhood Parks and Street Lighting Community Facilities District No. 1 of the City of Rancho Cucamonga and to Authorize the Levy of a Special Tax therein to finance certain Facilities and Services (the "Resolution of Intention"); a copy of these Resolutions are included herein as Appendix C and D of this report.

In the Resolution of Intention, the City Council expressly directed the filing of a report for the proposed West-Side Neighborhood Parks and Street Lighting Community Facilities District No. 1 of the City of Rancho Cucamonga (the "District") containing the following:

1. A brief description of the public facilities and services to be funded by the District; and
2. An estimate of the fair and reasonable cost of providing the services, including the incidental expenses to be incurred in connection therewith.

For particulars, reference is made to the Resolution of Intention, as previously adopted on May 20, 2015 by the City Council.

NOW, THEREFORE, the report has been prepared by, or under the direction of the officers of the City who will be responsible for providing the public services within and financed by the District, pursuant to the provisions of the Act, and does hereby submit this report containing the following information:

- **DESCRIPTION OF PUBLIC FACILITIES AND SERVICES.** A description of the facilities and services that the City Council has determined to be eligible to be funded by the District.
- **BOUNDARIES OF THE DISTRICT.** The proposed boundaries of the District are those properties and parcels on which special taxes may be levied to pay for the costs and expenses of the services.
- **COST ESTIMATE.** The initial maximum cost estimate for the District services and the anticipated initial maximum special tax revenue.
- **RATE AND METHOD OF APPORTIONMENT.** The Rate and Method of Apportionment of Special Tax which was included in the Resolution of Intention and approved by the City Council.

## **DESCRIPTION OF PUBLIC FACILITIES AND SERVICES**

The types of public facilities and services proposed to be provided for and financed by the proposed community facilities district are:

(a) Parks, trails, landscaped areas, medians, and park and recreation improvements, including but not limited to playground equipment, restrooms, sports field, lighting and water features, acquisition and/or installation of street lighting and other improvements placed in parks, trails, medians, or landscaped areas (the "Facilities"); and

(b) The services which are proposed to be funded with the revenues from special taxes which are to be levied on parcels of taxable property within the District are the maintenance of public parks, trails, park and recreation improvements throughout the District and public parkways and open space areas, including but not limited to, street trees, graffiti removal, replacement, repair or rehabilitation of playground equipment, restrooms, sports field, lighting and water features, street lighting and other improvements placed in parks, trails, medians, or landscaped areas, public safety services provided within the park and recreation areas, public parkways and open spaces, landscape and street lighting, including but not limited to furnishing of electric current or energy, gas or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements within the District (the "Services"); and

(c) The incidental expenses which will be incurred are: (i) the cost of planning and designing the Facilities and the cost of environmental evaluations thereof, (ii) all costs associated with the formation of the proposed community facilities district, the determination of the amount of and collection of special taxes, the payment of special taxes, and costs otherwise incurred in order to carry out the authorized purposes of the community facilities district, and (iii) any other expenses incidental to the construction, completion, and inspection of the Facilities and the provision of the Services.

***BOUNDARIES OF THE DISTRICT***

The proposed boundaries of the District are those parcels on which special taxes may be levied and collected to pay for the costs and expenses of the District facilities and services. The proposed boundaries of the District are identified on the map of the District recorded on April 9, 2005 in Book 86 of Assessment Maps at Page 48 as Document No. 2015-0140830 in the office of the County Recorder for the County of San Bernardino. The District map is on file with the City Clerk, to which reference is hereby made and a reduced copy of such map is set forth in Appendix A of this report.

# COST ESTIMATE

## Initial Maximum Amount Proposed to be Expended

The annual budget presented below represents the initial maximum costs for the District:

Object Code	Description	2016-2017 Budget Amount
<b>Personnel Services</b>		
5000	Regular Salaries	\$518,090
5005	Overtime Salaries	3,680
5010	Part-time Salaries	11,600
5030	Fringe Benefits	236,560
<b>Subtotal Personnel</b>		<b>\$769,930</b>
<b>Operations and Maintenance</b>		
5102	Training	\$180
5160	Membership Dues	30
5152	Computer Software	0
5200	Operations and Maintenance	182,450
5204	O&M/Facilities	16,500
5250	Vehicle Operations and Maintenance	2,070
5252	Emergency Equipment and Vehicle Rental	800
5280	Equipment Operations and Maint.	12,180
5300	Contract Services	1,640,560
5304	Contract Services/Facilities	108,410
5310	Tree Maintenance	90,050
5400	Telephone Utilities	13,310
5402	Water Utilities	908,846
5403	Electric Utilities	1,114,060
5500	Assessment Administration	154,550
5501	Admin/General Overhead	233,800
5504	Interfund Allocation	
	Personnel Services	32,200
	Operations and Maintenance	43,970
<b>Subtotal Operations and Maintenance</b>		<b>\$4,553,966</b>
5607	<b>Cap. Outlay-Imprv Other Than Bldg</b>	
	Repair Asphalt Exer. Trail--Red Hill	\$0
	Red Hill Lake Rehabilitation	0
	Hermosa Park Light Pole Replacement	0
5650	<b>Capital Project</b>	
1621	Red Hill Pedestrian Paseo	0
1699	Red Hill Slope Renovation	0
<b>Subtotal-Capital Outlay/Projects</b>		<b>\$0</b>
<b>Total District Expenditure Budget</b>		<b>\$5,323,896</b>
9900	Transfer Out-Reserves (Replacement Costs)	100,000
	Loan Payback(1)	214,060
	Reserves	45,338
<b>Total District Costs</b>		<b>\$5,683,294</b>

(1) If the District is approved, this loan would allow the District to complete park maintenance projects that have been deferred due to lack of funding. Projects will be prioritized and determined by the City Council with community input at that time.

**Fiscal Year 2016-2017 Maximum Special Tax Rates**

The initial maximum special tax rates are set forth in the Rate and Method of Apportionment for the District. The Fiscal Year 2016-2017 maximum special tax rates are listed below.

<b>Taxable Property Land Use</b>	<b>2016-2017 Maximum Annual Special Tax Amount</b>
Residential Property	\$89.00 per Residential Unit
Residential Property – After Sale	\$178.00 per Residential Unit
Eligible Senior Residential Property	\$44.50 per Eligible Senior Unit
Eligible Senior Residential Property – After Sale	\$89.00 per Eligible Senior Unit
Senior Housing Property	\$44.50 per Residential Unit
Senior Housing Property – After Sale	\$89.00 per Residential Unit
Non-Residential Property	\$712.00 per Acre or portion thereof
Undeveloped Property	\$40.00 per Acre or portion thereof

On July 1 of each Fiscal Year, commencing on July 1, 2017, the Maximum Annual Special Tax rates set forth in the table above shall be increased by an amount equal to two percent (2%) of the Maximum Annual Special Tax amount in effect for the previous Fiscal Year until the earlier of a) the date that the City Council determines the special taxes will no longer be used to finance the acquisition and/or construction of Facilities, or b) June 30, 2036, at which point the then Maximum Annual Special Tax amount shall be increased by an amount equal to three percent (3%) beginning the following fiscal year. The annual Special Tax levied may be less than the Maximum Annual Special Tax, based on the current year Special Tax Requirement and approved by City Council. The actual Special Tax imposed for a given year may not exceed the then current year Maximum Annual Special Tax amount or the actual costs of the District, whichever is less.

## ***Anticipated Maximum Special Tax Revenue***

The initial maximum special tax rates are set forth in the Rate and Method of Apportionment for the District. The anticipated initial maximum special tax revenue is as follows:

<b>Taxable Property Land Use</b>	<b>2016-2017 Maximum Annual Special Tax Amount</b>	<b>Anticipated 2016-2017 Maximum Special Tax Revenues</b>
Residential Property	\$89.00 per Residential Unit	\$2,768,490.96
Residential Property – After Sale	\$178.00 per Residential Unit	0.00
Eligible Senior Residential Property	\$44.50 per Eligible Senior Unit	137,254.02
Eligible Senior Residential Property – After Sale	\$89.00 per Eligible Senior Unit	0.00
Senior Housing Property	\$44.50 per Residential Unit	37,335.50
Senior Housing Property – After Sale	\$89.00 per Residential Unit	0.00
Non-Residential Property	\$712.00 per Acre or portion thereof	2,704,720.10
Undeveloped Property	\$40.00 per Acre or portion thereof	35,493.38
<b>Total District Anticipated Maximum Special Tax Revenues</b>		<b>\$5,683,293.96</b>

## ***RATE AND METHOD OF APPORTIONMENT***

All of the property located within the District, unless exempted by law or by the Rate and Method of Apportionment, shall be taxed for the purpose of providing necessary services for the District. Pursuant to Section 53325.3 of the Act, the tax imposed "is a special tax and not a special assessment, and there is no requirement that the tax be apportioned on the basis of benefit to any property." The special tax "may be based on benefit received by parcels of real property, the cost of making facilities or authorized services available to each parcel, or other reasonable basis as determined by the legislative body," although the special tax may not be apportioned on an ad valorem basis pursuant to Article XIII A of the California Constitution.

As shown in Appendix B, the adopted Rate and Method of Apportionment provides information sufficient to allow each property owner within the District to estimate the maximum special tax that he or she will be required to pay.

### ***Term of Special Tax***

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The Special Tax shall be levied, commencing in Fiscal Year 2016-2017, as long as necessary to satisfy the Special Tax Requirement provided, however Special Taxes will not be used to finance the acquisition of facilities after Fiscal Year 2035-2036.

### ***Manner of Collection***

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The annual Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that the District may directly bill the Special Tax, and may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations.

***APPENDICES***

<b>Boundary Map</b>	<b>A</b>
<b>Rate and Method of Apportionment</b>	<b>B</b>
<b>Resolution Adopting Boundary Map</b>	<b>C</b>
<b>Resolution of Intention</b>	<b>D</b>

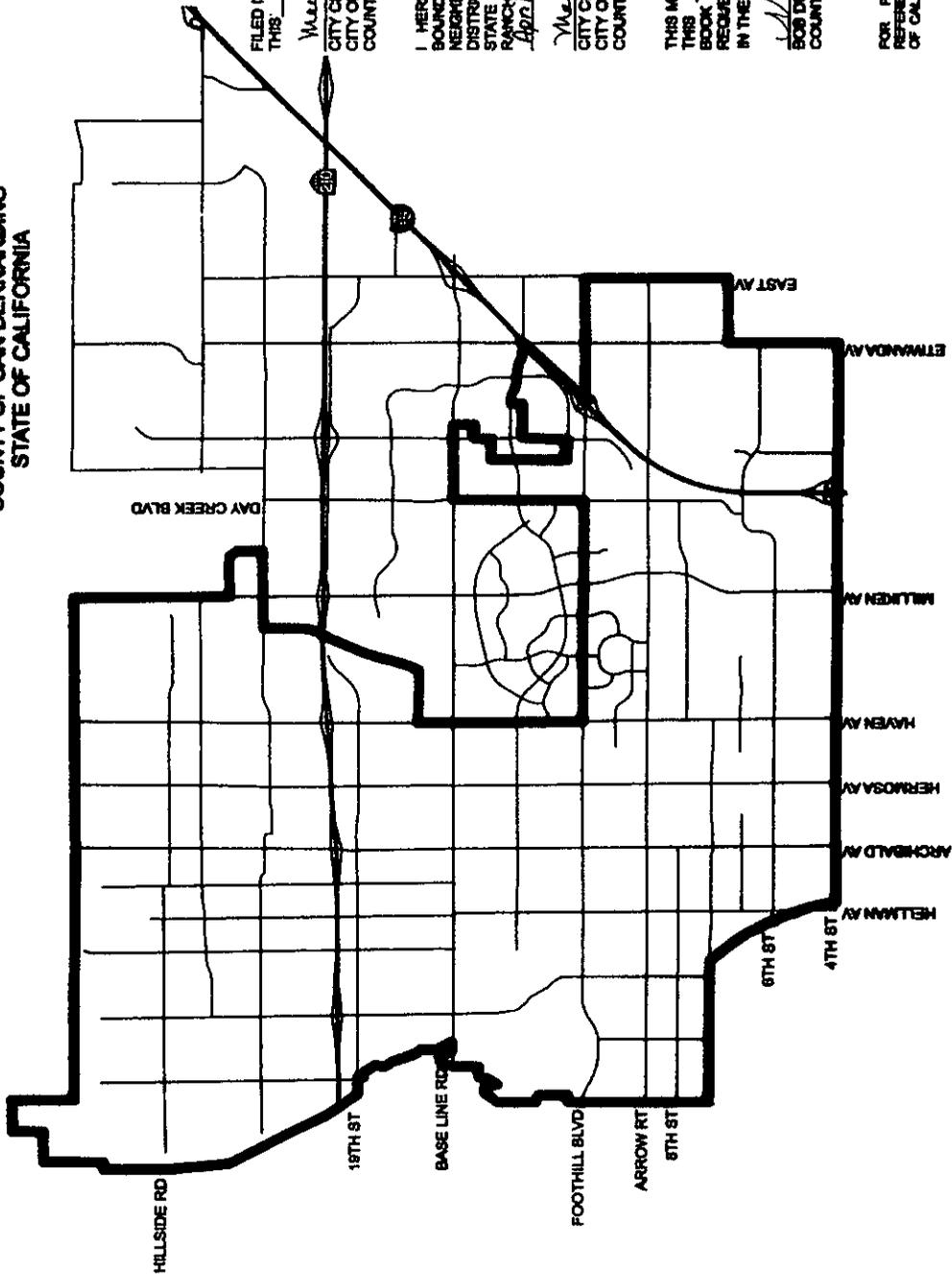
***APPENDIX A – BOUNDARY MAP***

The boundary map for the District is shown on the following page. The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the County Assessor, at the time this report was prepared, and are incorporated by reference herein and made part of this report.

8/6/48

**PROPOSED BOUNDARY OF  
CITY OF RANCHO CUCAMONGA  
WEST-SIDE NEIGHBORHOOD PARKS AND STREET LIGHTING  
COMMUNITY FACILITIES DISTRICT NO. 1**

CITY OF RANCHO CUCAMONGA  
COUNTY OF SAN BERNARDINO  
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF RANCHO CUCAMONGA  
THIS 7<sup>th</sup> DAY OF April, 2015

*Maria Mearns*  
CITY CLERK  
CITY OF RANCHO CUCAMONGA  
COUNTY OF SAN BERNARDINO, CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED  
BOUNDARIES OF THE CITY OF RANCHO CUCAMONGA WEST-SIDE  
NEIGHBORHOOD PARKS AND STREET LIGHTING COMMUNITY FACILITIES  
DISTRICT NO. 1, CITY OF RANCHO CUCAMONGA, COUNTY OF SAN BERNARDINO,  
STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF  
RANCHO CUCAMONGA AT A MEETING THEREOF, HELD ON THE 1<sup>st</sup> DAY OF  
April, 2015, BY ITS RESOLUTION NO. 15-077

*Maria Mearns*  
CITY CLERK  
CITY OF RANCHO CUCAMONGA  
COUNTY OF SAN BERNARDINO, CALIFORNIA

THIS MAP HAS BEEN FILED UNDER DOCUMENT NUMBER 2015-0140230  
THIS 07<sup>th</sup> DAY OF April, 2015, AT 2:14 P.M. IN  
BOOK 06 OF ASSESSMENT MAP AT PAGE 418  
REQUEST OF CITY OF RANCHO CUCAMONGA  
IN THE AMOUNT OF \$ 11.00

*Bob Dutton*  
BOB DUTTON, ASSESSOR-RECORDER-CLERK  
COUNTY OF SAN BERNARDINO, CALIFORNIA

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS,  
REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR, COUNTY OF SAN BERNARDINO, STATE  
OF CALIFORNIA.



LEGEND  
—— PROPOSED CFD BOUNDARY

8/6/48

***APPENDIX B – RATE AND METHOD OF APPORTIONMENT***

The following pages provide a copy of the District's Rate and Method of Apportionment included in the Resolution of Intention and approved by the City Council on May 20, 2015.

## EXHIBIT "A"

**RATE AND METHOD OF APPORTIONMENT  
FOR THE WEST-SIDE NEIGHBORHOOD PARKS AND STREET LIGHTING  
COMMUNITY FACILITIES DISTRICT NO. 1 OF THE CITY OF RANCHO CUCAMONGA**

A Special Tax as hereinafter defined shall be levied on each Assessor's Parcel of Taxable Property within the West-Side Neighborhood Parks and Street Lighting Community Facilities District No. 1 of the City of Rancho Cucamonga ("West-Side CFD") and collected each Fiscal Year commencing with Fiscal Year 2016-2017 in an amount determined by the City Council through the application of this Rate and Method of Apportionment as described below. All of the real property in West-Side CFD, unless exempted by law or by the provisions hereof, shall be taxed for the purposes of, to the extent and in the manner herein provided.

**A. DEFINITIONS**

The terms hereinafter set forth have the following meaning:

**"Acreage" or "Acre"** means that acreage shown on the Assessor's Parcel Map or in the Assessor's Data for each Assessor's Parcel. In the event that the Assessor's Parcel Map or Assessor's Data shows no acreage, the Acreage for any Assessor's Parcel shall be determined by the CFD Administrator based upon the applicable condominium plan, final map, parcel map or GIS records.

**"Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

**"Administrative Expenses"** means the actual or reasonably estimated costs directly related to the administration of West-Side CFD including, but not limited to, the following: the costs of computing the Special Tax and preparing the annual Special Tax collection schedules (whether by the City, the CFD Administrator, or both); the costs of collecting the Special Taxes (whether by the County, the City, or otherwise); the costs to the City, West-Side CFD, or any designee thereof of complying with disclosure requirements; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; and the costs of the City, West-Side CFD, or any designee thereof related to any appeal of the levy or application of the Special Tax. Administrative Expenses shall also include amounts estimated or advanced by the City or West-Side CFD for any other administrative purposes, including, but not limited to, attorney's fees.

**"Assessor's Data"** means Acreage or other Assessor's Parcel information contained in the records of the County Assessor.

**"Assessor's Parcel"** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

**"Assessor's Parcel Map"** means an official map of the County Assessor of the County designating parcels by an Assessor's Parcel number.

**"CFD Administrator"** means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes

**"City"** means the City of Rancho Cucamonga.

**"City Council"** means the City Council of the City, acting as the legislative body of West-Side CFD.

**“County”** means the County of San Bernardino.

**“Developed Property”** means for each Fiscal Year, all Taxable Property, for which a building permit was issued prior to the March 1 preceding the Fiscal Year for which the Special Tax is being levied.

**“Exempt Property”** means all Assessors’ Parcels that are exempt from the Special Tax pursuant to Section E.

**“Facilities”** means parks, trails, landscaped areas, medians and park recreation improvements, including but not limited to playground equipment, restrooms, sports field, lighting and water features, acquisition and or/installation of street lighting, and other improvements placed in parks, trails, medians, or landscaped areas.

**“Fiscal Year”** means the period starting July 1 and ending on the following June 30.

**“Eligible Senior”** means a Senior Citizen who is a property owner of any Residential Property, excluding Senior Housing Property, and who has been determined by the City to qualify under procedures to be established by the City, as may later be amended, to determine whether Residential Property may be classified as Eligible Senior Residential Property or Eligible Senior Residential Property – After Sale.

**“Eligible Senior Residential Property”** means all Assessor’s Parcels of Residential Property, excluding Senior Housing Property or Senior Housing Property – After Sale, owned by an Eligible Senior. For properties containing more than one Residential Unit, only a maximum of one Residential Unit may be classified as an Eligible Senior Unit. All remaining Residential Units shall be classified and taxed as Residential Property.

**“Eligible Senior Residential Property – After Sale”** means all Assessor’s Parcels of Residential Property – After Sale, excluding Senior Housing Property and Senior Housing Property – After Sale, owned by an Eligible Senior. For properties containing more than one Residential Unit, only a maximum of one Residential Unit may be classified as an Eligible Senior Unit. All remaining Residential Units shall be classified and taxed as Residential Property – After sale.

**“Eligible Senior Unit”** means for any Residential Unit that can be classified as Eligible Senior Residential Property or Eligible Senior Residential Property – After Sale and is owned and occupied by an Eligible Senior.

**“Maximum Annual Special Tax”** means the maximum annual Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Non-Residential Property”** means all Assessor’s Parcels of Developed Property that cannot be classified as Residential Property, Residential Property – After Sale, Eligible Senior Residential Property, Eligible Senior Residential Property – After Sale, Senior Housing Property, or Senior Housing Property – After Sale.

**“Property Owner Association Property”** means any property which is owned or irrevocably offered for dedication by a homeowners’ or property owners’ association, including any master or sub-association.

**“Proportionately”** means for Taxable Property that the ratio of the Special Tax levy to the Maximum Annual Special Tax is equal for all Assessors’ Parcels of Taxable Property within West-Side CFD.

**“Public Property”** means any property which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and acreage on a final subdivision map as property which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

**“Residential Property”** means all Assessor’s Parcels of Developed Property for purposes of constructing one or more Residential Units.

**“Residential Property – After Sale”** means Residential Property that was sold or transferred ownership after January 1, 2017. Transferred ownership excludes Residential Property where the property owners transferred the property to a trust after January 1, 2017, and where the property owners are the trustees and owned the property prior to January 1, 2017. Beginning Fiscal Year 2017/2018, Residential Property – After Sale also includes all Assessor’s Parcels of Developed Property for the purposes of constructing one or more Residential Units that was previously classified as Undeveloped Property and for which the property has not sold or transferred ownership.

**“Residential Unit”** means for Residential Property, an individual single family Residential Unit, each individual Residential Unit within a duplex, triplex, fourplex, townhome or condominium structure, or each individual apartment Residential Unit.

**“Senior Citizen”** means a person 65 years of age or older, or 55 years of age or older in a Senior Housing Property.

**“Senior Housing Property”** means a residential development developed, substantially rehabilitated, or substantially renovated for occupancy by Senior Citizens that has at least 35 Residential Units.

**“Senior Housing Property – After Sale”** means Senior Housing Property that was sold or transferred ownership after January 1, 2017.

**“Services”** means labor, material, administration, personnel, equipment and utilities necessary to maintain the public parks, trails, park and recreation improvements throughout the West-Side CFD and public parkways and open space areas, including but not limited to, street trees, graffiti removal, replacement, repair or rehabilitation of playground equipment, restrooms, sports field, lighting and water features, street lighting and other improvements placed in parks, trails, medians, or landscaped areas, public safety services provided within the park and recreation areas, public parkways and open spaces, landscape and street lighting, including but not limited to furnishing of electric current or energy, gas or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements within the West-Side CFD.

**“Special Tax”** means the annual special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Special Tax Requirement.

**“Special Tax Requirement”** means that amount of Special Tax revenue required in any Fiscal Year for West-Side CFD to: (i) pay for the costs of construction, operation, maintenance and servicing of the Facilities and Services; (ii) pay Administrative Expenses; (iii) repay any amounts advanced by the City as authorized by City Council; (iv) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds for West-Side CFD; (v) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; and (vi) a credit for funds available to reduce the annual Special Tax levy, as determined by the CFD Administrator.

**“State”** means the State of California.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of West-Side CFD that are not exempt from the Special Tax pursuant to law or Section E below.

**“Undeveloped Property”** means all Assessor’s Parcels of Taxable Property that cannot be classified as Residential Property, Residential Property – After Sale, Eligible Senior Residential Property, Eligible Senior Residential Property – After Sale, Senior Housing Property, Senior Housing Property – After Sale, or Non-Residential Property

**“West-Side CFD”** means the West-Side Neighborhood Parks and Street Lighting Community Facilities District No. 1 of the City of Rancho Cucamonga.

**B. ASSIGNMENT TO LAND USE CATEGORIES**

On, or around, July 1 of each Fiscal Year, the CFD Administrator shall.

1. Determine the valid Assessor’s Parcels for the current Fiscal Year for all Taxable Property within the West-Side CFD. If any Assessor’s Parcels are no longer valid from the previous Fiscal Year, the CFD Administrator shall determine the new Assessor’s Parcels that are in effect for the current Fiscal Year. To the extent an Assessor’s Parcel or Assessor’s Parcels are subdivided, consolidated, or otherwise reconfigured, the Special Tax shall be assigned to the new Assessor’s Parcels pursuant to Section C.
2. Each Assessor’s Parcel of Taxable Property shall further be classified as Residential Property, Residential Property – After Sale, Eligible Senior Residential Property, Eligible Senior Residential Property – After Sale, Senior Housing Property, Senior Housing Property – After Sale, Non Residential Property, or Undeveloped Property. Taxable Property shall be subject to the levy of annual Special Taxes determined pursuant to Sections C and D below.

**C. MAXIMUM ANNUAL SPECIAL TAX RATE**

The Maximum Annual Special Tax for each Assessor’s Parcel of Taxable Property shall be assigned according to the table below:

<b>Taxable Property Land Use</b>	<b>2016-2017 Maximum Annual Special Tax Amount</b>
Residential Property	\$89.00 per Residential Unit
Residential Property – After Sale	\$178.00 per Residential Unit
Eligible Senior Residential Property	\$44.50 per Eligible Senior Unit
Eligible Senior Residential Property – After Sale	\$89.00 per Eligible Senior Unit
Senior Housing Property	\$44.50 per Residential Unit
Senior Housing Property – After Sale	\$89.00 per Residential Unit
Non-Residential Property	\$712.00 per Acre or portion thereof
Undeveloped Property	\$40.00 per Acre or portion thereof

On July 1 of each Fiscal Year, commencing on July 1, 2017, the Maximum Annual Special Tax rates set forth in the table above shall be increased by an amount equal to two percent (2%) of

the Maximum Annual Special Tax amount in effect for the previous Fiscal Year until the earlier of a) the date that the City Council determines the special taxes will no longer be used to finance the acquisition and/or construction of Facilities, or b) June 30, 2036; at which point the then Maximum Annual Special Tax amount shall be increased by an amount equal to three percent (3%) beginning the following fiscal year. The annual Special Tax levied may be less than the Maximum Annual Special Tax, based on the current year Special Tax Requirement and approved by City Council.

**D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

Commencing with Fiscal Year 2016-2017 and for each subsequent Fiscal Year, the CFD Administrator shall determine the Special Tax Requirement and shall levy the Special Tax on each Assessor's Parcel of Taxable Property until the total amount of Special Taxes equals the Special Tax Requirement.

The Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Property at a rate up to 100% of the applicable Maximum Annual Special Tax to satisfy the Special Tax Requirement.

Notwithstanding the above, under no circumstances will the Special Tax levied against any Assessor's Parcel of Residential Property, Residential Property – After Sale, Eligible Senior Residential Property, Eligible Senior Residential Property – After Sale, Senior Housing Property, or Senior Housing Property – After Sale be increased by more than ten percent (10%) above what the Assessor's Parcel of Residential Property, Residential Property – After Sale, Eligible Senior Residential Property, Eligible Senior Residential Property – After Sale, Senior Housing Property, or Senior Housing Property – After Sale would have been levied had there been no delinquencies.

**E. EXEMPTIONS**

The CFD Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement, and any other parcel that is normally exempt from the levy of general ad valorem property taxes under California law, including, but not limited to, streets, schools, parks, churches, drainage ways, landscaping, green belts, and open space.

If the use of an Assessor's Parcel of Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth above that would make such Assessor's Parcel eligible to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property.

**F. REVIEW/APPEAL COMMITTEE**

Any landowner or resident who feels that the amount of the Special Tax levied on their Assessor's Parcel is in error shall first consult with the CFD Administrator regarding such error. If following such consultation, the CFD Administrator determines that an error has occurred, the CFD Administrator may amend the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the CFD Administrator), the landowner or resident believes such error still exists, such person may file a written notice with the City appealing the amount of the Special Tax levied on such Assessor's Parcel. The City may establish such procedures, as it deems necessary to undertake the review of any such appeal. The City shall interpret this Rate and Method of Apportionment and make determinations relative to the annual administration of the Special Tax and any landowner or resident appeals, as herein specified. The decision of the City shall be final and binding as to all persons.

**G. MANNER OF COLLECTION**

The annual Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that West-Side CFD, may directly bill the Special Tax, and may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations.

**H. PREPAYMENT OF SPECIAL TAX**

The Special Tax may not be prepaid.

**I. TERM OF SPECIAL TAX**

The Special Tax shall be levied, commencing in Fiscal Year 2016-2017, as long as necessary to satisfy the Special Tax Requirement provided, however Special Taxes will not be used to finance the acquisition of facilities after Fiscal Year 2035-2036.

**J. APPROPRIATIONS LIMIT**

Upon approval of the voters of the West-Side CFD, the West-Side CFD shall be subject to an appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution in the amount of \$14,500,000 in accordance with Section 8 of Article XIII B of the California Constitution.

***APPENDIX C – RESOLUTION ADOPTING BOUNDARY MAP***

The following pages provide a copy of the Resolution Adopting Boundary Map as approved by the City Council on April 1, 2015.

**RESOLUTION NO. 15-047****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA, ADOPTING A BOUNDARY MAP SHOWING THE BOUNDARIES OF THE TERRITORY PROPOSED FOR INCLUSION IN PROPOSED WEST-SIDE NEIGHBORHOOD PARKS AND STREET LIGHTING COMMUNITY FACILITIES DISTRICT NO. 1 OF THE CITY OF RANCHO CUCAMONGA**

**WHEREAS**, the City Council of the City of Rancho Cucamonga, California (the "City Council") desires to initiate proceedings to create a community facilities district pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act"); and

**WHEREAS**, such community facilities district shall hereinafter be designated as West-Side Neighborhood Parks and Street Lighting Community Facilities District No. 1 of the City of Rancho Cucamonga (the "District"); and

**WHEREAS**, there has been submitted a map showing the boundaries of the territory proposed to be included in the District including properties and parcels of land proposed to be subject to the levy of special taxes by the District.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Rancho Cucamonga, California, as follows:

**Section 1.** The above recitals are all true and correct.

**Section 2.** The map designated as "Proposed Boundary Map of West-Side Neighborhood Parks and Street Lighting Community Facilities District No. 1 of the City of Rancho Cucamonga, County of San Bernardino, State of California" (the "Boundary Map") showing the boundaries of the territory proposed for inclusion in the District upon the initial establishment of the District, including properties and parcels of land proposed to be subject to the levy of special taxes by the District, is hereby approved and adopted.

**Section 3.** A certificate shall be endorsed on the original and on at least one (1) copy of the Boundary Map, evidencing the date and adoption of this Resolution, and within fifteen (15) days after the adoption of the Resolution fixing the time and place of the hearing on the establishment or extent of the District, a copy of such map shall be filed with the correct and proper endorsements thereon with the County Recorder, all in the manner and form provided for in Sections 3110 and 3111 of the Streets and Highways Code of the State of California.

**Section 4.** This resolution shall become effective upon its adoption.

**PASSED, APPROVED, AND ADOPTED** this 1<sup>st</sup> day of April 2015.

**AYES:** Alexander, Kennedy, Michael, Spagnolo, Williams

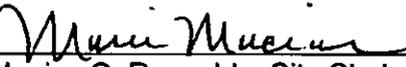
**NOES:** None

**ABSENT:** None

**ABSTAINED:** None

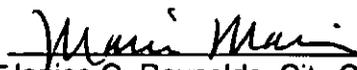
  
\_\_\_\_\_  
L. Dennis Michael, Mayor

**ATTEST:**

  
\_\_\_\_\_  
For Janice C. Reynolds, City Clerk

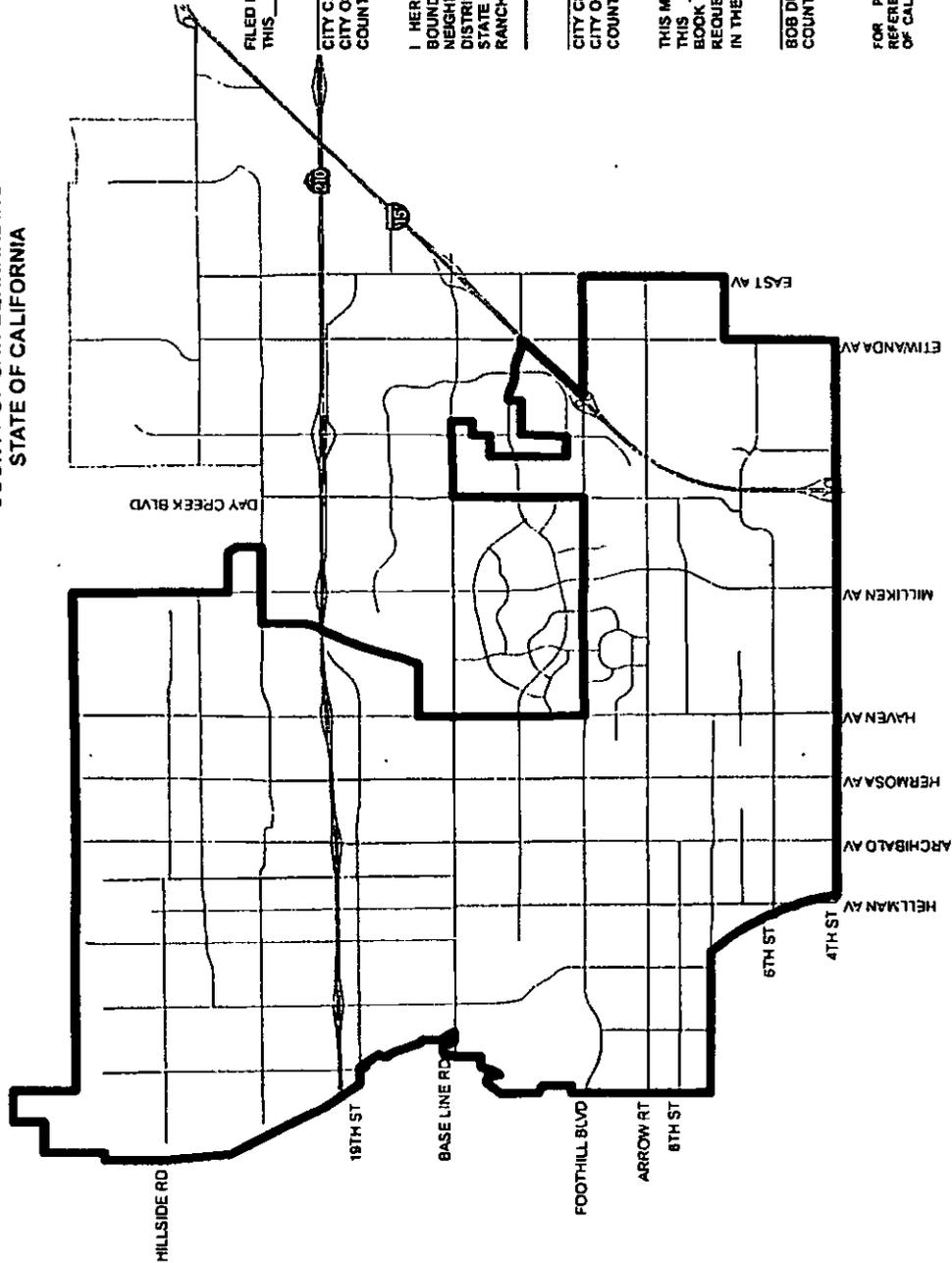
**I, JANICE C. REYNOLDS, CITY CLERK** of the City of Rancho Cucamonga, California, do hereby certify that the foregoing Resolution was duly passed, approved and adopted by the City Council of the City of Rancho Cucamonga, California, at a Regular Meeting of said City Council held on the 1<sup>st</sup> day of April 2015.

Executed this 2<sup>nd</sup> day of April 2015, at Rancho Cucamonga, California.

  
\_\_\_\_\_  
For Janice C. Reynolds, City Clerk

**PROPOSED BOUNDARY OF  
CITY OF RANCHO CUCAMONGA  
WEST-SIDE NEIGHBORHOOD PARKS AND STREET LIGHTING  
COMMUNITY FACILITIES DISTRICT NO. 1**

CITY OF RANCHO CUCAMONGA  
COUNTY OF SAN BERNARDINO  
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF RANCHO CUCAMONGA  
THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2016

CITY CLERK  
CITY OF RANCHO CUCAMONGA  
COUNTY OF SAN BERNARDINO, CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED  
BOUNDARIES OF THE CITY OF RANCHO CUCAMONGA WEST-SIDE  
NEIGHBORHOOD PARKS AND STREET LIGHTING COMMUNITY FACILITIES  
DISTRICT NO. 1, CITY OF RANCHO CUCAMONGA, COUNTY OF SAN BERNARDINO,  
STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF  
RANCHO CUCAMONGA, AT A MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF  
\_\_\_\_\_, 2015, BY ITS RESOLUTION NO. \_\_\_\_\_

CITY CLERK  
CITY OF RANCHO CUCAMONGA  
COUNTY OF SAN BERNARDINO, CALIFORNIA

THIS MAP HAS BEEN FILED UNDER DOCUMENT NUMBER \_\_\_\_\_  
THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_ AT \_\_\_\_\_ M. IN  
BOOK \_\_\_\_\_ OF \_\_\_\_\_ AT PAGE \_\_\_\_\_ AT THE  
REQUEST OF \_\_\_\_\_ IN THE AMOUNT OF \$ \_\_\_\_\_

BOB DUTTON, ASSESSOR-RECORDER-COUNTY CLERK  
COUNTY OF SAN BERNARDINO, CALIFORNIA

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS,  
REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR, COUNTY OF SAN BERNARDINO, STATE  
OF CALIFORNIA.



LEGEND  
\_\_\_\_\_  
PROPOSED CFD BOUNDARY

***APPENDIX D – RESOLUTION OF INTENTION***

The following pages provide a copy of the Resolution of Intention as approved by the City Council on May 20, 2015.

**RESOLUTION NO. 15-079**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA, DECLARING ITS INTENTION TO ESTABLISH WEST-SIDE NEIGHBORHOOD PARKS AND STREET LIGHTING COMMUNITY FACILITIES DISTRICT NO. 1 OF THE CITY OF RANCHO CUCAMONGA AND TO AUTHORIZE THE LEVY OF A SPECIAL TAX THEREIN TO FINANCE CERTAIN FACILITIES AND SERVICES**

**WHEREAS**, the City Council of the City of Rancho Cucamonga, California (the "City Council") at this time desires to initiate proceedings to create a community facilities district pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act") for the purpose of financing the facilities and services described herein below necessary to serve the properties within such community facilities district; and

**WHEREAS**, this community facilities district shall hereinafter be referred to as West-Side Neighborhood Parks and Street Lighting Community Facilities District No. 1 of the City of Rancho Cucamonga (the "District"); and

**WHEREAS**, the Act provides that the City Council may initiate proceedings to establish a community facilities district only if it has first considered and adopted local goals and policies concerning the use of the Act; and

**WHEREAS**, this City Council has adopted local goals and policies as required pursuant to the Act; and

**WHEREAS**, this City Council is now desires to proceed to adopt its Resolution of Intention to initiate proceedings for the establishment of such District, to set forth the boundaries for such District, to indicate the type of facilities and services proposed to be financed by such District, to indicate the rate and apportionment of special taxes sufficient to finance such facilities and services and to set a time and place for a public hearing relating to the establishment of such District; and

**WHEREAS**, a map of such District (the "Boundary Map") has been submitted to the City Council showing the boundaries of the territory proposed for inclusion in the District upon the initial establishment thereof including properties and parcels of land proposed to be subject to the levy of special taxes by the District and such map has been adopted by resolution of the City Council.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Rancho Cucamonga, California, as follows:

**Section 1. Recitals.** The above recitals are all true and correct.

**Section 2. Initiation of Proceedings.** These proceedings are initiated by this City Council pursuant to the authorization of Section 53318 of the Government Code of the State of California.

**Section 3. Boundaries of District.** It is the intention of this City Council to establish the District pursuant to the provisions of the Act, and to determine the boundaries and parcels on which special taxes may be levied to finance certain facilities and services. A description of the boundaries of the territory proposed for inclusion in the District including properties and parcels of land proposed to be subject to the levy of special taxes by the District is as follows:

All that property as shown on the Boundary Map as previously approved by this City Council, such map designated as "Proposed Boundary Map of West-Side Neighborhood Parks and Street Lighting Community Facilities District No. 1 of the City of Rancho Cucamonga, County of San Bernardino, State of California" a copy of which is on file in the Office of the City Clerk of the City Council and shall remain open for public inspection.

**Section 4. Name of the Community Facilities District.** The name of the Community Facilities District proposed to be established shall be known and designated as "West-Side Neighborhood Parks and Street Lighting Community Facilities District No. 1 of the City of Rancho Cucamonga."

**Section 5. Description of Public Facilities and Services.** The types of public facilities and services proposed to be provided for and financed by the proposed community facilities district are:

(a) Parks, trails, landscaped areas, medians, and park and recreation improvements, including but not limited to playground equipment, restrooms, sports field, lighting and water features, acquisition and/or installation of street lighting and other improvements placed in parks, trails, medians, or landscaped areas (the "Facilities"); and

(b) the services which are proposed to be funded with the revenues from special taxes which are to be levied on parcels of taxable property within the District are the maintenance of public parks, trails, park and recreation improvements throughout the District and public parkways and open space areas, including but not limited to, street trees, graffiti removal, replacement, repair or rehabilitation of playground equipment, restrooms, sports field, lighting and water features, street lighting and other improvements placed in parks, trails, medians, or landscaped areas, public safety services provided within the park and recreation areas, public parkways and open spaces, landscape and street lighting, including but not limited to furnishing of electric current or energy, gas or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements within the District (the "Services"); and

(c) The incidental expenses which will be incurred are: (i) the cost of planning and designing the Facilities and the cost of environmental evaluations thereof, (ii) all costs associated with the formation of the proposed community facilities district, the determination of the amount of and collection of special taxes, the payment of special taxes, and costs otherwise incurred in order to carry out the authorized purposes of the community facilities district, and (iii) any other expenses incidental to the construction, completion, and inspection of the Facilities and the provision of the Services.

**Section 6. Special Tax.** It is hereby further proposed that, except where funds are otherwise available, a special tax sufficient to finance the Facilities and Services and related incidental expenses authorized by the Act, secured by recordation of a continuing lien against all non-exempt real property in the District, will be levied annually within the boundaries of the District. For further particulars as to the rate and method of apportionment of the proposed special tax, reference is made to the attached and incorporated Exhibit A (the "Rate and Method"), which sets forth in sufficient detail the rate and method of apportionment of the special tax to allow each

landowner or resident within the proposed District to clearly estimate the maximum amount of that such person will have to pay for the Facilities and Services.

In addition, pursuant to Government Code Section 53321, the maximum amounts of special taxes which may be levied in any fiscal year on parcels within the proposed community facilities district which are used for private residential purposes ("Residential Parcels") are specified in dollar amounts in Exhibit "A" hereto. Special taxes shall not be used on any Residential Parcels to finance the acquisition and construction of Facilities after June 30, 2036, or earlier upon a determination by the City Council as set forth in the Rate and Method of Apportionment, attached hereto as Exhibit "A." Special taxes shall be levied on Residential Parcels to pay the annual costs of the Services which are to be funded thereby, as described in subsection (b) of Section 5 hereof, as long as the City provides the Services. Under no circumstances shall the special tax levied in any fiscal year on any parcel used for private residential purposes be increased as a consequence of delinquency or default in the payment of special taxes by the owner or owners of any other parcel or parcels by more than ten percent (10%) above the amount of the special tax that would have been levied in that fiscal year had there never been any such delinquencies or defaults.

The special tax herein proposed, to the extent possible, shall be collected in the same manner as ad valorem property taxes or in such other manner as this City Council or its designee shall determine, including direct billing of the affected property owners. Such special tax shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes. Any special taxes that may not be collected on the County tax roll shall be collected through a direct billing procedure by the Treasurer of the City, acting for and on behalf of the District.

Pursuant to Government Code Section 53340 and except as provided in Government Code Section 53317.3, properties of entities of the state, federal, and local governments shall be exempt from the levy of the special tax.

**Section 7. Public Hearing.** NOTICE IS GIVEN THAT ON THE 1ST DAY OF JULY, 2015, AT THE HOUR OF 7 PM, IN THE REGULAR MEETING PLACE OF THE CITY COUNCIL BEING THE COUNCIL CHAMBERS, CITY HALL, LOCATED AT 10500 CIVIC CENTER DRIVE, RANCHO CUCAMONGA, CALIFORNIA, A PUBLIC HEARING WILL BE HELD WHERE THIS CITY COUNCIL WILL CONSIDER THE ESTABLISHMENT OF THE PROPOSED COMMUNITY FACILITIES DISTRICT, THE PROPOSED METHOD AND APPORTIONMENT OF THE SPECIAL TAX, AND ALL OTHER MATTERS AS SET FORTH IN THIS RESOLUTION OF INTENTION. AT THE ABOVE-MENTIONED TIME AND PLACE FOR PUBLIC HEARING ANY INTERESTED PERSONS, INCLUDING TAXPAYERS AND PROPERTY OWNERS MAY APPEAR AND BE HEARD. THE TESTIMONY OF ALL INTERESTED PERSONS FOR OR AGAINST THE ESTABLISHMENT OF THE COMMUNITY FACILITIES DISTRICT, THE EXTENT OF THE COMMUNITY FACILITIES DISTRICT, OR THE FINANCING OF THE PUBLIC FACILITIES AND SERVICES, WILL BE HEARD AND CONSIDERED. ANY PROTESTS MAY BE MADE ORALLY OR IN WRITING. HOWEVER, ANY PROTESTS PERTAINING TO THE REGULARITY OR SUFFICIENCY OF THE PROCEEDINGS SHALL BE IN WRITING AND CLEARLY SET FORTH THE IRREGULARITIES AND DEFECTS TO WHICH THE OBJECTION IS MADE. ALL WRITTEN PROTESTS SHALL BE FILED WITH THE CITY CLERK OF THE CITY COUNCIL ON OR BEFORE THE TIME FIXED FOR THE PUBLIC HEARING. WRITTEN PROTESTS MAY BE WITHDRAWN IN WRITING AT ANY TIME BEFORE THE CONCLUSION OF THE PUBLIC HEARING.

IF A WRITTEN MAJORITY PROTEST AGAINST THE ESTABLISHMENT OF THE COMMUNITY FACILITIES DISTRICT IS FILED, THE PROCEEDINGS SHALL BE ABANDONED. IF SUCH MAJORITY PROTEST IS LIMITED TO CERTAIN PUBLIC FACILITIES OR SERVICES OR PORTIONS OF THE SPECIAL TAX, THOSE PUBLIC FACILITIES OR

SERVICES OR THAT PORTION OF SPECIAL TAX SHALL BE ELIMINATED BY THE CITY COUNCIL.

**Section 8. Election.** If, following the public hearing described in the Section above, the City Council determines to establish the District and proposes to levy a special tax within the District, the City Council shall then submit the levy of the special tax to the qualified electors of the District. If at least twelve (12) persons, who need not necessarily be the same 12 persons, have been registered to vote within the District for each of the ninety (90) days preceding the close of the public hearing, the vote shall be by registered voters of the District, with each voter having one (1) vote. Otherwise, the vote shall be by the landowners of the District who were the owners of record at the close of the subject hearing, with each landowner or the authorized representative thereof, having one (1) vote for each acre or portion of an acre of land owned within the District.

A successful election relating to the special tax authorization shall, as applicable, establish and/or change the appropriations limit as authorized by Article XIII B of the California Constitution as it is applicable to the District.

**Section 9. Notice of Public Hearing.** Notice of the time and place of the public hearing shall be given by the City Clerk of the City Council by causing the publication of a Notice of Public Hearing in the legally designated newspaper of general circulation, such publication pursuant to Section 6061 of the Government Code, with such publication to be completed at least seven (7) days prior to the date set for the public hearing and shall also give notice by first-class mail to each landowner and to each registered voter within the proposed District describing the majority protest and voting procedure, such mailing pursuant to Section 53322.4 of the Government Code, with such publication to be completed at least fifteen (15) days prior to the date set for the public hearing.

**Section 10. Report.** The officers of the City who will be responsible for providing the public services to be provided within and financed by the District, if established, shall study the District, and, at or before the time of the public hearing as described in Section 7, file a report with the City Council containing a brief description of the public services by type which will in his opinion be required to adequately meet the needs of the District, and his estimate of the fair and reasonable cost of providing such services, and the incidental expenses to be incurred in connection therewith. Such report shall be made a part of the record of the hearing to be held pursuant to Section 7 hereof.

**Section 11. Advances of Funds or Work In-Kind.** At any time either before or after the formation of the District, the City Council may accept advances of funds or work-in-kind from any source, including, but not limited to, private persons or private entities and may provide, by resolution, for the use of those funds or that work-in-kind for any authorized purpose, including, but not limited to, paying any cost incurred by the City in creating the District. The City may enter into an agreement, by resolution, with the person or entity advancing the funds or work-in-kind, to repay all or a portion of the funds so advanced, or to reimburse the person or entity for the value, or cost, whichever is less, of the work-in-kind, as determined by the City Council. No such agreement shall constitute a debt or liability of the City.

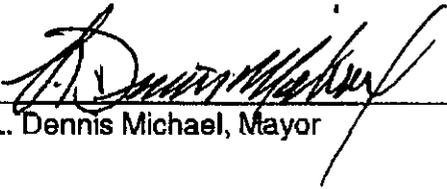
**PASSED, APPROVED, AND ADOPTED** this 20<sup>th</sup> day of May 2015.

**AYES:** Alexander, Kennedy, Michael, Spagnolo, Williams

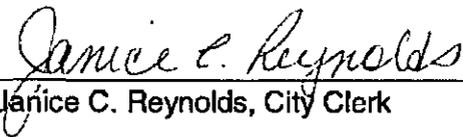
**NOES:** None

**ABSENT:** None

**ABSTAINED:** None

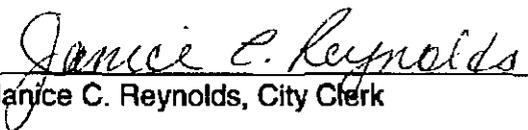
  
\_\_\_\_\_  
L. Dennis Michael, Mayor

**ATTEST:**

  
\_\_\_\_\_  
Janice C. Reynolds, City Clerk

**I, JANICE C. REYNOLDS, CITY CLERK** of the City of Rancho Cucamonga, California, do hereby certify that the foregoing Resolution was duly passed, approved and adopted by the City Council of the City of Rancho Cucamonga, California, at a Regular Meeting of said City Council held on the 20<sup>th</sup> day of May 2015.

Executed this 21<sup>th</sup> day of May 2015, at Rancho Cucamonga, California.

  
\_\_\_\_\_  
Janice C. Reynolds, City Clerk

**RESOLUTION NO. 15-112****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA AUTHORIZING AND SETTING A SPECIAL ELECTION FOR THE ADOPTION OF A SPECIAL TAX WITHIN THE BOUNDARIES OF WEST-SIDE NEIGHBORHOOD PARKS AND STREET LIGHTING COMMUNITY FACILITIES DISTRICT NO. 1 OF THE CITY OF RANCHO CUCAMONGA FOR CERTAIN TYPES OF SERVICES AND FACILITIES AND SUBMITTING THE SPECIAL TAX TO THE QUALIFIED VOTERS OF SUCH COMMUNITY FACILITIES DISTRICT**

**WHEREAS**, pursuant to Section 53325.1 of the California Government Code, the City Council (the "City Council") of the City of Rancho Cucamonga ("the City") has adopted a resolution establishing West-Side Neighborhood Parks and Street Lighting Community Facilities District No. 1 of the City of Rancho Cucamonga, County of San Bernardino, State of California (the "District") and the boundaries thereof (the "Resolution of Formation"); and

**WHEREAS**, notice of a public hearing relating to the establishment of the District, the extent of the District, the financing of certain types of public services and facilities and all other related matters has been given, and a Community Facilities District Report, as ordered by this City Council, has been presented to this City Council and has been made a part of the record of the hearing to establish the District; and

**WHEREAS**, all communications relating to the establishment of the District, the financing of certain types of services and facilities and the proposed rate and method of apportionment of the special tax have been presented, and it has further been determined that a majority protest as defined by law has not been received against these proceedings; and

**WHEREAS**, inasmuch as there are more than twelve (12) registered voters residing within the territory of the District, the authorization to levy special taxes within the District shall be submitted to the registered voters of the District, such registered voters being the qualified electors as authorized by law; and

**WHEREAS**, pursuant to Sections 53326 and 53350 of the California Government Code, it is necessary that the City Council submit to the voters of the District the proposition relating to the annual levy of special taxes on the property within the District; and

**WHEREAS**, pursuant to Section 53353.5(a) of said Code, propositions relating to the levy of a special tax, and to establish an appropriations limitation may be combined into one ballot proposition as determined by the City Council; and

**WHEREAS**, based on all of the information presented, both written and oral, including the staff reports, minutes, and other relevant materials, the City Council finds that formation of the District and the authorization to levy the special tax within the District do not constitute a project under the California Environmental Quality Act ("CEQA")

(California Public Resources Code Section 21000 and following) and therefore no further CEQA review is required.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Rancho Cucamonga:

**SECTION 1. Findings.** The City Council finds that: (i) the foregoing recitals are correct; (ii) more than 12 persons have been registered to vote within the territory of the District during the 90 days preceding the close of the public hearing on July 1, 2015; (iii) pursuant to Section 53326 of the California Government Code, as a result of the findings set forth in clause (ii) above, the vote in the special election called by this resolution shall be by registered voters within the District; (iv) each registered voter shall have one vote; and (v) the City Clerk of the City has consented to the holding of said consolidated special elections on November 3, 2015.

**SECTION 2. Call of Election.** The City Council hereby calls and schedules consolidated special election for November 3, 2015 within and for the District on the proposition of (i) proposition with respect to the annual levy of special within the District to finance certain public services and facilities, and (ii) the proposition with respect to establishing an appropriations limit for the District. Pursuant to Section 53353.5, such propositions shall be combined into one ballot proposition.

**SECTION 3. Propositions.** The proposition to be submitted to the qualified voters of the District at such special election shall be in the following form:

To maintain safe, clean, quality, well-lit streets, parks, playgrounds and recreation areas/facilities/restrooms, remove graffiti/trash and acquire/maintain street lights and other facilities, shall the City of Rancho Cucamonga replace existing assessments with a special tax to be levied within Community Facilities District No. 1 and establish an annual appropriations limit as provided in the rate and method of apportionment set forth in City's Resolution No. \_\_\_\_\_, which require annual audits, senior discounts, and independent citizen oversight?

YES \_\_\_\_\_

NO \_\_\_\_\_

**SECTION 4. Conduct of Elections.** Except as otherwise provided in Section 5 hereof, said election shall be conducted by the City Clerk of the City pursuant to the California Elections Code governing elections of cities, and in particular, the provisions of Division 4 (commencing with Section 4000) of said Code, insofar as they may be applicable.

**SECTION 5. Election Procedures.** The polls shall be open for said election between the hours of 7:00 a.m. and 8:00 p.m. The election shall be conducted by the City Clerk or Registrar of Voters of the County of San Bernardino, if such election is consolidated with a County election. Except as otherwise provided by the Act, the election shall be conducted at polling places and in accordance with the provisions of law

regulating elections of the District insofar as such provisions are determined by the election official to be applicable. All ballots shall be received by, and the election official shall close the election by, 8:00 p.m. on the Election Day. Pursuant to Section 53326 of the Act, the ballots for the special election shall be distributed in person (or by mailed absentee ballot) to the registered voters within the District.

The City Council hereby directs the City Clerk and/or Registrar of Voters of the County of San Bernardino, election is consolidated with a County election to do all things and proper for the conduct of the election, including but not limited to: establishing precinct boundaries and polling places, selecting and employing election officials; publication of notices; preparation and distribution of sample ballots; distribution of printed arguments for and against the measure; the conduct of the election; the counting of ballots and canvassing and certification of the election results. The City Clerk is authorized to procure such services to conduct the election as deemed necessary and proper.

In accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California, the City Council requests the City Clerk to receive arguments for or against the ballot propositions and establish a deadline as the date after which no arguments for or against the ballot propositions may be submitted to the City Clerk.

The City Clerk is hereby directed to cause to provide notice of intention and title and summary of the proposed measure in a newspaper of general circulation circulating of the proposed measure as specified in Election Code 9205.

#### **SECTION 6. Arguments and Analysis.**

a. **Impartial Analysis.** That the City Council directs the City Clerk to transmit a copy of the measure to the City Attorney and directs the City Attorney to prepare an impartial analysis of the measure not exceeding 500 words showing the effect of the measure on the existing law and the operation of the measure. The analysis shall include a statement indicating whether the measure was placed on the ballot by a petition signed by the requisite number of voters or by the governing body of the City. In the event the entire text of the measure is not printed on the ballot, nor in the voter information portion of the sample ballot, there shall be printed immediately below the impartial analysis, in no less than 10-point type, the following: "The above statement is an impartial analysis of the measure. If you desire a copy of the ordinance or measure, please call the City Clerk of the City of Rancho Cucamonga at (909) 477-2700 and a copy will be mailed at no cost to you." The impartial analysis shall be filed with the City Clerk no later than August 17, 2015.

b. **Arguments.** Pursuant to Elections Code section 9286, the City Clerk shall fix and determine a reasonable date prior to the election for the submission to the City Clerk of an argument in favor of and against the ballot measures, and additional rebuttal arguments pursuant to Elections Code section 9287. Direct arguments shall not exceed three hundred words and shall be signed by not more than five persons. Rebuttal arguments shall not exceed 250 words in length. Any arguments shall be accompanied by the printed name(s) and signature(s) of the author(s) submitting it, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California. The

no arguments for or against the ballot measure may be submitted to the City Clerk. All arguments concerning measure shall be accompanied by the "Form of Statement to Be Filed by Author of Argument" pursuant to Elections Code Section 9600, and signed by each proponent and by each author.

c. **Rebuttal Arguments.** A rebuttal may not be signed by more than five authors. The rebuttal arguments shall be filed with the City Clerk, signed, with the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers, not more than 10 days after the final date of filing direct arguments. The rebuttal arguments shall be accompanied by the "Form of Statement to Be Filed by Author of Argument" pursuant to Elections Code Section 9600 and signed by each proponent and by each author.

Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.

**Section 7.** **Placement on the Ballot.** The City Clerk is hereby authorized and directed to take all steps necessary to place the ballot measure on the ballot and to cause the ballot measure to be printed and shall act as the filing authority for arguments. The full text of the Resolution of Formation shall be printed in the voter pamphlet, and a statement shall be printed in the ballot pursuant to Section 9295 of the Elections Code advising voters that they may obtain a copy of this Resolution and/or ballot measures, at no cost, upon request made to the City Clerk.

**Section 8.** **Notice.** Notice of the time and place of holding the election is hereby given, and the City Clerk is authorized, instructed and directed to give such further or additional notice, in the time, form and manner required by law. The Registrar of Voters is hereby requested to publish any further or additional notice as required by law.

**Section 9.** **Delivery of Resolution to County.** The City Council directs the City Clerk to deliver copies of this Resolution to the Clerk of the Board of Supervisors of the County and to the Registrar of Voters.

**Section 10.** **Severability.** If the ballot measure authorizing the District's special tax to finance the services and facilities is approved by the qualified voters of the District, the special tax shall not apply to any person, entity, or property as to whom or which it is beyond the power of the District to impose the tax herein provided. If for any reason any provision of this Resolution or the application thereof is found to be invalid, or if the special tax is found inapplicable to any particular parcel within the District by a Court of competent jurisdiction, the balance of this Resolution and the application of the special tax to the remaining parcels within the District shall not be affected and, to this end, the provisions of this Resolution are severable.

**Section 11.** **Successors.** To the fullest extent permitted by law, the proposed measure, if approved by the qualified voters of the District, and its special tax authorization and authority shall be binding upon any successors in interest to the District.

**Section 12.**           **Effective Date of Special Tax.** Pursuant to California Constitution article XIII C section (2) (d) and California Government Code section 53724, if two-thirds of the qualified voters voting in the election on the Proposition to authorize the special tax to finance the services and facilities and the establishment of the appropriations limit, vote in favor of such Proposition, the provisions regarding the proposed special tax as set forth therein shall be deemed valid and binding. The proposed special tax shall be considered as adopted upon the date that the vote is declared by the City Council, and shall go into effect July 1, 2016.

**Section 13.**           **CEQA.** Special tax monies raised pursuant to the Ballot Ordinance are exempt from environmental analysis under the California Environmental Quality Act pursuant to Public Resources Code Section 21080 (b)(8) since the proceeds of the special tax will be used for: (a) meeting operating expenses, including employee wage rates and fringe benefits; (b) purchasing or leasing supplies, equipment or materials; (c) meeting applicable financial reserve needs and requirements; and/or (d) obtaining funds for capital projects necessary to maintain service within existing service areas.

**Section 14.**           **Notice.** A public hearing was held on July 1, 2015, the notice of which was published in the Daily Bulletin on June 16, 2015.

**Section 15.**           **Resolution.** This Resolution shall take effect immediately upon its adoption. This Resolution shall be published in a newspaper of general circulation within ten (10) days of its adoption.

**Section 16.**           **Effective Date.** This Resolution shall take effect upon adoption.

**Section 17.**           **Execution of Resolution.** The Mayor shall sign this Resolution and the City Clerk shall certify to the passage and adoption of this Resolution.

**PASSED, APPROVED AND ADOPTED** this \_\_\_\_ day of July, 2015.

By: \_\_\_\_\_  
L. Dennis Michael, Mayor

ATTEST:

\_\_\_\_\_  
Janice C. Reynolds, City Clerk

**RESOLUTION NO. 15-113**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BERNARDINO TO CONSOLIDATE THE SPECIAL ELECTION WITH ANY ELECTION TO BE HELD AND TO RENDER SPECIFIED SERVICES TO SAID CITY RELATING TO THE CONDUCT OF SAID ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2015**

**WHEREAS**, the established election day pursuant to Elections Code §1000 is on Tuesday, November 3, 2015; and

**WHEREAS**, pursuant to California Elections Code §10400, the City of Rancho Cucamonga ("City") may request the Board of Supervisors of the County of San Bernardino ("County") to consolidate the municipal election with any other election in the same territory, called to be held on the same day; and

**WHEREAS**, pursuant to California Elections Code §10002, the City may request the County Board of Supervisors of the County of San Bernardino to permit the County Clerk to render specified services relating to the conduct of an election; and

**WHEREAS**, at said election there shall be submitted to the registered voters within the West-Side Neighborhood Parks and Street Lighting Community Facilities District No. 1 of the City of Rancho Cucamonga (the "District") a proposition relating to the imposition of a special tax by the District for the purpose of financing certain types of public facilities and services.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Rancho Cucamonga, California, as follows:

**Section 1.**            **Conduct of Election.** That this City Council hereby requests the Board of Supervisors of the County of San Bernardino consolidate the municipal election with any other election to be held in the same territory on the same day, November 3, 2015, and to permit the Registrar of Voters to cause the precincts, polling places and election officers for said election to be established, to cause all election materials to be printed and mailed to each registered voter residing within the boundaries of the District in the City of Rancho Cucamonga, to cause all election supplies to be delivered to each polling place, and to cause the returns of said election to be canvassed and to certify the same to the City Council of the City of Rancho Cucamonga.

**Section 2.**            **Election Held Pursuant to Law.** That in all particulars not recited in this resolution, the election hereby called shall be held as provided by law for holding general elections in said State.

**Section 3.**            **Reimbursement.** That the City shall reimburse the County for services performed when the work is completed and upon presentation to the City of a properly approved bill.

**Section 4.**            **Direction to City Clerk.**    That the City Clerk is hereby directed to forward without delay to said Board of Supervisors and to said Registrar of Voters of the County of San Bernardino, each a certified copy of this resolution.

**Section 5.**            **Effective Date.**    This Resolution shall become effective immediately upon its adoption.

**Section 6.**            **Execution of Resolution.**    The Mayor shall sign this Resolution and the City Clerk shall certify to the passage and adoption of this Resolution.

**PASSED, APPROVED, AND ADOPTED** this 1st day of July, 2015.

\_\_\_\_\_  
L. Dennis Michael, Mayor

ATTEST:

\_\_\_\_\_  
Janice C. Reynolds, City Clerk



# STAFF REPORT

ADMINISTRATIVE SERVICES GROUP

**Date:** July 1, 2015

**To:** Mayor and Members of City Council  
John R. Gillison, City Manager

**From:** Ingrid Y. Bruce, GIS/Special Districts Manager *IB*

**Subject:** **CONSIDERATION TO ADOPT A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, ACTING FOR AND ON BEHALF OF ITSELF AND IN IT'S CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NOS 2000-01 (SOUTH ETIWANDA), 2000-02 (RANCHO CUCAMONGA CORPORATE PARK) 2001-01, SERIES 2012 A (IMPROVEMENT AREA 1 & 2), 2001-01, SERIES 2012 B (IMPROVEMENT AREA 3), 2006-01 (VINTNER'S GROVE) AND 2006-02 (AMADOR ON ROUTE 66) AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF SPECIAL TAXED REFUNDING BONDS FOR EACH SUCH COMMUNITY FACILITIES DISTRICT. APPROVING THE FORMS OF FISCAL AGENT AGREEMENTS, A BOND PURCHASE AGREEMENT, A SPECIAL TAX REFUNDING BONDS PURCHASE CONTRACT, ESCROW AGREEMENTS, AND OTHER DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS.**

## RECOMMENDATION

It is recommended that the City Council, acting for and on behalf of itself and in its capacity as the legislative body of Community Facilities District Nos. 2000-01 (South Etiwanda), 2000-02 (Rancho Cucamonga Corporate Park), 2001-01, Series 2012 A (Improvement Area 1 & 2), 2001-01, Series 2012 B (Improvement Area 3), 2006-.1 (Vintner's Grove) and 2006-02 (Amador On Route 66) (each a "Community Facilities District" and collectively the "Community Facilities Districts") adopt a resolution approving the authorization of the issuance of Special Tax Refunding Bonds for the purpose of refunding certain outstanding special tax bonds identified below, approving the forms of Fiscal Agent Agreements, Bond Purchase Agreement, Special Tax Refunding Bonds Purchase Contract, Escrow Agreements and other documents and authorizing certain actions in connection with the issuance of such revenue bonds.

## BACKGROUND

The City Council, acting for and on behalf of itself and in its capacity as the legislative body of the District, is being asked to consider authorizing the issuance of the Special Tax Refunding Bonds for the purpose of refunding the City of Rancho Cucamonga Community Facilities District Nos. 2000-01 (South Etiwanda), 2000-02 (Rancho Cucamonga Corporate Park), 2001-01, Series 2012 A (Improvement Area 1 & 2), 2001-01, Series 2012 B (Improvement Area 3), 2006- 1 (Vintner's Grove) and 2006-02 (Amador On Route 66) 2007 and 2012 Special Tax Bonds (the "Prior Special Tax Bonds") issued for the Districts. Staff is always seeking ways to refund bonds issued for assessment or community facilities districts that would produce lower annual debt service payments that translate into lower assessment or special tax payments for property owners. The sale of bonds for the District is proposed to be privately placed with a bank rather than through a public sale because of the shifts in both interest rates and conditions in the general municipal bond market, thus making this avenue more viable for the refunding.

CONSIDERATION TO ADOPT A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, ACTING FOR AND ON BEHALF OF ITSELF AND IN IT'S CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NOS 2000-01 (SOUTH ETIWANDA), 2000-01 (RANCHO CUCAMONGA CORPORATE PARK) 2001-01, SERIES 2012 A (IMPROVEMENT AREA 1 & 2), 2001-01, SERIES 2012 B (IMPROVEMENT AREA 3, 2006-01 (VINTNER'S GROVE) AND 2006-02 (AMADOR ON ROUTE 66) AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF SPECIAL TAXED REFUNDING BONDS FOR EACH SUCH COMMUNITY FACILITIES DISTRICT. APPROVING THE FORMS OF FISCAL AGENT AGREEMENTS, A BOND PURCHASE AGREEMENT, A SPECIAL TAX REFUNDING BONDS PURCHASE CONTRACT, ESCROW AGREEMENTS, AND OTHER DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS.

JULY 1, 2015

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The anticipated savings projected to result from the refunding will be generated from the interest rate savings provided by the private placement of the Special Tax Refunding Bonds with City National Bank (the "Purchaser"). Based upon pro formas run to date, the refunding would provide residential property owners with savings of approximately 1.52% to 8.72% annually over the remaining life of the bond issue. The life of the bonds will not be extended by this refunding.

For the reasons stated above, staff is recommending approval of the attached resolution and sale of the Special Tax Refunding Bonds.

By approving the attached resolution the City Council will be:

- Approving the issuance of the Special Tax Refunding Bonds;
- Approving the form of the following agreements:
  - Fiscal Agent Agreements to establish the terms and conditions pursuant to which the Special Tax Refunding Bonds will be issued and administered;
  - Escrow Deposits and Trust Agreements to establish the terms and conditions pursuant to which the Prior Special Tax Bonds will be defeased and refunded.
- Authorizing the City Manager, Assistant City Manager, Deputy City Manager/ Administrative Services and the Finance Director to execute the various agreements and other documents subject to the pricing of the Special Tax Refunding Bonds meeting the financial parameters included in the resolution.

Attachments:

Resolution

Fiscal Agent Agreements

Escrow and Trust Agreements

**RESOLUTION NO. 15-114**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CUCAMONGA, ACTING FOR AND ON BEHALF OF ITSELF AND IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2000-01 (SOUTH ETIWANDA), COMMUNITY FACILITIES DISTRICT NO. 2000-02 (RANCHO CUCAMONGA CORPORATE PARK), COMMUNITY FACILITIES DISTRICT NO. 2001-01, COMMUNITY FACILITY DISTRICT NO. 2006-01 (VINTNER'S GROVE) AND COMMUNITY FACILITIES DISTRICT NO. 2006-02 (AMADOR ON ROUTE 66) AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF SPECIAL TAX REFUNDING BONDS FOR EACH SUCH COMMUNITY FACILITIES DISTRICT, APPROVING THE FORMS OF FISCAL AGENT AGREEMENTS, A SPECIAL TAX REFUNDING BONDS PURCHASE CONTRACT, ESCROW AGREEMENTS, FIRST SUPPLEMENTAL AGREEMENTS AND OTHER DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS**

**WHEREAS**, the City Council did previously conduct proceedings to form and did form certain community facilities districts, such community facilities districts designated as Community Facilities No. 2000-01 (South Etiwanda) ("CFD No. 2000-01"), Community Facilities District No. 2000-02 (Rancho Cucamonga Corporate Park) ("CFD No. 2000-02"), Community Facilities District No. 2001-01 (CFD No. 2001-01), Community Facilities District No. 2006-01 (Vintner's Grove) ("CFD No. 2006-01) and Community Facilities District No. 2006-02 (Amador on Route 66) (individually, a "Community Facilities District" and, collectively, the "Community Facilities Districts"), and designated certain improvement areas in Community Facilities District No. 2001-01 (each, an "Improvement Area") pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act"), for the purpose of financing certain public facilities to be owned by the City of Rancho Cucamonga and certain other public agencies (the "Improvements"); and

**WHEREAS**, the following special tax bonds (referred to collectively as the "Prior Community Facilities District Bonds" and individually as a "Series of Prior Community Facilities District Bonds") were previously issued for such Community Facilities Districts or, in the case of Community Facilities District No. 2001-01, for the Improvement Areas therein to finance the cost of the Improvements or refunding prior indebtedness of certain Community Facilities Districts, the costs of issuing and selling such bonds and the costs to the City in establishing and administering the Community Facilities Districts and, in the case of Community Facilities District No. 2001-01, the Improvement Areas therein :

(a) City of Rancho Cucamonga Community Facilities District No. 2000-01 (South Etiwanda) Special Tax Refunding Bonds, Series 2012 were issued by CFD No. 2000-01 (the "Prior CFD No. 2000-01 Bonds");

(b) City of Rancho Cucamonga Community Facilities District No. 2000-02 (Rancho Cucamonga Corporate Park) Special Tax Refunding Bonds, Series 2012 were issued by CFD No. 2000-02 (the "Prior CFD No. 2000-02 Bonds");

(c) City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 1 and Improvement Area No. 2 Special Tax Refunding Bonds, Series 2012 were issued by the City, for and on behalf of CFD No. 2001-01 (the "Prior CFD No. 2001-01 IA No. 1 and IA No. 2 Bonds");

(d) City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 3 Special Tax Refunding Bonds, Series 2012 were issued by the City, for and on behalf of CFD No. 2001-01 (the "Prior CFD No. 2001-01 IA No. 3 Bonds" and, together with the Prior CFD No. 2000-01 Bonds, the Prior CFD No. 2000-02 Bonds and the Prior CFD No. 2001-01 IA No. 1 and IA No. 2 Bonds, the "Prior Special Tax Refunding Bonds" and individually a "Series of Prior Special Tax Refunding Bonds");

(e) City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner's Grove) 2007 Special Tax Bonds (the "Prior CFD No. 2006-01 Bonds"); and

(f) City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66) 2007 Special Tax Bonds (the "Prior CFD No. 2006-02 Bonds" and, together with the Prior CFD No. 2006-01 Bonds, the "Prior Special Tax Bonds" and individually a "Series of Prior Special Tax Bonds").

**WHEREAS**, the Rancho Cucamonga Public Finance Authority (the "Authority") previously issued its Rancho Cucamonga Public Finance Authority Special Tax Refunding Revenue Bonds, Series 2012 (the "Prior Authority Bonds") for the purpose of financing the acquisition of the Prior Special Tax Refunding Bonds; and

**WHEREAS**, each Series of the Prior Community Facilities District Bonds was issued pursuant to a separate Fiscal Agent Agreement by and between the applicable Community Facilities District and Wells Fargo Bank, National Association (the "Prior Fiscal Agent"), as fiscal agent (the "Prior Fiscal Agent Agreements"); and

**WHEREAS**, as a result of a combination of favorable conditions in the municipal bond market and the level of development, diversity of ownership and increase in value of the properties within the Community Facilities Districts and, in the case of Community Facilities District No. 2001-01, the Improvement Areas therein for which the Prior Community Facilities District Bonds were issued, the City Council, acting in its capacity as the legislative body of each of the Community Facilities Districts, desires to issue the following series of special tax refunding bonds (referred to collectively as the "Refunding Bonds" and individually as a "Series of Refunding Bonds") for the purpose of acquiring the Refunding Bonds in order to finance, as applicable, the defeasance and redemption of the Prior Authority Bonds thereby discharging the Prior Special Tax Refunding Bonds and the defeasance and redemption of the Prior Special Tax Bonds prior to their scheduled maturity in order to reduce the borrowing costs on such indebtedness:

(a). City of Rancho Cucamonga Community Facilities District No. 2000-01 (South Etiwanda) Special Tax Refunding Bonds, Series 2015 in a principal amount not to exceed \$500,000 (the "CFD No. 2000-01 Bonds");

(b). City of Rancho Cucamonga Community Facilities District No. 2000-02 (Rancho Cucamonga Corporate Park) Special Tax Refunding Bonds, Series 2015 in a principal amount not to exceed \$4,500,000 (the "CFD No. 2000-02 Bonds");

(c). City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 1 and Improvement Area No. 2 Special Tax Refunding Bonds, Series 2015 in a principal amount not to exceed \$7,750,000 (the "CFD No. 2001-01 IA No. 1 and IA No. 2 Bonds");

(d). City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 3 Special Tax Refunding Bonds, Series 2015 in a principal amount not to exceed \$800,000 (the "CFD No. 2001-01 IA No. 3 Bonds");

(e). City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner's Grove) Special Tax Refunding Bonds, Series 2015 in a principal amount not to exceed \$4,200,000 (the "CFD No. 2006-01 Bonds"); and

(f). City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66) Special Tax Refunding Bonds, Series 2015 in a principal amount not to exceed \$2,500,000 (the "CFD No. 2006-02 Bonds").

**WHEREAS**, the Refunding Bonds shall be issued pursuant to the terms and provisions of the Act and the statement of goals and policies of the City Council regarding the establishment of community facilities districts, as amended to date (the "Goals and Policies"); and

**WHEREAS**, at this time this City Council, acting in its capacity as the legislative body of the Community Facilities Districts, desires to set forth the general terms and conditions relating to the authorization, issuance, sale, delivery, and administration of the Refunding Bonds; and

**WHEREAS**, the City Council further desires to sell the Refunding Bonds to the Rancho Cucamonga Public Finance Authority (the "Authority") and hereby requests that the Authority issue its 2015 Special Tax Refunding Revenue Bonds (the "Revenue Bonds") for the purpose of financing the acquisition of the Refunding Bonds and thereby providing for the defeasance and redemption of the Prior Authority Bonds and the discharge of the Prior Special Tax Refunding Bonds and the defeasance and redemption of the Prior Special Tax Bonds; and

**WHEREAS**, to facilitate the discharge of the Prior Special Tax Refunding Bonds, the City Council further requests that the Authority as the owner of the Prior Special Tax

Refunding Bonds, consent to the amendment of each of the Prior Fiscal Agent Agreements related to the Prior Special Tax Refunding Bonds to provide that the Prior Special Tax Refunding Bonds will be discharged upon the defeasance and refunding of the Prior Authority Bonds; and

**WHEREAS**, the City Council desires to sell the Refunding Bonds in a negotiated sale to the Authority pursuant to the Refunding Bonds Purchase Contract (defined below); and

**WHEREAS**, the forms of the following documents have been presented to and considered for approval by this City Council:

- A. a separate Fiscal Agent Agreement by and between each of the Community Facilities Districts and MUFG Union Bank, N. A., as fiscal agent (the "Fiscal Agent"), setting forth the representative terms and conditions relating to the issuance, sale, delivery, and administration of each Series of Refunding Bonds (each a "Fiscal Agent Agreement");
- B. a separate First Supplemental Agreement for each Series of Prior Special Tax Refunding Bonds by and between the applicable Community Facilities District and Wells Fargo Bank, National Association, as Prior Fiscal Agent, to provide that the defeasance of the Prior Authority Bonds will cause the discharge of the related Prior Fiscal Agent Agreement and the related Series of Prior Special Tax Refunding Bonds (each, a "First Supplemental Agreement");
- C. Special Tax Refunding Bonds Purchase Contract among the Authority, the City and the Community Facilities Districts authorizing the sale of the Refunding Bonds to the Authority (the "Refunding Bonds Purchase Contract");
- D. An Escrow Deposit and Trust Agreement by and between the City, acting for and on behalf of CFD No. 2006-01 and Wells Fargo Bank, National Association, as escrow agent, setting forth the terms and conditions related to the defeasance and refunding of the Prior CFD No. 2006-01 Bonds;
- E. An Escrow Deposit and Trust Agreement by and between the City, acting for and on behalf of CFD No. 2006-02, and Wells Fargo Bank, National Association, as escrow agent, setting forth the terms and conditions related to the defeasance and refunding of the Prior CFD No. 2006-02 Bonds (this Escrow Deposit and Trust Agreement and the above Escrow Deposit and Trust Agreements, an "Escrow Agreement"); and

**WHEREAS**, this City Council, with the aid of City staff, has reviewed and considered the documents described above and finds those documents suitable for approval, subject to the conditions set forth in this resolution; and

**WHEREAS**, all conditions, things, and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the bonds as contemplated by this resolution and the documents referred to herein exist, have happened, and have been performed or have been ordered to have been performed in due time, form, and manner as required by the laws of the State of California, including the Act and the applicable policies and regulations of the City.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED** by the City Council of the City of Rancho Cucamonga, acting for and on behalf of the City and in its capacity as the legislative body of the Community Facilities Districts, as follows:

1. Recitals. The above recitals are true and correct.
2. Determinations. This City Council, acting in its capacity as the legislative body of the Community Facilities Districts, hereby makes the following determinations pertaining to the proposed issuance of each Series of the Refunding Bonds:
  - (a) The Goals and Policies generally require that the full cash value of the properties within a Community Facilities District or an Improvement Area of a Community Facilities subject to the levy of the special taxes must be at least 3 times the principal amount of the Refunding Bonds proposed to be issued for such Community Facilities District or such Improvement Area of such Community Facilities District, as applicable, and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within such Community Facilities District or Improvement Area or a special assessment levied on property within such Community Facilities District or such Improvement Area (collectively, "Land Secured Bonded Indebtedness"). The Act authorizes the City Council, acting as the legislative body of the Community Facilities Districts, to sell a Series of the Refunding Bonds only if the City Council has determined prior to the award of the sale of such Series of the Refunding Bonds that the value of such properties within the related Community Facilities District or, the case of Community Facilities District No. 2001-1, the related Improvement Area will be at least 3 times the applicable Land Secured Bonded Indebtedness.

The value of the property within each Community Facilities District or Improvement Area, as applicable, which will be subject to the special tax to pay debt service on the applicable Series of the Refunding Bonds, will be at least three (3) times the Land Secured Bonded Indebtedness allocable to such properties.

The foregoing determination is based upon the assessed value of the properties within each Community Facilities District or Improvement Area, as applicable. Such determination was made in a manner consistent with the Goals and Policies.

- (b) The terms and conditions of each Series of the Refunding Bonds as contained in the applicable Fiscal Agent Agreement are consistent with and conform to the Goals and Policies.
- (c) As a result of the complexity of the proposed financing being undertaken with the concurrent issuance of similar bonds for up to five Community Facilities Districts and the possibility that not all Series of Refunding Bonds will achieve savings adequate to justify the refunding of the applicable Prior Community Facilities District Bonds, the private sale of the Refunding Bonds will result in a lower overall cost to each of the Community Facilities Districts.
- (d) It is prudent in the management of the fiscal affairs of the Community Facilities Districts and the respective Improvement Areas therein to issue the Refunding Bonds for the purpose, inter alia, of defeasing and redeeming the Prior Community Facilities District Bonds,
- (e) As to each Series of the Refunding Bonds, the total net interest cost to maturity of such Refunding Bonds plus the principal amount of such Refunding Bonds will not exceed the total net interest cost to maturity on the related Series of the Prior Community Facilities District Bonds being defeased and redeemed or discharged from the proceeds of such Refunding Bonds plus the principal amount of such Prior Community Facilities District Bonds.
- (f) For purposes of Section 53363.2 of the Act, the City Council hereby further finds and determines that: (i) it is expected that the purchase of each Series of the Refunding Bonds necessary to effect the refunding or discharge of the applicable Series of Prior Special Tax Bonds will occur on the Closing Date (as such term is defined in each Fiscal Agent Agreement), (ii) the date, denomination, maturity dates, places of payment and form of each Series of such Refunding Bonds shall be as set forth in the applicable Fiscal Agent Agreement, as executed, provided, however, the maturity dates of any Series of the Refunding Bonds shall not exceed the maturity dates of the applicable Series of Prior Special Tax Bonds, (iii) the maximum true interest cost on each Series of Prior Special Tax Bonds shall not exceed four and one quarter percent (4.25%) with the actual interest rate or interest rates to be set forth in the applicable Fiscal Agent Agreement as executed; and (iv) the designated costs of issuing the Refunding Bonds shall be as described in Section 53363.8(a) of the Act, and as otherwise described in the applicable Fiscal Agent Agreement and/or the closing certificates for the Refunding Bonds, including but not limited to, a proportionate share of the Bond Counsel fees and expenses, Special Tax Consultant, escrow verification costs, initial Fiscal Agent fees, costs of issuance of the Revenue Bonds, and costs of City staff incurred in connection with the sale and issuance of the Revenue Bonds and the Refunding Bonds.

3. Refunding Bonds Authorized. Pursuant to the Act, this Resolution, and the Fiscal Agent Agreements, each Series of Refunding Bonds is hereby authorized by the City Council, acting in its capacity as the legislative body of the Community Facilities Districts, to be issued in the aggregate principal amount not to exceed the amount set forth in the preceding recitals.

The date, manner of payment, interest rate or rates, interest payment dates for the current interest bonds, maturity dates, denominations, forms, registration privileges, manner of execution, place of payment, terms of redemption, and other terms, covenants, and conditions of each such Series of the Refunding Bonds shall be as provided in the Fiscal Agent Agreement for each Series of the Refunding Bonds as finally executed.

4. Authorization and Conditions. The City Manager or the City Manager's designee (each, an "Authorized Officer"), acting on behalf of the City or the Community Facilities Districts, as applicable, are each hereby authorized and directed to execute and deliver the final form of the various documents and instruments described in this Resolution, with such additions thereto or changes therein as such Authorized Officer may deem necessary and advisable; provided, however, that no additions or changes shall authorize an aggregate principal amount of any Series of the Refunding Bonds in excess of the amount specified in the recitals hereinabove. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery of such documents or instruments by an Authorized Officer, following consultation with and review by Best Best & Krieger LLP, as bond counsel.

5. Fiscal Agent Agreement. The form of the Fiscal Agent Agreement by and between the respective Community Facilities District and the Fiscal Agent, with respect to each Series of the Refunding Bonds, as presented to this City Council and on file with the City Clerk, is hereby approved. The City Manager or, in the absence thereof, another Authorized Officer, is hereby authorized and directed to cause such Fiscal Agent Agreements to be completed and executed on behalf of the Community Facilities Districts for each Series of Refunding Bonds, subject to the provisions of Section 4 above.

6. First Supplemental Agreements. The form of the First Supplemental Agreement by and between the respective Community Facilities District and the Prior Fiscal Agent, with respect to each series of Prior Special Tax Refunding Bonds, as presented to the City Council and on file with the City Clerk, is hereby approved. The City Manager, or in the absence thereof, another Authorized Officer, is hereby authorized and directed to cause such First Supplemental Agreements to be completed and executed on behalf of the respective Community Facilities District for each series of Prior Special Tax Refunding Bonds, subject to the provisions of Section 4 above.

7. Sale of Refunding Bonds. This City Council hereby authorizes and approves the negotiated sale of each Series of the Refunding Bonds to the Authority. The form of the Refunding Bonds Purchase Contract is hereby approved and the City Manager or, in the absence thereof, another Authorized Officer, is hereby authorized and directed to execute the Refunding Bonds Purchase Contract on behalf of the City and each of the Community

Facilities Districts upon the execution thereof by the Authority, subject to the provisions of Section 4 above and this Section 7.

Notwithstanding the foregoing, the authorization to execute the Refunding Bonds Purchase Contract is subject to the satisfaction of the following conditions precedent: (a) that the total interest cost to maturity of each Series of Refunding Bonds plus the principal amount of such Refunding Bonds will not exceed the total interest cost to maturity of the Series of the Prior Community Facilities District Bonds being defeased and redeemed or discharged from the proceeds of such Series of Refunding Bonds plus the principal amount of such Series of Prior Community Facilities District Bonds, and (b) that the maximum true interest cost on each Series of the Refunding Bonds does not exceed the maximum true interest cost specified in Section 2(f). The City Manager shall withdraw from the offer to sell to the Authority any Series of Refunding Bonds which does not satisfy the conditions precedent set forth in the preceding sentence and may withdraw any Series of Refunding Bonds from such offer if the City Manager has determined, in his professional judgment, that under the circumstances existing at the time of such decision (a) the level of savings to be realized from the issuance of such Series of Refunding Bonds will not be in the best interests of the taxpayers within the applicable Community Facilities District or the applicable Improvement Area of CFD No. 2001-01 or (b) the credit quality of such Series of Refunding Bonds will adversely affect the level of savings to be realized from the issuance of each other Series of Refunding Bonds to the degree that the issuance of such Series of Refunding Bonds will not be in the best interests of the taxpayers within the other Community Facilities Districts or the other Improvement Areas within Community Facilities District No. 2001-01. Notwithstanding the withdrawal of the offer to sell any Series of Refunding Bonds, the applicable Community Facilities District may sell to the Authority each remaining Series of Refunding Bonds that does satisfy such conditions precedent.

8. Refunding Bonds Prepared and Delivered. Upon the execution of the Refunding Bonds Purchase Contract, the Refunding Bonds shall be prepared, authenticated, and delivered, all in accordance with the applicable terms of the Act and the Fiscal Agent Agreements, and any Authorized Officer and other responsible City officials, acting for and on behalf of the Community Facilities Districts, are hereby authorized and directed to take such actions as are required under the Refunding Bonds Purchase Contract and the Fiscal Agent Agreements to complete all actions required to evidence the delivery of the Refunding Bonds upon the receipt of the purchase price thereof from the Underwriter.

9. Escrow Agreements. The Escrow Agreement identified in the recitals hereinabove with respect to each Series of the Prior Special Tax Bonds to be refunded, as presented to this City Council and on file with the City Clerk, is hereby approved. The City Manager or, in the absence thereof, another Authorized Officer, is hereby authorized and directed to cause the Escrow Agreements to be completed and executed on behalf of the CFD No. 2006-01 and CFD No. 2006-02, as applicable, for each such series of Prior Special Tax Bonds.

10. Actions. All actions heretofore taken by the officers and agents of the City, acting for and on behalf of the City or the Community Facilities Districts, with respect to the

establishment of the Community Facilities Districts, and the sale and issuance of the Refunding Bonds are hereby approved, confirmed, and ratified, and the proper officers of the City, acting for and on behalf of the City or the Community Facilities Districts, as applicable, are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements, contracts, and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Refunding Bonds in accordance with the Act, this Resolution, the Fiscal Agent Agreements, the First Supplemental Agreements, the Refunding Bonds Purchase Contract, the Escrow Agreements and any certificate, agreement, contract, and other document described in the documents herein approved.

**FIRST SUPPLEMENTAL AGREEMENT**

**by and between**

**CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2000-01  
(SOUTH ETIWANDA)**

**and**

**WELLS FARGO BANK NATIONAL ASSOCIATION,  
As Fiscal Agent**

Dated as of July 1, 2015

Relating to

\$658,000  
CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2000-01  
(SOUTH ETIWANDA)  
SPECIAL TAX REFUNDING BONDS, SERIES 2012

## FIRST SUPPLEMENTAL AGREEMENT

This First Supplemental Agreement, dated as of July 1, 2015 (the “First Supplemental Agreement”), is entered into by and between City of Rancho Cucamonga Community Facilities District No. 2000-01 (the “District”), a community facilities district organized and existing under the laws of the State of California, and Wells Fargo Bank National Association, as fiscal agent (the “Fiscal Agent”), pursuant to and in order to amend and supplement that Fiscal Agent Agreement, dated as of December 1, 2011 (the “Agreement”) and entered into by and between the District and Wells Fargo Bank National Association.

### WITNESSETH:

WHEREAS, the District and Wells Fargo Bank National Association, executed and delivered the Agreement relating to the District’s Special Tax Refunding Bonds, Series 2012 which were issued in the aggregate principal amount of \$658,000 on January 18, 2012 (the “Series 2012 Local Obligation Bonds”); and

WHEREAS, the Rancho Cucamonga Public Finance Authority (the “Authority”) issued its \$15,970,000 Rancho Cucamonga Public Finance Authority Special Tax Refunding Revenue Bonds, Series 2012 (the “Series 2012 Authority Bonds”) pursuant to an Indenture of Trust dated as of December 1, 2011 (the “Authority Indenture”), by and between the Authority and Wells Fargo Bank National Association, as trustee (the “Trustee”) for the purpose of acquiring certain refunding bonds, including the Series 2012 Local Obligation Bonds; and

WHEREAS, as a result of favorable conditions in the municipal bond market, the Authority has determined that it will achieve savings by the issuance of its Rancho Cucamonga Public Finance Authority Special Tax Refunding Revenue Bonds, Series 2015 (the “Series 2015 Bonds”) for the purpose, in part, of defeasing and redeeming the Series 2012 Authority Bonds; and

WHEREAS, the District desires to amend the Agreement to provide that the defeasance of the Series 2012 Authority Bonds will cause the discharge of the Agreement and all other obligations of the Fiscal Agent and the District under the Agreement will be terminated upon the defeasance of the Series 2012 Authority Bonds; and

WHEREAS, pursuant to Section 9.01 of the Agreement, the District may, without consent of the Owners, approve a Supplemental Agreement to make modifications not adversely affecting any Outstanding Bonds of the District in any material respect; and

WHEREAS, the provisions of the Agreement regarding the discharge of the Agreement do not provide for the termination of the Agreement and discharge of the obligations of the District under the Agreement upon the defeasance of the Series 2012 Authority Bonds pursuant to the terms of the Authority Indenture; and

WHEREAS, this First Supplemental Agreement shall not materially adversely affect any Outstanding Bonds of the District inasmuch as Bondowners will not have any interests

in the Series 2012 Local Obligation Bonds and the Agreement from and after the defeasance and redemption of the Series 2012 Authority Bonds; and

WHEREAS, the District has, by the adoption of Resolution No. \_\_\_-2015 on June \_\_\_, 2015 (the "Resolution"), approved this First Supplemental Agreement.

NOW, THEREFORE, the District and the Fiscal Agent hereby agree as follows:

Section 1. Definitions. Unless the context otherwise requires, the terms defined in Section 1.03 of the Agreement shall, for the purpose of this First Supplemental Agreement, have the meanings specified in such Section 1.03.

Section 2. Amendment of Section 10.01 of the Agreement. The following shall be added to the end of Section 10.01 of the Agreement:

"Notwithstanding the foregoing, this Agreement shall be discharged and the pledge of the Special Tax Revenues and all covenants, agreements and other obligations of the District provided for in this Agreement will terminate upon the defeasance of the Authority Bonds pursuant to the terms of the Authority Indenture."

Section 3. Effective Date of First Supplemental Agreement. This First Supplemental Agreement shall become effective as of the date of execution thereof by the parties hereto.

Section 4. Counterparts. This First Supplemental Agreement may be executed in counterparts each of which shall be deemed an original.

IN WITNESS WHEREOF, the District and the Fiscal Agent have executed this First Supplemental Agreement effective the date first above written.

CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO.  
2000-01  
(SOUTH ETIWANDA)

By: \_\_\_\_\_  
Director of Finance

WELLS FARGO BANK, NATIONAL  
ASSOCIATION,  
as Fiscal Agent

By: \_\_\_\_\_  
Authorized Officer

**FIRST SUPPLEMENTAL AGREEMENT**

**by and between**

**CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2000-02  
(RANCHO CUCAMONGA CORPORATE PARK)**

**and**

**WELLS FARGO BANK NATIONAL ASSOCIATION,  
As Fiscal Agent**

Dated as of July 1, 2015

Relating to

\$5,407,000

**CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2000-02  
(RANCHO CUCAMONGA CORPORATE PARK)  
SPECIAL TAX REFUNDING BONDS, SERIES 2012**

## FIRST SUPPLEMENTAL AGREEMENT

This First Supplemental Agreement, dated as of July 1, 2015 (the “First Supplemental Agreement”), is entered into by and between City of Rancho Cucamonga Community Facilities District No. 2000-02 (the “District”), a community facilities district organized and existing under the laws of the State of California, and Wells Fargo Bank National Association, as fiscal agent (the “Fiscal Agent”), pursuant to and in order to amend and supplement that Fiscal Agent Agreement, dated as of December 1, 2011 (the “Agreement”) and entered into by and between the District and Wells Fargo Bank National Association.

### WITNESSETH:

WHEREAS, the District and Wells Fargo Bank National Association, executed and delivered the Agreement relating to the District’s Special Tax Refunding Bonds, Series 2012 which were issued in the aggregate principal amount of \$5,407,000 on January 18, 2012 (the “Series 2012 Local Obligation Bonds”); and

WHEREAS, the Rancho Cucamonga Public Finance Authority (the “Authority”) issued its \$15,970,000 Rancho Cucamonga Public Finance Authority Special Tax Refunding Revenue Bonds, Series 2012 (the “Series 2012 Authority Bonds”) pursuant to an Indenture of Trust dated as of December 1, 2011 (the “Authority Indenture”), by and between the Authority and Wells Fargo Bank National Association, as trustee (the “Trustee”) for the purpose of acquiring certain refunding bonds, including the Series 2012 Local Obligation Bonds; and

WHEREAS, as a result of favorable conditions in the municipal bond market, the Authority has determined that it will achieve savings by the issuance of its Rancho Cucamonga Public Finance Authority Special Tax Refunding Revenue Bonds, Series 2015 (the “Series 2015 Bonds”) for the purpose, in part, of defeasing and redeeming the Series 2012 Authority Bonds; and

WHEREAS, the District desires to amend the Agreement to provide that the defeasance of the Series 2012 Authority Bonds will cause the discharge of the Agreement and all other obligations of the Fiscal Agent and the District under the Agreement will be terminated upon the defeasance of the Series 2012 Authority Bonds; and

WHEREAS, pursuant to Section 9.01 of the Agreement, the District may, without consent of the Owners, approve a Supplemental Agreement to make modifications not adversely affecting any Outstanding Bonds of the District in any material respect; and

WHEREAS, the provisions of the Agreement regarding the discharge of the Agreement do not provide for the termination of the Agreement and discharge of the obligations of the District under the Agreement upon the defeasance of the Series 2012 Authority Bonds pursuant to the terms of the Authority Indenture; and

WHEREAS, this First Supplemental Agreement shall not materially adversely affect any Outstanding Bonds of the District inasmuch as Bondowners will not have any interests

in the Series 2012 Local Obligation Bonds and the Agreement from and after the defeasance and redemption of the Series 2012 Authority Bonds; and

WHEREAS, the District has, by the adoption of Resolution No. \_\_-2015 on June \_\_, 2015 (the "Resolution"), approved this First Supplemental Agreement.

NOW, THEREFORE, the District and the Fiscal Agent hereby agree as follows:

Section 1. Definitions. Unless the context otherwise requires, the terms defined in Section 1.03 of the Agreement shall, for the purpose of this First Supplemental Agreement, have the meanings specified in such Section 1.03.

Section 2. Amendment of Section 10.01 of the Agreement. The following shall be added to the end of Section 10.01 of the Agreement:

"Notwithstanding the foregoing, this Agreement shall be discharged and the pledge of the Special Tax Revenues and all covenants, agreements and other obligations of the District provided for in this Agreement will terminate upon the defeasance of the Authority Bonds pursuant to the terms of the Authority Indenture."

Section 3. Effective Date of First Supplemental Agreement. This First Supplemental Agreement shall become effective as of the date of execution thereof by the parties hereto.

Section 4. Counterparts. This First Supplemental Agreement may be executed in counterparts each of which shall be deemed an original.

IN WITNESS WHEREOF, the District and the Fiscal Agent have executed this First Supplemental Agreement effective the date first above written.

CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO.  
2000-02  
(RANCHO CUCAMONGA CORPORATE PARK)

By: \_\_\_\_\_  
Director of Finance

WELLS FARGO BANK, NATIONAL  
ASSOCIATION,  
as Fiscal Agent

By: \_\_\_\_\_  
Authorized Officer

**FIRST SUPPLEMENTAL AGREEMENT**

**by and between**

**CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2001-01**

**and**

**WELLS FARGO BANK NATIONAL ASSOCIATION,  
As Fiscal Agent**

Dated as of July 1, 2015

Relating to

\$9,093,000

**CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2001-01  
IMPROVEMENT AREA NO. 1 AND IMPROVEMENT AREA NO. 2  
SPECIAL TAX REFUNDING BONDS, SERIES 2012**

## FIRST SUPPLEMENTAL AGREEMENT

This First Supplemental Agreement, dated as of July 1, 2015 (the “First Supplemental Agreement”), is entered into by and between City of Rancho Cucamonga Community Facilities District No. 2001-01 (the “District”), a community facilities district organized and existing under the laws of the State of California, and Wells Fargo Bank National Association, as fiscal agent (the “Fiscal Agent”), pursuant to and in order to amend and supplement that Fiscal Agent Agreement, dated as of December 1, 2011 (the “Agreement”) and entered into by and between the District and Wells Fargo Bank National Association.

### WITNESSETH:

WHEREAS, the District and Wells Fargo Bank National Association, executed and delivered the Agreement relating to the District’s Improvement Area No. 1 and Improvement Area No. 2 Special Tax Refunding Bonds, Series 2012 which were issued in the aggregate principal amount of \$9,093,000 on January 18, 2012 (the “Series 2012 Local Obligation Bonds”); and

WHEREAS, the Rancho Cucamonga Public Finance Authority (the “Authority”) issued its \$15,970,000 Rancho Cucamonga Public Finance Authority Special Tax Refunding Revenue Bonds, Series 2012 (the “Series 2012 Authority Bonds”) pursuant to an Indenture of Trust dated as of December 1, 2011 (the “Authority Indenture”), by and between the Authority and Wells Fargo Bank National Association, as trustee (the “Trustee”) for the purpose of acquiring certain refunding bonds, including the Series 2012 Local Obligation Bonds; and

WHEREAS, as a result of favorable conditions in the municipal bond market, the Authority has determined that it will achieve savings by the issuance of its Rancho Cucamonga Public Finance Authority Special Tax Refunding Revenue Bonds, Series 2015 (the “Series 2015 Bonds”) for the purpose, in part, of defeasing and redeeming the Series 2012 Authority Bonds; and

WHEREAS, the District desires to amend the Agreement to provide that the defeasance of the Series 2012 Authority Bonds will cause the discharge of the Agreement and all other obligations of the Fiscal Agent and the District under the Agreement will be terminated upon the defeasance of the Series 2012 Authority Bonds; and

WHEREAS, pursuant to Section 9.01 of the Agreement, the District may, without consent of the Owners, approve a Supplemental Agreement to make modifications not adversely affecting any Outstanding Bonds of the District in any material respect; and

WHEREAS, the provisions of the Agreement regarding the discharge of the Agreement do not provide for the termination of the Agreement and discharge of the obligations of the District under the Agreement upon the defeasance of the Series 2012 Authority Bonds pursuant to the terms of the Authority Indenture; and

WHEREAS, this First Supplemental Agreement shall not materially adversely affect any Outstanding Bonds of the District inasmuch as Bondowners will not have any interests in the Series 2012 Local Obligation Bonds and the Agreement from and after the defeasance and redemption of the Series 2012 Authority Bonds; and

WHEREAS, the District has, by the adoption of Resolution No. \_\_-2015 on June \_\_, 2015 (the "Resolution"), approved this First Supplemental Agreement.

NOW, THEREFORE, the District and the Fiscal Agent hereby agree as follows:

Section 1. Definitions. Unless the context otherwise requires, the terms defined in Section 1.03 of the Agreement shall, for the purpose of this First Supplemental Agreement, have the meanings specified in such Section 1.03.

Section 2. Amendment of Section 10.01 of the Agreement. The following shall be added to the end of Section 10.01 of the Agreement:

"Notwithstanding the foregoing, this Agreement shall be discharged and the pledge of the Special Tax Revenues and all covenants, agreements and other obligations of the District provided for in this Agreement will terminate upon the defeasance of the Authority Bonds pursuant to the terms of the Authority Indenture."

Section 3. Effective Date of First Supplemental Agreement. This First Supplemental Agreement shall become effective as of the date of execution thereof by the parties hereto.

Section 4. Counterparts. This First Supplemental Agreement may be executed in counterparts each of which shall be deemed an original.

IN WITNESS WHEREOF, the District and the Fiscal Agent have executed this First Supplemental Agreement effective the date first above written.

CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO.  
2001-01

By: \_\_\_\_\_  
Director of Finance

WELLS FARGO BANK, NATIONAL  
ASSOCIATION,  
as Fiscal Agent

By: \_\_\_\_\_  
Authorized Officer

**FIRST SUPPLEMENTAL AGREEMENT**

**by and between**

**CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2001-01**

**and**

**WELLS FARGO BANK NATIONAL ASSOCIATION,  
As Fiscal Agent**

Dated as of July 1, 2015

Relating to

**\$812,000  
CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2001-01  
IMPROVEMENT AREA NO. 3  
SPECIAL TAX REFUNDING BONDS, SERIES 2012**

## FIRST SUPPLEMENTAL AGREEMENT

This First Supplemental Agreement, dated as of July 1, 2015 (the “First Supplemental Agreement”), is entered into by and between City of Rancho Cucamonga Community Facilities District No. 2001-01 (the “District”), a community facilities district organized and existing under the laws of the State of California, and Wells Fargo Bank National Association, as fiscal agent (the “Fiscal Agent”), pursuant to and in order to amend and supplement that Fiscal Agent Agreement, dated as of December 1, 2011 (the “Agreement”) and entered into by and between the District and Wells Fargo Bank National Association.

### WITNESSETH:

WHEREAS, the District and Wells Fargo Bank National Association, executed and delivered the Agreement relating to the District’s Improvement Area No. 3 Special Tax Refunding Bonds, Series 2012 which were issued in the aggregate principal amount of \$812,000 on January 18, 2012 (the “Series 2012 Local Obligation Bonds”); and

WHEREAS, the Rancho Cucamonga Public Finance Authority (the “Authority”) issued its \$15,970,000 Rancho Cucamonga Public Finance Authority Special Tax Refunding Revenue Bonds, Series 2012 (the “Series 2012 Authority Bonds”) pursuant to an Indenture of Trust dated as of December 1, 2011 (the “Authority Indenture”), by and between the Authority and Wells Fargo Bank National Association, as trustee (the “Trustee”) for the purpose of acquiring certain refunding bonds, including the Series 2012 Local Obligation Bonds; and

WHEREAS, as a result of favorable conditions in the municipal bond market, the Authority has determined that it will achieve savings by the issuance of its Rancho Cucamonga Public Finance Authority Special Tax Refunding Revenue Bonds, Series 2015 (the “Series 2015 Bonds”) for the purpose, in part, of defeasing and redeeming the Series 2012 Authority Bonds; and

WHEREAS, the District desires to amend the Agreement to provide that the defeasance of the Series 2012 Authority Bonds will cause the discharge of the Agreement and all other obligations of the Fiscal Agent and the District under the Agreement will be terminated upon the defeasance of the Series 2012 Authority Bonds; and

WHEREAS, pursuant to Section 9.01 of the Agreement, the District may, without consent of the Owners, approve a Supplemental Agreement to make modifications not adversely affecting any Outstanding Bonds of the District in any material respect; and

WHEREAS, the provisions of the Agreement regarding the discharge of the Agreement do not provide for the termination of the Agreement and discharge of the obligations of the District under the Agreement upon the defeasance of the Series 2012 Authority Bonds pursuant to the terms of the Authority Indenture; and

WHEREAS, this First Supplemental Agreement shall not materially adversely affect any Outstanding Bonds of the District inasmuch as Bondowners will not have any interests

in the Series 2012 Local Obligation Bonds and the Agreement from and after the defeasance and redemption of the Series 2012 Authority Bonds; and

WHEREAS, the District has, by the adoption of Resolution No. \_\_\_-2015 on June \_\_, 2015 (the "Resolution"), approved this First Supplemental Agreement.

NOW, THEREFORE, the District and the Fiscal Agent hereby agree as follows:

Section 1. Definitions. Unless the context otherwise requires, the terms defined in Section 1.03 of the Agreement shall, for the purpose of this First Supplemental Agreement, have the meanings specified in such Section 1.03.

Section 2. Amendment of Section 10.01 of the Agreement. The following shall be added to the end of Section 10.01 of the Agreement:

"Notwithstanding the foregoing, this Agreement shall be discharged and the pledge of the Special Tax Revenues and all covenants, agreements and other obligations of the District provided for in this Agreement will terminate upon the defeasance of the Authority Bonds pursuant to the terms of the Authority Indenture."

Section 3. Effective Date of First Supplemental Agreement. This First Supplemental Agreement shall become effective as of the date of execution thereof by the parties hereto.

Section 4. Counterparts. This First Supplemental Agreement may be executed in counterparts each of which shall be deemed an original.

IN WITNESS WHEREOF, the District and the Fiscal Agent have executed this First Supplemental Agreement effective the date first above written.

CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO.  
2001-01

By: \_\_\_\_\_  
Director of Finance

WELLS FARGO BANK, NATIONAL  
ASSOCIATION,  
as Fiscal Agent

By: \_\_\_\_\_  
Authorized Officer

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**ESCROW DEPOSIT AND TRUST AGREEMENT**

**among**

**CITY OF RANCHO CUCAMONGA,**

**CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2006-01**

**and**

**WELLS FARGO BANK, N.A.,  
as Escrow Bank**

**Dated as of November 1, 2011**

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## ESCROW DEPOSIT AND TRUST AGREEMENT

This ESCROW DEPOSIT AND TRUST AGREEMENT, dated as of November 1, 2011 (the "Escrow Agreement", among CITY OF RANCHO CUCAMONGA (the "City"), CITY OF RANCHO CUCAMONGA COMMUNITY FACILITIES DISTRICT NO. 2006-01 (VINTNER'S GROVE), a community facilities district organized and existing by virtue of the Constitution and laws of the State of California (the "Community Facilities District"), and WELLS FARGO BANK, N.A., as Escrow Bank (the "Escrow Bank");

### W I T N E S S E T H:

**WHEREAS**, the City, acting for and on behalf of the Community Facilities District, has heretofore entered into a Fiscal Agent Agreement with Wells Fargo Bank, N.A., as fiscal agent (the "Prior Fiscal Agent"), dated as of January 1, 2007 (the "Prior Fiscal Agent Agreement"); and

**WHEREAS**, pursuant to the Prior Fiscal Agent Agreement the City, acting for and on behalf of the Community Facilities District, issued the City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner's Grove) 2007 Special Tax Bonds issued in the original principal amount of \$5,800,000 (the "Prior Special Tax Bonds"); and

**WHEREAS**, the Prior Fiscal Agent Agreement provides that in the event that the City, acting on behalf of the Community Facilities District, irrevocably deposits with the Fiscal Agent, in trust, cash and Federal Securities (as defined in the Prior Fiscal Agent Agreement) in such amount as the City shall determine as confirmed by an independent certified public accountant will, together with interest to accrue to thereon and moneys then on deposit in the Reserve Fund and the Bond Fund established pursuant to the Prior Fiscal Agent Agreement, sufficient to pay and discharge on such Bonds at or before maturity, then the obligations of the City under the Prior Fiscal Agent Agreement shall cease and terminate with respect to the obligations so discharged; and

**WHEREAS**, the City and the Community Facilities District has determined that it is in the best interests of the Community Facilities District at this time to refinance the Prior Special Tax Bonds and cause the redemption thereof on September 1, 2015, at a redemption price of 101% of the principal amount thereof, plus accrued interest; and

**WHEREAS**, the City and the Community Facilities District propose to make the deposit of moneys [and Federal Securities] and to appoint the Escrow Bank as their agent for the purpose of applying said deposit to the redemption of the Prior Special Tax Bonds in accordance with the instructions provided by this Escrow Agreement and of applying said payments to the payment and redemption of the Prior Special Tax Bonds in accordance with the Prior Fiscal Agent Agreement, and the Escrow Bank will accept said appointment; and

**WHEREAS**, to obtain moneys to make such deposit, the Community Facilities District proposes to issue its \$\_\_\_\_\_ Community Facilities District No. 2006-01 (Vintner's Grove) Special Tax Refunding Bonds, Series 2015 (the "2015 Bonds") pursuant to that certain Fiscal Agent Agreement, dated as of July 1, 2015 (the "Fiscal Agent Agreement"), by and between the Community Facilities District and MUFG Union Bank, N.A., as fiscal agent (the "Fiscal Agent"); and

**WHEREAS**, the City and the Community Facilities District wish to make such deposits with the Escrow Bank and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited; and

**WHEREAS**, the Escrow Bank has full powers to act with respect to the irrevocable escrow and trust created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement.

**NOW, THEREFORE**, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

**Section 1. Appointment of Escrow Bank.** The City and the Community Facilities District hereby appoints the Escrow Bank as escrow bank for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Bank hereby accepts such appointment.

**Section 2. Establishment of Escrow Fund.** There is hereby created by the City and the Community Facilities District with, and to be held by, the Escrow Bank, an irrevocable escrow to be maintained in trust by the Escrow Bank on behalf of the Community Facilities District and for the benefit of the owners of the Prior Special Tax Bonds, said escrow to be designated the “Escrow Fund.” All moneys and Federal Securities deposited in the Escrow Fund shall be held as a special fund for the payment of the debt service payments in accordance with the provisions of the Prior Fiscal Agent Agreement. If at any time the Escrow Bank shall receive actual knowledge that the moneys and Federal Securities in the Escrow Fund will not be sufficient to make any payment required by Section 5 hereof, the Escrow Bank shall notify the Community Facilities District of such fact and the Community Facilities District shall immediately cure such deficiency.

**Section 3. Deposit into Escrow Fund; Investment of Amounts.** Concurrently with delivery of the Bonds, the City and Community Facilities District shall cause to be transferred to the Escrow Bank for deposit into the Escrow Fund the amount of \$ \_\_\_\_\_ in immediately available funds which shall be derived as follows: a) \$ \_\_\_\_\_ with respect to the Prior Special Tax Bonds comprised of (i) \$ \_\_\_\_\_ representing funds on deposit in the Reserve Fund, (ii) \$ \_\_\_\_\_ representing funds on deposit in the Administrative Expense Fund, (iii) \$ \_\_\_\_\_ representing funds on deposit in the Interest Account and (iv) \$ \_\_\_\_\_ representing funds on deposit in the Project Fund, (b) \$ \_\_\_\_\_ representing funds on deposit in the with the City and held for and on behalf of the Community Facilities District and (c) \$ \_\_\_\_\_ to come from the Fiscal Agent pursuant to the Fiscal Agent Agreement from the proceeds of the 2015 Bonds.

Causey, Demgen & Moore Inc., certified public accountants, has prepared a report at to the sufficiency of the Escrow Fund Deposit Amount to pay the principal and interest on the outstanding Prior Special Tax Bonds on \_\_\_\_\_, 2015 (the “Verification Report”), a copy of which is attached as Appendix A hereto and incorporated herein by this reference.

The Escrow Bank shall hold all moneys deposited into the Escrow Fund in cash uninvested (the “Cash”).

The Escrow Bank shall not be liable or responsible for any loss resulting from any investment or reinvestment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

**Section 4.** Instructions as to Application of Deposit; Authority Retains Right of Optional Redemption. The City and the Community Facilities District hereby irrevocably direct and instruct the Escrow Bank to redeem the outstanding Prior Special Tax Bonds in full on September 1, 2015 at a prepayment price of 101% of the principal amount thereof, all as more particularly set forth in Exhibit D-3 attached hereto and hereby made a part hereof.

For such purpose of call and redemption prior to maturity of the Prior Special Tax Bonds, the City and the Community Facilities District hereby instruct the Escrow Bank, and the Escrow Bank hereby agrees to cause to be given notice of redemption of the Prior Special Tax Bonds on or before July 31, 2015, such notice of redemption to be given substantially in the form set for in Appendix B attached hereto and hereby made a part hereof and timely for redemption of the Prior Special Tax Bonds on September 1, 2015, in accordance with the applicable provisions of the Prior Fiscal Agent Agreement.

**Section 5.** Application of Certain Terms of Prior Fiscal Agent Agreement. All of the terms of the Prior Fiscal Agent Agreement relating to the making of payments of principal and interest with respect to the Prior Special Tax Bonds are incorporated in this Escrow Agreement as if set forth in full herein. The provisions of the Prior Fiscal Agent Agreement relating to the limitations from liability and protections afforded the Prior Fiscal Agent and the resignation and removal of the Prior Fiscal Agent are also incorporated in this Escrow Agreement as if set forth in full herein and shall be the procedure to be followed with respect to any resignation or removal of the Escrow Bank hereunder.

**Section 6.** Compensation to Escrow Bank. The Community Facilities District shall pay the Escrow Bank full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto and, in addition, fees, costs and expenses relating to the purchase of any Federal Securities after the date hereof, pursuant to a separate agreement between the Community Facilities District and the Escrow Bank. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

**Section 7.** Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the Community Facilities District shall have deposited sufficient funds with the Escrow Bank to satisfy such obligation. The Escrow Bank may rely and shall be protected in acting upon the written instructions of the City and/or the Community Facilities District or its agents relating to any matter or action as Escrow Bank under this Escrow Agreement.

The Escrow Bank undertakes such duties as specifically set forth herein and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Bank.

The Community Facilities District hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Escrow Bank and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties; *provided, however*, that the Community Facilities District shall not be required to indemnify the Escrow Bank against its own negligence or misconduct. The indemnities contained in this Section 8 shall survive the termination of this Escrow Agreement and the resignation and removal of the Escrow Bank.

The Escrow Bank shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Bank be liable for any special indirect or consequential damages.

The Escrow Bank may consult with counsel of its own choice and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action hereunder in accordance with such opinion of counsel.

The Escrow Bank shall not be responsible for any of the recitals or representations contained herein.

No provision of this Escrow Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

**Section 8. Amendment.** This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the Prior Special Tax Bonds then outstanding shall have been filed with the Escrow Bank. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the Community Facilities District, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, or (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not adversely affect the interests of the owners of the Prior Special Tax Bonds or the Bonds, and that such amendment will not cause interest on the Prior Special Tax Bonds or the Bonds to become subject to federal income taxation.

**Section 9.** Termination; Unclaimed Money. This Escrow Agreement shall terminate when the Prior Special Tax Bonds have been paid; *provided, however*, that (i) money held by the Escrow Bank pursuant to this Escrow Agreement for the payment and discharge of any of the Prior Special Tax Bonds (which shall not be payable as to interest from and after the date set for redemption) which remain unclaimed for two (2) years after such payments were due, shall be repaid by the Escrow Bank to the Community Facilities District free from the trust created by the Prior Fiscal Agent Agreement and this Escrow Agreement, and the Escrow Bank shall thereupon be released and discharged with respect thereto and hereto and all liability of the Escrow Bank with respect to such money shall thereupon cease and (ii) excess moneys held by the Escrow Bank not needed for the payment and discharge of the Prior Special Tax Bonds shall be transferred to the Bond Fund under the Fiscal Agent Agreement.

**Section 10.** Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

**Section 11.** Notice of Escrow Bank, Authority and Community Facilities District. Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the principal corporate trust office of the Escrow Bank as specified by the Escrow Bank as Prior Trustee in accordance with the provisions of the Prior Fiscal Agent Agreement or by physical delivery with confirmation of receipt or by confirmed telecopy. Any notice to or demand upon the City or the Community Facilities District shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the Prior Fiscal Agent Agreement (or such other address as may have been filed in writing by the City or the Community Facilities District with the Escrow Bank).

**Section 12.** Merger or Consolidation of Escrow Bank. Any company into which the Escrow Bank 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 Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as Trustee under the Indenture and the Prior Fiscal Agent Agreement, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

**Section 13.** Execution in Several Counterparts. This Escrow Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the City, the Community Facilities District and the Escrow Bank have each caused this Escrow Deposit and Trust Agreement to be executed by their duly authorized officers all as of the date first above written.

CITY OF RANCHO CUCAMONGA

By: \_\_\_\_\_  
City Manager

CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO.  
2006-01

By: \_\_\_\_\_  
City Manager

WELLS FARGO BANK, N.A., as Escrow Bank

By: \_\_\_\_\_  
Authorized Officer

APPENDIX A  
VERIFICATION REPORT

APPENDIX B

NOTICE OF REDEMPTION

CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2006-01  
(VINTNER'S GROVE) 2007 SPECIAL TAX BONDS

NOTICE IS HEREBY GIVEN that on September 1, 2015 (the "Redemption Date"), the above-captioned bonds (the "Bonds") have been called for redemption pursuant to Section 2.3(A) of the Fiscal Agent Agreement, dated as of January 1, 2007, by and between Wells Fargo Bank, N.A., as fiscal agent (the "Fiscal Agent"), and the City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner's Grove) (the "Community Facilities District"). The Bonds will be prepaid at 101% of the principal amount, plus accrued interest (the "Redemption Price"). Interest will be paid in the usual manner.

The CUSIP numbers and maturity dates of the Bonds are listed below:

<u>CUSIP Number</u>	<u>Maturity Date</u>
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The Bonds are due and payable at the office of the Fiscal Agent on the Redemption Date. Interest will cease to accrue on the Bonds from and after the Redemption Date. The Bonds should be presented for redemption to the office of the Fiscal Agent at the following address:

[TO COME]

To avoid a 28% back-up withholding tax required by Federal law, holders of Bonds must submit with their Bonds a completed IRS Form W-9. For your convenience a Form W-9 has been enclosed.

The CUSIP number has been assigned by Standard & Poor's Corporation and is included solely for the convenience of the holders of Bonds. Neither the Community Facilities District nor the Fiscal Agent shall be responsible for the selection or use of the CUSIP numbers nor is any representation made as to their correctness on the Bonds or as indicated in any redemption Notice.

Dated: WELLS FARGO BANK, N.A., as Escrow Bank

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**ESCROW DEPOSIT AND TRUST AGREEMENT**

**among**

**CITY OF RANCHO CUCAMONGA,**

**CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2006-02**

**and**

**WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Escrow Bank**

**Dated as of July 1, 2015**

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## ESCROW DEPOSIT AND TRUST AGREEMENT

This ESCROW DEPOSIT AND TRUST AGREEMENT, dated as of July 1, 2015 (the "Escrow Agreement", among CITY OF RANCHO CUCAMONGA (the "City"), CITY OF RANCHO CUCAMONGA COMMUNITY FACILITIES DISTRICT NO. 2006-02 (AMADOR ON ROUTE 66), a community facilities district organized and existing by virtue of the Constitution and laws of the State of California (the "Community Facilities District"), and WELLS FARGO BANK, N.A., as Escrow Bank (the "Escrow Bank");

### W I T N E S S E T H:

**WHEREAS**, the City, acting for and on behalf of the Community Facilities District, has heretofore entered into a Fiscal Agent Agreement with Wells Fargo Bank, N.A., as fiscal agent (the "Prior Fiscal Agent"), dated as of January 1, 2007 (the "Prior Fiscal Agent Agreement"); and

**WHEREAS**, pursuant to the Prior Fiscal Agent Agreement the City, acting for and on behalf of the Community Facilities District, issued the City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66) 2007 Special Tax Bonds, issued in the original principal amount of \$2,980,000 (the "Prior Special Tax Bonds"); and

**WHEREAS**, the Prior Fiscal Agent Agreement provides that in the event that the City, acting on behalf of the Community Facilities District, irrevocably deposits with the Fiscal Agent, in trust, cash and Federal Securities (as defined in the Prior Fiscal Agent Agreement) in such amount as the City shall determine as confirmed by an independent certified public accountant will, together with interest to accrue to thereon and moneys then on deposit in the Reserve Fund and the Bond Fund established pursuant to the Prior Fiscal Agent Agreement, sufficient to pay and discharge on such Bonds at or before maturity, then the obligations of the City under the Prior Fiscal Agent Agreement shall cease and terminate with respect to the obligations so discharged; and

**WHEREAS**, the City and the Community Facilities District has determined that it is in the best interests of the Community Facilities District at this time to refinance the Prior Special Tax Bonds and cause the redemption thereof on September 1, 2015, at a redemption price of 101% of the principal amount thereof, plus accrued interest; and

**WHEREAS**, the City and the Community Facilities District propose to make the deposit of moneys [and Federal Securities] and to appoint the Escrow Bank as their agent for the purpose of applying said deposit to the redemption of the Prior Special Tax Bonds in accordance with the instructions provided by this Escrow Agreement and of applying said payments to the payment and redemption of the Prior Special Tax Bonds in accordance with the Prior Fiscal Agent Agreement, and the Escrow Bank will accept said appointment; and

**WHEREAS**, to obtain moneys to make such deposit, the Community Facilities District proposes to issue its \$\_\_\_\_\_ Community Facilities District No. 2006-02 (Amador on Route 66) Special Tax Refunding Bonds, Series 2015 (the "2015 Bonds") pursuant to that certain Fiscal Agent Agreement, dated as of July 1, 2015 (the "Fiscal Agent Agreement"), by and between the Community Facilities District and MUFJ Union Bank, N.A., as fiscal agent (the "Fiscal Agent"); and

**WHEREAS**, the City and the Community Facilities District wish to make such deposits with the Escrow Bank and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited; and

**WHEREAS**, the Escrow Bank has full powers to act with respect to the irrevocable escrow and trust created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement.

**NOW, THEREFORE**, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

**Section 1.** Appointment of Escrow Bank. The City and the Community Facilities District hereby appoints the Escrow Bank as escrow bank for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Bank hereby accepts such appointment.

**Section 2.** Establishment of Escrow Fund. There is hereby created by the City and the Community Facilities District with, and to be held by, the Escrow Bank, an irrevocable escrow to be maintained in trust by the Escrow Bank on behalf of the Community Facilities District and for the benefit of the owners of the Prior Special Tax Bonds, said escrow to be designated the "Escrow Fund." All moneys [and Federal Securities] deposited in the Escrow Fund shall be held as a special fund for the payment of the debt service payments in accordance with the provisions of the Prior Fiscal Agent Agreement. If at any time the Escrow Bank shall receive actual knowledge that the moneys and Federal Securities in the Escrow Fund will not be sufficient to make any payment required by Section 5 hereof, the Escrow Bank shall notify the Community Facilities District of such fact and the Community Facilities District shall immediately cure such deficiency.

**Section 3.** Deposit into Escrow Fund; Investment of Amounts. Concurrently with delivery of the Bonds, the City and Community Facilities District shall cause to be transferred to the Escrow Bank for deposit into the Escrow Fund the amount of \$\_\_\_\_\_ in immediately available funds which shall be derived as follows: a) \$\_\_\_\_\_ with respect to the Prior Special Tax Bonds comprised of (i) \$\_\_\_\_\_ representing funds on deposit in the Reserve Fund, (ii) \$\_\_\_\_\_ representing funds on deposit in the Administrative Expense Fund, (iii) \$\_\_\_\_\_ representing funds on deposit in the Interest Account and (iv) \$\_\_\_\_\_ representing funds on deposit in the Project Fund, (b) \$\_\_\_\_\_ representing funds on deposit in the with the City and held for and on behalf of the Community Facilities District and (c) \$\_\_\_\_\_ to come from the Fiscal Agent pursuant to the Fiscal Agent Agreement from the proceeds of the 2015 Bonds.

Causey, Demgen & Moore Inc., certified public accountants, has prepared a report at to the sufficiency of the Escrow Fund Deposit Amount to pay the principal and interest on the outstanding Prior Special Tax Bonds on \_\_\_\_\_, 2015 (the "Verification Report"), a copy of which is attached as Appendix A hereto and incorporated herein by this reference.

The Escrow Bank shall hold all moneys deposited into the Escrow Fund in cash uninvested (the "Cash").

The Escrow Bank shall not be liable or responsible for any loss resulting from any investment or reinvestment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

**Section 4.** Instructions as to Application of Deposit; Authority Retains Right of Optional Redemption. The City and the Community Facilities District hereby irrevocably direct and instruct the Escrow Bank to redeem the outstanding Prior Special Tax Bonds in full on September 1, 2015 at a prepayment price of 101% of the principal amount thereof, all as more particularly set forth in Exhibit D-3 attached hereto and hereby made a part hereof.

For such purpose of call and redemption prior to maturity of the Prior Special Tax Bonds, the City and the Community Facilities District hereby instruct the Escrow Bank, and the Escrow Bank hereby agrees to cause to be given notice of redemption of the Prior Special Tax Bonds on or before July 31, 2015, such notice of redemption to be given substantially in the form set for in Appendix B attached hereto and hereby made a part hereof and timely for redemption of the Prior Special Tax Bonds on September 1, 2015, in accordance with the applicable provisions of the Prior Fiscal Agent Agreement.

**Section 5.** Application of Certain Terms of Prior Fiscal Agent Agreement. All of the terms of the Prior Fiscal Agent Agreement relating to the making of payments of principal and interest with respect to the Prior Special Tax Bonds are incorporated in this Escrow Agreement as if set forth in full herein. The provisions of the Prior Fiscal Agent Agreement relating to the limitations from liability and protections afforded the Prior Fiscal Agent and the resignation and removal of the Prior Fiscal Agent are also incorporated in this Escrow Agreement as if set forth in full herein and shall be the procedure to be followed with respect to any resignation or removal of the Escrow Bank hereunder.

**Section 6.** Compensation to Escrow Bank. The Community Facilities District shall pay the Escrow Bank full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto and, in addition, fees, [costs and expenses relating to the purchase of any Federal Securities] after the date hereof, pursuant to a separate agreement between the Community Facilities District and the Escrow Bank. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

**Section 7.** Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the Community Facilities District shall have deposited sufficient funds with the Escrow Bank to satisfy such obligation. The Escrow Bank may rely and shall be protected in acting upon the written instructions of the City and/or the Community Facilities District or its agents relating to any matter or action as Escrow Bank under this Escrow Agreement.

The Escrow Bank undertakes such duties as specifically set forth herein and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Bank.

The Community Facilities District hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Escrow Bank and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties; *provided, however*, that the Community Facilities District shall not be required to indemnify the Escrow Bank against its own negligence or misconduct. The indemnities contained in this Section 8 shall survive the termination of this Escrow Agreement and the resignation and removal of the Escrow Bank.

The Escrow Bank shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Bank be liable for any special indirect or consequential damages.

The Escrow Bank may consult with counsel of its own choice and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action hereunder in accordance with such opinion of counsel.

The Escrow Bank shall not be responsible for any of the recitals or representations contained herein.

No provision of this Escrow Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

**Section 8. Amendment.** This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the Prior Special Tax Bonds then outstanding shall have been filed with the Escrow Bank. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the Community Facilities District, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, or (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not adversely affect the interests of the owners of the Prior Special Tax Bonds or the Bonds, and that such amendment will not cause interest on the Prior Special Tax Bonds or the Bonds to become subject to federal income taxation.

**Section 9. Termination; Unclaimed Money.** This Escrow Agreement shall terminate when the Prior Special Tax Bonds have been paid; *provided, however*, that (i) money

held by the Escrow Bank pursuant to this Escrow Agreement for the payment and discharge of any of the Prior Special Tax Bonds (which shall not be payable as to interest from and after the date set for redemption) which remain unclaimed for two (2) years after such payments were due, shall be repaid by the Escrow Bank to the Community Facilities District free from the trust created by the Prior Fiscal Agent Agreement and this Escrow Agreement, and the Escrow Bank shall thereupon be released and discharged with respect thereto and hereto and all liability of the Escrow Bank with respect to such money shall thereupon cease and (ii) excess moneys held by the Escrow Bank not needed for the payment and discharge of the Prior Special Tax Bonds shall be transferred to the Bond Fund under the Fiscal Agent Agreement.

**Section 10. Severability.** If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

**Section 11. Notice of Escrow Bank, Authority and Community Facilities District.** Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the principal corporate trust office of the Escrow Bank as specified by the Escrow Bank as Prior Trustee in accordance with the provisions of the Prior Fiscal Agent Agreement or by physical delivery with confirmation of receipt or by confirmed telecopy. Any notice to or demand upon the City or the Community Facilities District shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the Prior Fiscal Agent Agreement (or such other address as may have been filed in writing by the City or the Community Facilities District with the Escrow Bank).

**Section 12. Merger or Consolidation of Escrow Bank.** Any company into which the Escrow Bank 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 Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as Trustee under the Indenture and the Prior Fiscal Agent Agreement, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

**Section 13. Execution in Several Counterparts.** This Escrow Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the City, the Community Facilities District and the Escrow Bank have each caused this Escrow Deposit and Trust Agreement to be executed by their duly authorized officers all as of the date first above written.

CITY OF RANCHO CUCAMONGA

By: \_\_\_\_\_  
City Manager

CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO.  
(AMADOR ON ROUTE 66) 2006-02

By: \_\_\_\_\_  
City Manager

WELLS FARGO BANK, N.A., as Escrow Bank

By: \_\_\_\_\_  
Authorized Officer

APPENDIX A  
VERIFICATION REPORT

## APPENDIX B

## NOTICE OF REDEMPTION

CITY OF RANCHO CUCAMONGA  
 COMMUNITY FACILITIES DISTRICT NO. 2006-02  
 (AMADOR ON ROUTE 66) 2007 SPECIAL TAX BONDS

NOTICE IS HEREBY GIVEN that on September 1, 2015 (the "Redemption Date"), the above-captioned bonds (the "Bonds") have been called for redemption pursuant to Section 2.3(A) of the Fiscal Agent Agreement, dated as of January 1, 2007, by and between Wells Fargo Bank, N.A., as fiscal agent (the "Fiscal Agent"), and the City of Rancho Cucamonga (the "City") for and on behalf of City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66) (the "Community Facilities District"). The Bonds will be prepaid at 101% of the principal amount, plus accrued interest (the "Redemption Price"). Interest will be paid in the usual manner.

The CUSIP numbers and maturity dates of the Bonds are listed below:

**CUSIP Number****Maturity Date**

The Bonds are due and payable at the office of the Fiscal Agent on the Redemption Date. Interest will cease to accrue on the Bonds from and after the Redemption Date. The Bonds should be presented for redemption to the office of the Fiscal Agent at the following address:

[TO COME]

To avoid a 28% back-up withholding tax required by Federal law, holders of Bonds must submit with their Bonds a completed IRS Form W-9. For your convenience a Form W-9 has been enclosed.

The CUSIP number has been assigned by CUSIP Global Services and is included solely for the convenience of the holders of Bonds. Neither the Community Facilities District nor the Fiscal Agent shall be responsible for the selection or use of the CUSIP numbers nor is any representation made as to their correctness on the Bonds or as indicated in any redemption Notice.

Dated:

WELLS FARGO BANK, N.A., as Escrow Bank

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**ESCROW DEPOSIT AND TRUST AGREEMENT**

**by and between the**

**RANCHO CUCAMONGA PUBLIC FINANCE AUTHORITY**

**and**

**WELLS FARGO BANK N.A.,  
as Escrow Bank**

**Dated as of July 1, 2015**

**Related to**

**Rancho Cucamonga Public Finance Authority  
Special Tax Refunding Revenue Bonds, Series 2012**

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## ESCROW DEPOSIT AND TRUST AGREEMENT

This ESCROW DEPOSIT AND TRUST AGREEMENT, dated as of July 1, 2015 (the "Escrow Agreement", by and between the RANCHO CUCAMONGA PUBLIC FINANCE AUTHORITY, a joint powers authority organized and existing by virtue of the Constitution and laws of the State of California (the "Authority"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Escrow Bank (the "Escrow Bank");

### W I T N E S S E T H:

**WHEREAS**, the Authority, has heretofore entered into an Indenture of Trust, dated as of December 1, 2011, (the "Prior Indenture"), with Wells Fargo Bank, National Association (the "Prior Trustee"); and

**WHEREAS**, pursuant to the Prior Indenture the Authority issued its Rancho Cucamonga Public Finance Authority Special Tax Refunding Revenue Bonds, Series 2012 in the original principal amount of \$15,970,000 (the "Prior Authority Bonds"); and

**WHEREAS**, the Prior Indenture provides that in the event that the Authority deposits moneys which, together with the amounts then on deposit in the funds established pursuant to the Prior Indenture (exclusive of the Rebate Fund) and available for such purpose, is fully sufficient to pay the principal of, premium, if any, and interest on the Prior Authority Bonds, as and when the same shall be become due and payable, then, as the election of the Authority, and notwithstanding that any Outstanding Prior Authority Bonds shall not have been surrendered for payment, all obligations of the Authority under the Prior Indenture with respect to the Prior Authority Bonds, shall cease and terminate, except for the obligation of the Prior Trustee to pay or cause to be paid to the Owners of any such Prior Authority Bond not so surrendered and paid, all sums due thereon; and

**WHEREAS**, the Authority has determined that it is in the best interest of the Authority at this time to refinance the Prior Authority Bonds and cause the redemption thereof on September 1, 2015, at a redemption price of 103% of the principal amount thereof, together with redemption premium, plus accrued interest; and

**WHEREAS**, the Authority proposes to make the deposit of moneys and to appoint the Escrow Bank as its agent for the purpose of applying said deposit to the redemption of the Prior Authority Bonds in accordance with the instructions provided by this Escrow Agreement and of applying said payments to the payment and redemption of the Prior Authority Bonds in accordance with the Prior Indenture, and the Escrow Bank will accept said appointment; and

**WHEREAS**, to obtain moneys to make such deposit, the Rancho Cucamonga Public Financing Authority proposes to issue its \$\_\_\_\_\_ Rancho Cucamonga Public Financing Authority Special Tax Refunding Revenue Bonds, Series 2015 (the "2015 Bonds") pursuant to that certain Indenture of Trust, dated as of July 1, 2015 (the "Indenture"), by and between the Rancho Cucamonga Public Financing Authority and MUFG Union Bank, N.A., as trustee (the "Trustee") for the purpose, among other things, of financing the defeasance of the Prior Authority Bonds; and

**WHEREAS**, the proceeds of the 2015 Bonds will be used to acquire certain Special Tax Refunding Bonds (as defined in the Indenture) issued pursuant to Fiscal Agent Agreements (as defined in the Indenture) by and between the Community Facilities Districts (as defined in the Indenture), as applicable, and MUFG Union Bank, N.A., as fiscal agent (the "Fiscal Agent") certain proceeds of what will be transferred to the Escrow Bank to fund the Escrow Fund; and

**WHEREAS**, the Authority wishes to cause the Fiscal Agent to make a deposit of proceeds of the Special Tax Refunding Bonds with the Escrow Bank and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited; and

**WHEREAS**, the Escrow Bank has full powers to act with respect to the irrevocable escrow and trust created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement.

**NOW, THEREFORE**, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

**Section 1.** Appointment of Escrow Bank. The Authority hereby appoints the Escrow Bank as escrow bank for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Bank hereby accepts such appointment.

**Section 2.** Establishment of Escrow Fund. There is hereby created by the Authority with, and to be held by, the Escrow Bank, an irrevocable escrow to be maintained in trust by the Escrow Bank on behalf of the Authority and for the benefit of the owners of the Prior Authority Bonds, said escrow to be designated the "Escrow Fund." All moneys deposited in the Escrow Fund shall be held as a special fund for the payment of the debt service payments and redemption premium in accordance with the provisions of the Prior Indenture. If at any time the Escrow Bank shall receive actual knowledge that the moneys in the Escrow Fund will not be sufficient to make any payment required by Section 4 hereof, the Escrow Bank shall notify the Authority of such fact and the Authority shall immediately cure such deficiency.

**Section 3.** Deposit into Escrow Fund; Investment of Amounts. Concurrently with delivery of the Bonds, the Authority shall cause the Community Facilities Districts to direct the Fiscal Agent to transfer to the Escrow Bank for deposit into the Escrow Fund the amount of \$\_\_\_\_\_ in immediately available funds which shall be derived as follows: \$\_\_\_\_\_ with respect to the Prior Authority Bonds comprised of the following funds:

\$\_\_\_\_\_ from the proceeds of the City of Rancho Cucamonga Community Facilities District No. 2000-01 (South Etiwanda) Special Tax Refunding Bonds, Series 2012;

\$\_\_\_\_\_ from the proceeds of the City of Rancho Cucamonga Community Facilities District No. 2000-02 (Rancho Cucamonga Corporate Park) Special Tax Refunding Bonds, Series 2012 ;

\$ \_\_\_\_\_ from the proceeds of the City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 1 and Improvement Area No. 2 Special Tax Refunding Bonds, Series 2012; and

\$ \_\_\_\_\_ from the proceeds of the City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 3 Special Tax Refunding Bonds, Series 2012.

Causey, Demgen & Moore Inc., certified public accountants, has prepared a report as to the sufficiency of the Escrow Fund Deposit Amount to pay the principal and interest on the outstanding Prior Special Tax Bonds on \_\_\_\_\_, 2015 (the "Verification Report"), a copy of which is attached as Appendix A hereto and incorporated herein by this reference.

The Escrow Bank shall hold all moneys deposited into the Escrow Fund in cash uninvested (the "Cash").

The Escrow Bank shall not be liable or responsible for any loss resulting from any investment or reinvestment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

**Section 4.** Instructions as to Application of Deposit; Authority Retains Right of Optional Redemption. The Authority hereby irrevocably directs and instructs the Escrow Bank to redeem the outstanding Prior Authority Bonds in full on September 1, 2015 at a prepayment price of 103% of the principal amount thereof, together with redemption premium, all as more particularly set forth in Exhibit A attached hereto and hereby made a part hereof. For such purpose of call and redemption prior to maturity of the Prior Authority Bonds, the Authority hereby instructs the Escrow Bank, and the Escrow Bank hereby agrees to cause to be given a conditional notice of redemption of the Prior Authority Bonds on or before July 31, 2015, such notice of redemption to be given substantially in the form set for in Exhibit B attached hereto and hereby made a part hereof and timely for redemption of the Prior Authority Bonds on September 1, 2015, in accordance with the applicable provisions of the Prior Indenture.

**Section 5.** Application of Certain Terms of Prior Indenture. All of the terms of the Prior Indenture relating to the making of payments of principal and interest with respect to the Prior Authority Bonds are incorporated in this Escrow Agreement as if set forth in full herein. The provisions of the Prior Indenture relating to the limitations from liability and protections afforded the Prior Trustee and the resignation and removal of the Prior Trustee are also incorporated in this Escrow Agreement as if set forth in full herein and shall be the procedure to be followed with respect to any resignation or removal of the Escrow Bank hereunder.

**Section 6.** Compensation to Escrow Bank. The Authority shall pay the Escrow Bank full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto pursuant to a separate agreement between the Authority and the Escrow Bank. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

**Section 7. Liabilities and Obligations of Escrow Bank.** The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the Authority shall have deposited sufficient funds with the Escrow Bank to satisfy such obligation. The Escrow Bank may rely and shall be protected in acting upon the written instructions of the Authority or its agents relating to any matter or action as Escrow Bank under this Escrow Agreement.

The Escrow Bank undertakes such duties as specifically set forth herein and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Bank.

The Authority hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Escrow Bank and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties; *provided, however*, that the Authority shall not be required to indemnify the Escrow Bank against its own negligence or misconduct. The indemnities contained in this Section 7 shall survive the termination of this Escrow Agreement and the resignation and removal of the Escrow Bank.

The Escrow Bank shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Bank be liable for any special indirect or consequential damages.

The Escrow Bank may consult with counsel of its own choice and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action hereunder in accordance with such opinion of counsel.

The Escrow Bank shall not be responsible for any of the recitals or representations contained herein.

No provision of this Escrow Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

**Section 8. Amendment.** This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the Prior Authority Bonds then outstanding shall have been filed with the Escrow Bank. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein

reserved to the Authority, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, or (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not adversely affect the interests of the owners of the Prior Authority Bonds or the Bonds, and that such amendment will not cause interest on the Prior Authority Bonds or the Bonds to become subject to federal income taxation.

**Section 9. Termination; Unclaimed Money.** This Escrow Agreement shall terminate when the Prior Special Tax Refunding Bonds have been paid; *provided, however*, that (i) money held by the Escrow Bank pursuant to this Escrow Agreement for the payment and discharge of any of the Prior Authority Bonds (which shall not be payable as to interest from and after the date set for redemption) which remain unclaimed for two (2) years after such payments were due, shall be repaid by the Escrow Bank to the Authority free from the trust created by the Prior Indenture and this Escrow Agreement, and the Escrow Bank shall thereupon be released and discharged with respect thereto and hereto and all liability of the Escrow Bank with respect to such money shall thereupon cease and (ii) excess moneys held by the Escrow Bank not needed for the payment and discharge of the Prior Authority Bonds shall be transferred to the Bond Fund under the Indenture.

**Section 10. Severability.** If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

**Section 11. Notice of Escrow Bank and Authority.** Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the principal corporate trust office of the Escrow Bank as specified by the Escrow Bank as Prior Trustee in accordance with the provisions of the Prior Indenture or by physical delivery with confirmation of receipt or by confirmed telecopy. Any notice to or demand upon the Authority shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the Prior Indenture (or such other address as may have been filed in writing by the Authority with the Escrow Bank).

**Section 12. Merger or Consolidation of Escrow Bank.** Any company into which the Escrow Bank 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 Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as Trustee under the Indenture and the Prior Indenture, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

**Section 13. Execution in Several Counterparts.** This Escrow Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority and the Escrow Bank have each caused this Escrow Deposit and Trust Agreement to be executed by their duly authorized officers all as of the date first above written.

RANCHO CUCAMONGA PUBLIC FINANCE  
AUTHORITY

By: \_\_\_\_\_  
Chief Financial Officer

WELLS FARGO BANK NATIONAL  
ASSOCIATION, as Escrow Bank

By: \_\_\_\_\_  
Authorized Officer

EXHIBIT A  
PAYMENT SCHEDULE OF PRIOR AUTHORITY BONDS

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>	<u>Debt Service Payment</u>
September 1, 2015	\$	\$	\$	\$

## EXHIBIT B

## NOTICE OF REDEMPTION

RANCHO CUCAMONGA PUBLIC FINANCING AUTHORITY  
SPECIAL TAX REFUNDING REVENUE BONDS, SERIES 2012

NOTICE IS HEREBY GIVEN that on September 1, 2015 (the "Redemption Date"), the above-captioned bonds (the "Bonds") have been called for redemption pursuant to Section 4.01(a) of the Indenture of Trust, dated as of December 1, 2011, by and between Wells Fargo Bank, National Association, as trustee (the "Trustee"), and the Rancho Cucamonga Public Financing Authority (the "Authority"). The Bonds will be prepaid at 103% of the principal amount, plus accrued interest (the "Redemption Price"). Interest will be paid in the usual manner.

The CUSIP numbers and maturity dates of the Bonds are listed below:

<u>CUSIP Number</u>	<u>Maturity Date</u>
---------------------	----------------------

The Bonds are due and payable at the office of the Trustee on the Redemption Date. Interest will cease to accrue on the Bonds from and after the Redemption Date. The Bonds should be presented for redemption to the office of the Trustee at the following address:

[TO COME]

To avoid a 28% back-up withholding tax required by Federal law, holders of Bonds must submit with their Bonds a completed IRS Form W-9. For your convenience a Form W-9 has been enclosed.

The CUSIP number has been assigned by CUSIP Global Services and is included solely for the convenience of the holders of Bonds. Neither the Community Facilities District nor the Trustee shall be responsible for the selection or use of the CUSIP numbers nor is any representation made as to their correctness on the Bonds or as indicated in any redemption Notice.

Dated: WELLS FARGO BANK, N.A., as Escrow Bank

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**SPECIAL TAX REFUNDING BONDS PURCHASE CONTRACT**

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\$ \_\_\_\_\_  
CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2000-01  
(SOUTH ETIWANDA)  
SPECIAL TAX REFUNDING BONDS, SERIES 2015

\$ \_\_\_\_\_  
CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2000-02  
(RANCHO CUCAMONGA CORPORATE PARK)  
SPECIAL TAX REFUNDING BONDS, SERIES 2015

\$ \_\_\_\_\_  
CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2001-01  
IMPROVEMENT AREA NO. 1 AND IMPROVEMENT AREA NO. 2  
SPECIAL TAX REFUNDING BONDS, SERIES 2015

\$ \_\_\_\_\_  
CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2001-01  
IMPROVEMENT AREA NO. 3  
SPECIAL TAX REFUNDING BONDS, SERIES 2015

\$ \_\_\_\_\_  
CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2006-01  
(VINTNER'S GOVE)  
SPECIAL TAX REFUNDING BONDS, SERIES 2015

\$ \_\_\_\_\_  
CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2006-02  
(AMADOR ON ROUTE 66)  
SPECIAL TAX REFUNDING BONDS, SERIES 2015

This SPECIAL TAX REFUNDING BONDS PURCHASE CONTRACT (this "Purchase Contract"), dated as of July 30, 2015, is among the RANCHO CUCAMONGA PUBLIC FINANCE AUTHORITY, a joint exercise of powers authority organized and existing under and by virtue of the laws of the State of California (the "Authority"), CITY OF RANCHO CUCAMONGA (the "City") and CITY OF RANCHO CUCAMONGA COMMUNITY FACILITIES DISTRICT NO. 2000-01 (SOUTH ETIWANDA) ("CFD No. 2000-01"), CITY OF RANCHO CUCAMONGA COMMUNITY FACILITIES DISTRICT NO. 2000-02 (RANCHO CUCAMONGA CORPORATE PARK) ("CFD No. 2000-02"), CITY OF RANCHO CUCAMONGA COMMUNITY FACILITIES DISTRICT NO. 2001-01 ("CFD No. 2001-01"), CITY OF RANCHO CUCAMONGA COMMUNITY FACILITIES DISTRICT NO. 2006-01 (VINTNER'S GROVE) ("CFD No. 2006-01") and COMMUNITY FACILITIES DISTRICT NO. 2006-02 (AMADOR ON ROUTE 66) ("CFD No. 2006-02," and together with CFD No. 2000-01, CFD No. 2000-02, CFD No. 2001-01 and CFD No. 2006-01, the "CFDs" or "Community Facilities Districts," or individually, each a "CFD")

#### RECITALS:

WHEREAS, the Rancho Cucamonga Public Finance Authority (the "Authority") is a public agency organized under the Joint Exercise of Powers Law of the State of California and is authorized pursuant to said law and the Joint Exercise of Powers Agreement, dated April 22, 1999 (the "Agreement"), by and between the City of Rancho Cucamonga (the "City") and Rancho Cucamonga Redevelopment Agency (the "Agency") and the Rancho Cucamonga Fire Protection District creating the Authority to assist in financing or refinancing Public Capital Improvements (as such term is defined in the Agreement) for any Local Agency (as defined in the Agreement) which includes a community facilities district formed by the City and to acquire bonds of a Local Agency;

WHEREAS, the City Council has established the CFDs and acts as the legislative body of each of the CFDs;

WHEREAS, in order to refund certain special tax bonds previously issued for the Community Facilities Districts or certain improvement areas within certain of the Community Facilities Districts;

A. CFD No. 2000-01 expects to issue its \$\_\_\_\_\_ City of Rancho Cucamonga Community Facilities District No. 2000-01 (South Etiwanda) Special Tax Refunding Bonds, Series 2015 (the "CFD No. 2000-01 Refunding Bonds"), on July 30, 2015, pursuant to a Fiscal Agent Agreement, dated as of July 1, 2015 (the "CFD No. 2000-01 Fiscal Agent Agreement"), by and between CFD No. 2000-01 and MUFG Union Bank, N.A., as fiscal agent (the "Fiscal Agent");

B. CFD No. 2000-02 expects to issue its \$\_\_\_\_\_ City of Rancho Cucamonga Community Facilities District No. 2000-02 (Rancho Cucamonga Corporate Park) Special Tax Refunding Bonds, Series 2015 (the "CFD No. 2000-02 Refunding Bonds"), on July 30, 2015, pursuant to a Fiscal Agent Agreement, dated as of July 1, 2015 (the "CFD No. 2000-02 Fiscal Agent Agreement"), by and between CFD No. 2000-01 and the Fiscal Agent;

C. CFD No. 2001-01 expects to issue its \$9,093,000 City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 1 and Improvement Area No. 2 Special Tax Refunding Bonds, Series 2015 (the “CFD No. 2001-01 IA No. 1 and IA No. 2 Refunding Bonds”), on July 30, 2015, pursuant to a Fiscal Agent Agreement, dated as of July 1, 2015 (the “CFD No. 2001-01 IA No. 1 and IA No. 2 Fiscal Agent Agreement”), by and between CFD No. 2001-01 and the Fiscal Agent;

D. CFD No. 2001-01 expects to issue its \$812,000 City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 3 Special Tax Refunding Bonds, Series 2015 (the “CFD No. 2001-01 IA No. 3 Refunding Bonds”), on July 30, 2015, pursuant to a Fiscal Agent Agreement, dated as of July 1, 2015 (the “CFD No. 2001-01 IA No. 3 Fiscal Agent Agreement”), by and between CFD No. 2001-01 and the Fiscal Agent;

E. CFD No. 2006-01 expects to issue its \$\_\_\_\_\_ City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner’s Grove) Special Tax Refunding Bonds, Series 2015 (the “CFD No. 2006-01 Refunding Bonds”), on July 30, 2015, pursuant to a Fiscal Agent Agreement, dated as of July 1, 2015 (the “CFD No. 2006-01 Fiscal Agent Agreement”), by and between CFD No. 2006-01 and the Fiscal Agent;

F. CFD No. 2006-02 expects to issue its \$\_\_\_\_\_ City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66) Special Tax Refunding Bonds, Series 2015 (the “CFD No. 2006-02 Refunding Bonds” and, together with the CFD No. 2000-01 Refunding Bonds, the CFD No. 2000-02 Refunding Bonds, the CFD No. 2001-01 IA No. 1 and IA No. 2 Refunding Bonds, the CFD No. 2001-01 IA No. 3 Refunding Bonds and the CFD No. 2006-01 Refunding Bonds, the “2015 Refunding Bonds”), on July 30, 2015, pursuant to a Fiscal Agent Agreement, dated as of July 1, 2015 (the “CFD No. 2006-02 Fiscal Agent Agreement” and, together with the CFD No. 2000-01 Fiscal Agent Agreement, the CFD No. 2000-02 Fiscal Agent Agreement, the CFD No. 2001-01 IA No. 1 and IA No. 2 Fiscal Agent Agreement, the CFD No. 2001-01 IA No. 3 Fiscal Agent Agreement and the CFD No. 2006-01 Fiscal Agent Agreement, the “Fiscal Agent Agreements” or individually, each a “Fiscal Agent Agreement”) by and between CFD No. 2006-02 and the Fiscal Agent; and

WHEREAS, the Authority has authorized the issuance of its \$\_\_\_\_\_ Rancho Cucamonga Public Finance Authority Special Tax Refunding Revenue Bonds, Series 2015 (the “Revenue Bonds”), under an Indenture of Trust, dated as of July 1, 2015, (the “Authority Indenture”), by and between the Authority and MUFJ Union Bank, N.A., as trustee (the “Trustee”), and under the Bond Law, for the purpose, inter alia, of providing the funds required to acquire the 2015 Refunding Bonds; and

WHEREAS, the Authority, the City and the CFDs desire to enter into this Purchase Contract providing for the sale of the 2015 Refunding Bonds by the CFDs to the Authority and containing the other agreements herein set forth.

#### A G R E E M E N T :

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Authority, the City and the CFDs agree as follows:

1. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the CFDs each hereby commit to sell to the Authority and do hereby sell to the Authority, and the Authority hereby commits to purchase from the CFDs and does hereby purchase from the CFDs with a portion of the proceeds of the Revenue Bonds, all of the 2015 Refunding Bonds. The 2015 Refunding Bonds will bear the annual interest rates and mature at the times set forth in Exhibit A attached hereto and hereby made a part hereof. The purchase price of the 2015 Refunding Bonds shall be as set forth in Exhibit A.

2. All terms not herein defined shall have the meanings given such terms in the Authority Indenture.

3. Each CFD confirms that there are no substantial conditions precedent to the issuance by such CFD or to the sale (as provided herein) and the delivery to the Authority of such CFD's Series of 2015 Refunding Bonds that have not been satisfied.

4. The parties hereto hereby specify July 30, 2015, as the date of closing of the purchase of the 2015 Refunding Bonds hereunder (the "Closing Date"). The 2015 Refunding Bonds shall be registered in the name of the Trustee, as assignee of the Authority. On the Closing Date:

(a) CFD No. 2000-01 shall issue and deliver the CFD No. 2000-01 Refunding Bonds to the Trustee upon payment by the Trustee of the purchase price thereof in the net amount of \$\_\_\_\_\_ (being the par amount of \$\_\_\_\_\_ less the Authority's discount of \$\_\_\_\_\_),

(b) CFD No. 2000-02 shall issue and deliver the CFD No. 2000-02 Refunding Bonds to the Trustee upon payment by the Trustee of the purchase price thereof in the net amount of \$\_\_\_\_\_ (being the par amount of \$\_\_\_\_\_ less the Authority's discount of \$\_\_\_\_\_),

(c) CFD No. 2001-01 shall issue and deliver the CFD No. 2001-01 IA No. 1 and IA No. 2 Refunding Bonds to the Trustee upon payment by the Trustee of the purchase price thereof in the net amount of \$\_\_\_\_\_ (being the par amount of \$\_\_\_\_\_ less the Authority's discount of \$\_\_\_\_\_);

(d) CFD No. 2001-01 shall issue and deliver the CFD No. 2001-01 IA No. 3 Refunding Bonds to the Trustee upon payment by the Trustee of the purchase price thereof in the net amount of \$\_\_\_\_\_ (being the par amount of \$\_\_\_\_\_ less the Authority's discount of \$\_\_\_\_\_);

(e) CFD No. 2006-01 shall issue and deliver the CFD No. 2006-01 Refunding Bonds to the Trustee upon payment by the Trustee of the purchase price thereof in the net amount of \$ \_\_\_\_\_ (being the par amount of \$ \_\_\_\_\_ less the Authority's discount of \$ \_\_\_\_\_); and

(f) CFD No. 2006-02 shall issue and deliver the CFD No. 2006-02 Refunding Bonds to the Trustee upon payment by the Trustee of the purchase price thereof in the net amount of \$ \_\_\_\_\_ (being the par amount of \$ \_\_\_\_\_ less the Authority's discount of \$ \_\_\_\_\_); and

The purchase price for each Series of the 2015 Refunding Bonds shall be paid from the proceeds of sale of the Revenue Bonds and shall be paid by the Trustee from the Program Fund established under the Authority Indenture.

5. The CFD No. 2000-01 Refunding Bonds and interest thereon will be payable from Net Special Taxes (as such term is defined in the CFD No. 2000-01 Fiscal Agent Agreement) levied in CFD No. 2000-01, the CFD No. 2000-02 Refunding Bonds and interest thereon will be payable from Net Special Taxes (as such term is defined in the CFD No. 2000-02 Fiscal Agent Agreement) levied in CFD No. 2000-02, the CFD No. 2001-01 IA No. 1 and IA No. 2 Refunding Bonds and interest thereon will be payable from Net Special Taxes (as such term is defined in the CFD No. 2001-01 IA No. 1 and IA No. 2 Fiscal Agent Agreement) levied in Improvement Area No. 1 and Improvement Area No. 2 of CFD No. 2001-01, the CFD No. 2001-01 IA No. 3 Refunding Bonds and interest thereon will be payable from Net Special Taxes (as such term is defined in the CFD No. 2001-01 IA No. 3 Fiscal Agent Agreement) levied in Improvement Area No. 3 of CFD No. 2001-01, the CFD No. 2006-01 Refunding Bonds and interest thereon will be payable from Net Special Taxes (as such term is defined in the CFD No. 2006-01 Fiscal Agent Agreement) levied in CFD No. 2006-02 and the CFD No. 2006-02 Refunding Bonds and interest thereon will be payable from Net Special Taxes (as such term is defined in the CFD No. 2006-02 Fiscal Agent Agreement). Proceeds of the 2015 Refunding Bonds will be used to defease and redeem the Prior Special Tax Refunding Bonds and Prior Special Tax Bonds.

6. Any action taken by the Authority under this Purchase Contract, including payment for and acceptance of the 2015 Refunding Bonds, and delivery and execution of any receipt for the 2015 Refunding Bonds and any other instruments in connection with the closing on the Closing Date, shall be valid and sufficient for all purposes and binding upon the Authority, provided that any such action shall not impose any obligation or liability upon the Authority other than as may arise as expressly set forth in this Purchase Contract.

7. It is a condition to sale and delivery of each Series of the 2015 Refunding Bonds to the Authority, and to the Authority's purchase of such Series of the 2015 Refunding Bonds and the obligations of the Authority to accept delivery of and to pay for such Series of the 2015 Refunding Bonds, that the entire initial aggregate principal amount of such Series of the 2015 Refunding Bonds shall be delivered by the CFD issuing such Series of the 2015 Refunding Bonds, and accepted and paid for by the Authority, on the Closing Date.

8. As material inducement and consideration to the Authority for its purchase of each Series of the 2015 Refunding Bonds, the City, as the owner of that certain real property located within Improvement Area No. 3 of CFD No. 2001-01 identified as Assessor's Parcel No. 229-021-80 (the "City Parcel"), covenants and agrees that the City shall prepay the Special Tax Obligation (as such term is defined in the Rate and Method of Apportionment of Special Tax for Improvement Area No. 3 (the "Improvement Area No. 3 Rate and Method") attached as Exhibit B to the Notice of Special Tax Lien recorded in the Official Records, County of San Bernardino on July 28, 2001 as Document No. 20010252901) prior to transferring fee title to the City Parcel to any person or entity that would be exempt from the levy of the Special Tax (as such term is defined in the Improvement Area No. 3 Rate and Method) as a matter of law or pursuant to the Improvement Area No. 3 Rate and Method.

9. As further material inducement and consideration to the Authority for its purchase of each Series of the 2015 Refunding Bonds and to the City for its agreement set forth in Section 8 above, the CFDs, and each of them, acknowledge, covenant and agree as follows:

(a) Pursuant to the provisions of each of the Fiscal Agent Agreement, Special Tax Revenues (as defined in each Fiscal Agent Agreement) are to be allocated to pay Administrative Expenses (as defined in each Fiscal Agent Agreement). If there are insufficient funds on deposit in the Administrative Expense Fund established pursuant to a Fiscal Agent Agreement for a Series of Special Tax Refunding Bonds in any Fiscal Year to pay the Administrative Expenses due and payable during such Fiscal Year, the applicable CFD may request the City to advance the payment of such Administrative Expenses, subject to repayment by such CFD as provided for in paragraph (b) below. The determination to advance the payment of such Administrative Expenses shall lie with the sole discretion of the City.

(b) In event that the City advances the payment of Administrative Expenses pursuant to paragraph (a) above, the applicable CFD shall cause the City to be repaid from the first funds thereafter deposited into the Administrative Expense Fund pursuant to the applicable Fiscal Agent Agreement. Each CFD agrees, in the event of any advance by the City pursuant to paragraph (a) above, to budget the collection and distribution of the applicable Special Taxes in the Fiscal Year following such advance in an amount sufficient to pay all budgeted Administrative Expenses for such Fiscal Year, including the repayment of such advance by the City, to the extent it is legally entitled to do so.

(c) The CFDs acknowledge that the Authority has no ongoing source of revenue for payment and satisfaction of future Authority Administrative Expenses. In order to provide for the payment of Authority Administrative Expenses, each of the CFDs agrees to pay or contribute, as and when needed, an amount equal to the Proportionate Share applicable to each Series of Special Tax Refunding Bonds to pay Authority Administrative Expenses. Each CFD agrees to include an amount estimated to be sufficient to pay its Proportionate Share of Authority Administrative Expenses in its annual budget of Administrative Expenses for the applicable Series of Special Tax Refunding Bonds.

The obligation of each CFD to pay the amounts set forth in this Section 9 shall terminate upon the final maturity or defeasance of the applicable Series of the Special Tax Refunding Bonds.

10. Each CFD represents and warrants to the Authority that:

(a) Such CFD is a community facilities district, duly organized and existing under the Government Code of the State of California, and has, and on the Closing Date will have, full legal right, power and authority (i) to enter into this Purchase Contract and the Fiscal Agent Agreement by and between such CFD and the Fiscal Agent, (ii) to adopt the resolution authorizing the issuance of the applicable Series of the 2015 Refunding Bonds (the "2015 Refunding Bonds Resolution of Issuance"), (iii) to execute an Escrow Agreement, by and between such CFD and Wells Fargo Bank, N.A., as Escrow Agent, with respect to each series of CFD Special Tax Bonds (each, an "Escrow Agreement"), (iv) to issue, sell and deliver such Series of the 2015 Refunding Bonds to the Authority as provided herein, and (v) to carry out and consummate the transactions on its part contemplated by this Purchase Contract, such Fiscal Agent Agreement and such 2015 Refunding Bonds Resolution of Issuance;

(b) Such CFD has complied, and will on the Closing Date be in compliance in all respects, with such 2015 Refunding Bonds Resolution of Issuance and such Fiscal Agent Agreement;

(c) By official action of such CFD prior to or concurrently with the acceptance hereof, such CFD has duly adopted such 2015 Refunding Bonds Resolution of Issuance, has duly authorized and approved the execution and delivery of, and the performance by such CFD of the obligations on its part contained in, such Series of the 2015 Refunding Bonds, such Fiscal Agent Agreement and this Purchase Contract, and has duly authorized and approved the consummation by it of all other transactions on its part contemplated;

(d) The execution and delivery of this Purchase Contract, such Fiscal Agent Agreement and such Series of the 2015 Refunding Bonds, the adoption of such 2015 Refunding Bonds Resolution of Issuance and compliance by such CFD with the provisions of each thereof, and the carrying out and consummation of the transactions on the part of such CFD contemplated, will not conflict with or constitute a breach of or a default by such CFD under any applicable law or administrative regulation of the State of California or the United States, or any applicable judgment, decree, agreement or other instrument to which such CFD is a party or is otherwise subject;

(e) There is no action, suit, proceeding or investigation before or by any court, public board or body pending with respect to which such CFD has been served with process or, to the knowledge of such CFD, threatened, wherein an unfavorable decision, ruling or finding would: (i) affect the creation, organization, existence or powers of such CFD or the titles of its members and officers to their respective offices, (ii) enjoin or restrain the issuance, sale and delivery of such Series of the 2015 Refunding Bonds, the

levy and receipt of the special taxes (the "Special Taxes") which secure the repayment of such Series of the 2015 Refunding Bonds, or the pledge thereof under such Fiscal Agent Agreement, (iii) in any way question or affect any of the rights, powers, duties or obligations of such CFD with respect to the moneys pledged or to be pledged to pay the principal of, premium, if any, or interest on such Series of the 2015 Refunding Bonds, (iv) in any way question or affect any authority for the issuance of such Series of the 2015 Refunding Bonds, or the validity or enforceability of such Series of the 2015 Refunding Bonds or such Fiscal Agent Agreement, or (v) in any way question or affect this Purchase Contract or the transactions contemplated by this Purchase Contract, the Official Statement, such 2015 Refunding Bonds Resolution of Issuance or such Fiscal Agent Agreement;

(f) Each CFD will furnish such information, execute such instruments and take such other action in cooperation with the Authority, as the Authority may reasonably request, to qualify the Revenue Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Authority may designate, and will assist, if necessary therefor, in the continuance of such qualifications in effect as long as required for the distribution of the Revenue Bonds; provided, however, that no CFD shall be required to qualify as a foreign corporation or to file any general consents to service of process under the laws of any state;

(g) The issuance and sale of the 2015 Refunding Bonds is not subject to any transfer or other documentary stamp taxes of the State of California or any political subdivision thereof;

(h) [Each CFD represents and warrants that it has never failed to comply with a continuing disclosure undertaking pursuant to Rule 15c2-12 of the Securities and Exchange Commission; and] [do we need this since private placement?]

(i) Any certificate signed by any official of any CFD authorized to do so and delivered to the Authority under this Purchase Contract shall be deemed a representation and warranty by such CFD to the Authority as to the statements made therein.

11. At 8:00 A.M., Pacific Time, on the Closing Date, or at such other time or on such other date as is mutually agreed by the CFDs and the Authority, the CFDs will deliver the 2015 Refunding Bonds to the Trustee in definitive form, duly executed, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Trustee solely from moneys held in the Program Fund under the Authority Indenture will accept such delivery and pay the purchase price of each Series of the 2015 Refunding Bonds as referenced in paragraph 1 hereof by wire transfer or other funds which are good funds on the Closing Date payable to the order of the Fiscal Agent for such Series of the 2015 Refunding Bonds. Delivery and payment, as aforesaid, shall be made at such place as shall have been mutually agreed upon by the CFDs, the Trustee and the Authority.

12. The Authority has entered into this Purchase Contract in reliance upon the representations, warranties and agreements of each of the CFDs contained herein and to be contained in the documents and instruments to be delivered on the Closing Date, and upon the performance by each of the CFDs of its obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Authority's obligations under this Purchase Contract to purchase, to accept delivery of and to pay for any Series of the 2015 Refunding Bonds shall be subject to the performance by the CFD issuing such Series of the 2015 Refunding Bonds of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing Date, and shall also be subject to the following conditions:

(a) The representations and warranties of each CFD contained herein shall be true and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

(b) On the Closing Date the 2015 Refunding Bonds Resolution of Issuance and each Fiscal Agent Agreement shall be in full force and effect, and shall not have been amended, modified or supplemented;

(c) As of the Closing Date, all official action of each CFD relating to the applicable Series of the 2015 Refunding Bonds and the applicable Fiscal Agent Agreement shall be in full force and effect, and there shall have been taken all such actions as, in the opinion of Best Best & Krieger LLP ("Bond Counsel"), shall be necessary or appropriate in connection therewith, with the issuance of the Revenue Bonds and such Series of the 2015 Refunding Bonds;

(d) The Authority shall have the right to terminate the Authority's obligations under this Purchase Contract to purchase, to accept delivery of and to pay for any Series of the 2015 Refunding Bonds by notifying the applicable CFD of its election to do so if, after the execution hereof and prior to the Closing: (i) either the marketability of the Revenue Bonds or the market price of the Revenue Bonds, in the opinion of the Authority, has been materially and adversely affected by any decision issued by a court of the United States (including the United States Tax Court) or of the State of California, by any ruling or regulation (final, temporary or proposed) issued by or on behalf of the Department of the Treasury of the United States, the Internal Revenue Service, or other governmental agency of the United States, or any governmental agency of the State of California, or by a tentative decision with respect to legislation reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or by legislation enacted by, pending in, or favorably reported to either the House of Representatives or the Senate of the Congress of the United States or either house of the Legislature of the State of California, or formally proposed to the Congress of the United States by the President of the United States or to the Legislature of the State of California by the Governor of the State of California in an executive communication, affecting the tax status of the Authority or such CFD, their property or income, their bonds (including the Revenue Bonds) or the interest thereon, or any tax exemption granted or authorized by the Bond Law; (ii) the United States shall have become engaged in hostilities which have resulted in a declaration of war or national emergency, or there shall have occurred

any other outbreak of hostilities, or a local, national or international calamity or crisis, financial or otherwise, the effect of such outbreak, calamity or crisis being such as, in the reasonable opinion of the Authority, would affect materially and adversely the ability of the Authority to market the Revenue Bonds (it being agreed by the Authority that there is no outbreak, calamity or crisis of such a character as of the date hereof); (iii) there shall have occurred a general suspension of trading on the New York Stock Exchange or the declaration of a general banking moratorium by the United States, New York State or California State authorities and (iv) there shall have occurred a withdrawal or downgrading of any rating assigned to any securities of such CFD by a national municipal bond rating agency; and

(e) On or prior to the Closing Date, the Authority shall have received each of the following documents as to each Series of the 2015 Refunding Bonds:

(1) An opinion, dated as of the Closing Date, of Bond Counsel, approving, with customary qualifications, the validity of such Series of the 2015 Refunding Bonds and the applicable Fiscal Agent Agreement;

(2) A supplementary opinion, dated the date of the Closing and addressed to the Authority, of Bond Counsel to the effect that this Purchase Contract has been duly authorized, executed and delivered by, and, assuming due authorization, execution and delivery by the Authority, constitutes a legal, valid and binding agreement of the CFD issuing such Series of 2015 Refunding Bonds enforceable in accordance with its terms, except as such enforceability may be limited by the application of equitable principles if equitable remedies are sought;

(3) A certificate dated the Closing Date, addressed to the Authority, signed by an official acting for and on behalf of such CFD and having knowledge of the facts to the effect that:

(i) The representations and warranties of such CFD contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date;

(ii) There is no action, suit, proceeding or investigation before or by any court, public board or body pending with respect to which such CFD has been served with process or known to be threatened, wherein an unfavorable decision, ruling or finding would: (A) affect the creation, organization, existence or powers of such CFD, or the titles of its members and officers to their respective offices, (B) enjoin or restrain the issuance, sale and delivery of such Series of the 2015 Refunding Bonds, the levy or collection of the Special Taxes by such CFD or any other moneys or property pledged or to be pledged under the applicable Fiscal Agent Agreement, or the pledge thereof, (C) in any way question or affect any of the rights, powers, duties or obligations of such CFD with respect to the moneys and assets pledged or to be pledged to pay the principal of,

premium, if any, or interest on such Series of the 2015 Refunding Bonds, (D) in any way question or affect any authority for the issuance of such Series of the 2015 Refunding Bonds, or the validity or enforceability of such Series of the 2015 Refunding Bonds, the applicable Fiscal Agent Agreement, the applicable Escrow Agreement or the 2015 Refunding Bonds Resolution of Issuance, or (E) in any way question or affect this Purchase Contract or the transactions on the part of such CFD contemplated by this Purchase Contract, the applicable Fiscal Agent Agreement, the 2015 Refunding Bonds Resolution of Issuance, or the applicable Escrow Agreement;

(iii) Such CFD has complied with all agreements, covenants and arrangements, and satisfied all conditions, on its part to be complied with or satisfied under this Purchase Contract on or prior to the Closing Date; and

(4) An opinion, dated the date of Closing and addressed to the Authority, of Counsel to such CFD to the effect that, except as described in the Official Statement, that to such counsel's knowledge, there is no action, suit, proceeding or investigation before or by any court, public board or body pending with respect to which such CFD has been served with process or known to be threatened, wherein an unfavorable decision, ruling or finding would: (i) affect the creation, organization, existence or powers of such CFD, or the titles of its legislative body and officers to their respective offices; (ii) enjoin or restrain the issuance, sale and delivery of the applicable Series of the 2015 Refunding Bonds, the receipt of any other moneys or property pledged or to be pledged under the applicable Fiscal Agent Agreement or the pledge thereof; (iii) in any way question or affect any of the rights, powers, duties or obligations of such CFD with respect to the moneys and assets pledged or to be pledged to pay the principal of, premium, if any, or interest on the applicable Series of the 2015 Refunding Bonds; (iv) in any way question or affect any authority for the issuance of the applicable Series of the 2015 Refunding Bonds, or the validity or enforceability of the applicable Series of the 2015 Refunding Bonds, the applicable Fiscal Agent Agreement or the applicable Escrow Agreement; and (v) in any way question or affect this Purchase Contract or the transactions on the part of such CFD contemplated by this Purchase Contract and the applicable Fiscal Agent Agreement;

(5) A verification report from \_\_\_\_\_ with respect to the defeasance of the Prior Special Tax Refunding Bonds and Prior Special Tax Bonds; and

(6) Such additional legal opinions, certificates, instruments and documents as the Authority may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the CFD's representations and warranties contained herein; and

(7) Executed copies of the applicable Fiscal Agent Agreement and the applicable Escrow Agreement and a certified copy of the 2015 Refunding Bonds Resolution of Issuance.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Authority, but the approval of the Authority shall not be unreasonably withheld. Receipt of, and payment for, the 2015 Refunding Bonds shall constitute evidence of the satisfactory nature of such as to the Authority. The performance of any and all obligations of the CFDs hereunder and the performance of any and all conditions contained herein for the benefit of the Authority may be waived by the Authority in its sole discretion.

If a CFD shall be unable to satisfy the conditions to the obligations of the Authority to purchase, accept delivery of and pay for the Series of the 2015 Refunding Bonds issued by such CFD contained in this Purchase Contract, or if the obligations of the Authority to purchase, accept delivery of and pay for a Series of the 2015 Refunding Bonds shall be terminated for any reason permitted by this Purchase Contract, this provisions of this Purchase Contract shall terminate as to such Series of the 2015 Refunding Bonds and neither the Authority nor the affected CFD shall be under further obligation hereunder, except that the respective obligations of such CFD and the Authority set forth in paragraph 11 hereof shall continue in full force and effect.

14. The Authority shall be under no obligation to pay, and the CFDs shall pay, the expenses incurred by the CFDs and the Authority in connection with issuance of the Revenue Bonds and the 2015 Refunding Bonds.

15. This Purchase Contract is made solely for the benefit of the CFDs and the Authority (including their successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and agreements of each of the CFDs contained in this Purchase Contract shall remain operative and in full force and effect regardless of: (i) any investigations made by or on behalf of the Authority or (ii) delivery of and payment for the Revenue Bonds pursuant to this Purchase Contract. The agreements contained in this paragraph shall survive any termination of this Purchase Contract.

16. 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.

17. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

18. The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State of California.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the Authority and the CFDs have each caused this Purchase Contract to be executed by their duly authorized officers all as of the date first above written.

RANCHO CUCAMONGA PUBLIC FINANCE  
AUTHORITY

By: \_\_\_\_\_  
Executive Director

CITY OF RANCHO CUCAMONGA FOR AND  
ON BEHALF OF:

COMMUNITY FACILITIES DISTRICT NO.  
2000-01 (SOUTH ETIWANDA)

COMMUNITY FACILITIES DISTRICT NO.  
2000-02 (RANCHO CUCAMONGA  
CORPORATE PARK)

COMMUNITY FACILITIES DISTRICT NO.  
2001-01

COMMUNITY FACILITIES DISTRICT NO.  
2006-01 (VINTNER'S GROVE)

COMMUNITY FACILITIES DISTRICT NO.  
2006-02 (AMADOR ON ROUTE 66)

By: \_\_\_\_\_  
City Manager

**EXHIBIT A**

**MATURITY SCHEDULE**

**\$ \_\_\_\_\_**  
**City of Rancho Cucamonga**  
**Community Facilities District No. 2000-01 (South Etiwanda)**  
**Special Tax Refunding Bonds, Series 2015**

Purchase Price: \$ \_\_\_\_\_

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal Maturity</u>	<u>Interest Rate</u>
	\$	%

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\$

**EXHIBIT B**

**MATURITY SCHEDULE**

\$ \_\_\_\_\_  
**City of Rancho Cucamonga**  
**Community Facilities District No. 2000-02**  
**(Rancho Cucamonga Corporate Park)**  
**Special Tax Refunding Bonds, Series 2015**

Purchase Price: \$ \_\_\_\_\_

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal Maturity</u>	<u>Interest Rate</u>
	\$	%

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\$

**EXHIBIT C**

**MATURITY SCHEDULE**

\$ \_\_\_\_\_

**City of Rancho Cucamonga**

**Community Facilities District No. 2001-01**

**Improvement Area No. 1 and No. 2 Special Tax Refunding Bonds, Series 2015**

Purchase Price: \$ \_\_\_\_\_

Maturity Date  
(September 1)

Principal Maturity

Interest Rate

\$

%

\_\_\_\_\_

\$

**EXHIBIT D**

**MATURITY SCHEDULE**

\$ \_\_\_\_\_  
**City of Rancho Cucamonga**  
**Community Facilities District No. 2001-01**  
**Improvement Area No. 3 Special Tax Refunding Bonds, Series 2015**

Purchase Price: \$ \_\_\_\_\_

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal Maturity</u> \$	<u>Interest Rate</u> %
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\$

**EXHIBIT E**

**EXHIBIT F**

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**INDENTURE OF TRUST**

**by and between**

**RANCHO CUCAMONGA PUBLIC FINANCE AUTHORITY**

**and**

**MUFG UNION BANK, N.A.,  
as Trustee**

**and acknowledged and agreed to by**

**CITY NATIONAL BANK  
as the Original Purchaser**

**Dated as of July 1, 2015**

**Relating to**

**§ \_\_\_\_\_  
Rancho Cucamonga Public Finance Authority  
Special Tax Refunding Revenue Bonds, Series 2015**

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## INDENTURE OF TRUST

THIS INDENTURE OF TRUST (the "Indenture") dated as of July 1, 2015, by and between the RANCHO CUCAMONGA PUBLIC FINANCE AUTHORITY, a joint exercise of powers authority organized and existing under and by virtue of the laws of the State of California (the "Authority"), and MUFG UNION BANK, N.A., a national banking association, organized and existing under the laws of United States of America and having a corporate trust office in Los Angeles, California, as trustee (the "Trustee").

### WITNESSETH:

WHEREAS, 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 June 1, 1989, between the City of Rancho Cucamonga (the "City") and the Redevelopment Agency of the City of Rancho Cucamonga (the "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 Government Code of the State of California (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 to provide financing and refinancing for capital improvements of member entities of the Authority and other local agencies; and

WHEREAS, as a result of favorable interest rate conditions in the municipal bond market the Authority and the Community Facilities Districts (defined below) desire to defease and refund the Prior 2007 Special Tax Bonds (defined below) and the Prior Authority Bonds(defined below); and

WHEREAS, the Authority, for the purpose of acquiring the Special Tax Refunding Bonds the proceeds of which will be utilized to defease and refund the Prior Authority Bonds and the Prior 2007 Special Tax Bonds, has determined to issue its Special Tax Refunding Revenue Bonds, Series 2015 in the principal amount of \$\_\_\_\_\_ (the "Bonds") pursuant to and secured by this Indenture providing for the issuance of the Bonds, all in the manner provided herein; and

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, premium, if any, and interest thereon, the Authority has authorized the execution and delivery of this Indenture; and

WHEREAS, the Authority certifies 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 principal of and the interest and premium (if any) on all Bonds at any time issued and outstanding under this Indenture, according to their tenor, 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 received, 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 considerations, the receipt whereof is hereby acknowledged, the Authority does hereby 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 and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

**“Act”** means Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California.

**“Action”** shall have the meaning given such term in Section 12.10.

**“Agency”** means the Successor Agency to the Redevelopment Agency of the City of Rancho Cucamonga, a public entity duly organized and existing under the laws of the State.

**“Agreement”** means that certain Joint Exercise of Powers Agreement, dated April 22, 1999, by and between the City and the Agency and as hereafter duly amended and supplemented from time to time, creating the Authority for the purposes, among other things, of assisting the City and the Agency in the financing and refinancing of Public Capital Improvements, as such term is defined in the Bond Law.

**“Annual Debt Service”** means, for each Bond Year as to any Series of Bonds, the sum of (a) the interest payable on the Outstanding Bonds of such Series in any Bond Year and (b) the principal amount of the Outstanding Bonds of such Series, including mandatory sinking fund payments, scheduled to be paid in such Bond Year.

**“Authority”** means the Rancho Cucamonga Public Finance Authority, a joint powers authority organized and existing under the Agreement and under and by virtue of the laws of the State of California.

**“Authority Administrative Expenses”** means all actual costs and expenses incurred in connection with the administration of the Bonds, including but not limited to: (a) the fees and expenses payable to the Trustee, and its counsel, and other Persons for professional services rendered in connection with the administration, continuing disclosure and rebate obligations of or for the Bonds; and (b) fees and expenses of Independent Accountants for preparation of audits required by this Indenture.

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

**“Authorized Representative”** means: (a) with respect to the Authority, its Chairman, Vice Chairman, Executive Director, or Secretary, or any other Person designated as an Authorized Representative of the Authority by a certificate of the Authority signed by its Executive Director and filed with the Community Facilities District, the Authority and the Trustee; (b) with respect to the City, its Mayor, Mayor Pro Tem, City Manager, or Treasurer, or any other Person designated as an Authorized Representative of the City by a certificate signed on behalf of the City by its City Manager and filed with the Authority and the Trustee; (c) with respect to the Community Facilities District, the Authorized Representative of the City, or any other Person designated as an Authorized Representative of the City by a certificate signed on behalf of the Community Facilities District by the City Manager and filed with the Authority and the Trustee; and (d) with respect to the Trustee, the President, any Vice President, any Assistant Vice President, any Senior Authorized Officer, or any Trust Officer of the Trustee, and when used with reference to any act or document also means any other Person authorized to perform such act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee. An Authorized Representative may by written instrument designate any Person to act on his or her behalf.

**“Bank”** shall have the meaning given such term in Section 12.08.

**“Bank Agreements”** shall have the meaning given such term in 12.08.

**“Bond Counsel”** means the law firm of Best Best & Krieger LLP, San Diego, California, and any successor firm or any other firm of nationally recognized bond counsel acceptable to the Authority.

**“Bond Law”** means the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of the Act (commencing with Section 6584), as amended from time to time.

**“Bond Year”** means each twelve-month period beginning on September 2 of each year and ending on September 1 of the following year. With respect to the Bonds, the first such Bond Year shall begin on the Closing Date and end on September 1, 2015.

**“Bonds”** means the \$\_\_\_\_\_ Rancho Cucamonga Public Finance Authority Special Tax Refunding Revenue Bonds, Series 2015 at any time Outstanding pursuant to the Indenture.

**“Business Day”** means a day which is not a Saturday, Sunday, or legal holiday on which banking institutions in the State of California, or in any state in which the Principal Office of the Trustee is located, or the New York Stock Exchange are closed. If any payment hereunder is due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such previous day.

**“CDIAC”** means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

**“Certificate of Authentication”** means the Trustee’s Certificate of Authentication, the form of which is attached hereto in Exhibit A.

**“City”** means the City of Rancho Cucamonga, a municipal corporation organized under its charter and the laws of the State.

**“Closing Date”** means, with respect to the Bonds, the date on which any Series of the Bonds are delivered to the Placement Agent and then to the Original Purchaser thereof.

**“Community Facilities District No. 2000-1,”** or **“CFD No. 2000-01”** means the City of Rancho Cucamonga Community Facilities District No. 2000-1 (South Etiwanda), a Community Facilities District formed pursuant to the Mello-Roos Act.

**“Community Facilities District No. 2000-2,”** or **“CFD No. 2000-02”** means the City of Rancho Cucamonga Community Facilities District No. 2000-2 (Rancho Cucamonga Corporate Park), a Community Facilities District formed pursuant to the Mello-Roos Act.

**“Community Facilities District No. 2001-01,”** or **“CFD No. 2001-01”** means the City of Rancho Cucamonga Community Facilities District No. 2001-01, a Community Facilities District formed pursuant to the Mello-Roos Act.

**“Community Facilities District No. 2006-01,”** or **“CFD No. 2006-01”** means the City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner’s Grove), a Community Facilities District formed pursuant to the Mello-Roos Act.

**“Community Facilities District No. 2006-02,”** or **“CFD No. 2006-02”** means the City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66), a Community Facilities District formed pursuant to the Mello-Roos Act.

**“Community Facilities District”** means, individually, CFD No. 2000-01, CFD No. 2000-02, CFD No. 2001-01, CFD No. 2006-01 or CFD No. 2006-02.

**“Community Facilities Districts”** means, collectively, CFD No. 2000-01, CFD No. 2000-02, CFD No. 2001-01, CFD No. 2006-01 and CFD No. 2006-02.

**“Continuing Disclosure Certificate”** means that certain Continuing Disclosure Certificate relating to the Authority Bonds, executed on the Closing Date by City, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

**“Costs of Issuance”** means all items of expense directly or indirectly payable by or reimbursable to the Authority relating to the authorization, issuance, sale and delivery of the Bonds and the Special Tax Refunding Bonds, including but not limited to placement agent’s discount, printing expenses, rating agency fees, filing and recording fees, initial fees, expenses and charges and first annual administrative fee of the Trustee and fees of its counsel, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds and the Special Tax Refunding Bonds, and any other cost, charge or fee in connection with the original issuance of the Bonds and the Special Tax Refunding Bonds.

**“Defeasance Obligations”** means those investments identified in paragraph A of the Permitted Investments specified in Exhibit B hereto.

**“District”** means, individually a Community Facilities District.

**“Districts”** means, collectively the Community Facilities Districts.

**“Escrow Agent”** means Wells Fargo Bank, National Association, acting as escrow agent under the Escrow Agreements.

**“Escrow Agreement”** means that Escrow Deposit and Trust Agreement dated as of July 1, 2015 by and between the Authority and the Escrow Agent relating to defeasance of the Prior Authority Bonds and the Prior Special Tax Refunding Bonds.

**“Escrow Agreement CFD No. 2006-01 2007 ST Bonds”** means that Escrow Deposit and Trust Agreement dated as of July 1, 2015 by and among the City, Community Facilities District No. 2006-01 and the Escrow Agent relating to the defeasance of the CFD No. 2006-01 2007 ST Bonds.

**“Escrow Agreement CFD No. 2006-02 2007 ST Bonds”** means that Escrow Deposit and Trust Agreement dated as of July 1, 2015 by and among the City, Community Facilities District No. 2006-02 and the Escrow Agent relating to the defeasance of the CFD No. 2006-02 2007 ST Bonds.

**“Escrow Agreements”** means collective, the Escrow Agreement, the Escrow Agreement CFD No. 2006-01 2007 ST Bonds and the Escrow Agreement CFD No. 2006-02 2007 ST Bonds.

**“Event of Bankruptcy”** means, with respect to any Person, the filing of a petition in bankruptcy or the commencement of a proceeding under the United States Bankruptcy Code or any other applicable law concerning insolvency, reorganization or bankruptcy by or against such Person as debtor, other than any involuntary proceeding which has been finally dismissed without entry of an order for relief or similar order as to which all appeal periods have expired.

**“Event of Default”** means any of the events of default specified in Section 7.01.

**“Fiscal Agent”** means MUFG Union Bank, N.A., or its successor, as Fiscal Agent under the Fiscal Agent Agreement.

**“Fiscal Agent Agreement”** or **“Fiscal Agent Agreements”** means the Fiscal Agent Agreement or Fiscal Agent Agreements, as originally executed or as it or they may from time to time be supplemented, modified or amended, pertaining to any Series of the Special Tax Refunding Bonds.

**“Fiscal Year”** means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the Authority and certified to the Trustee in writing by an Authorized Representative of the Authority.

**“Indenture”** means this Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended.

**“Independent Accountant”** means any nationally recognized firm of certified public accountants or firm of such accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State, appointed by the Authority, and who, or each of whom:

- (a) is in fact independent and not under domination of the Authority, the City or the Community Facilities Districts;
- (b) does not have any substantial interest, direct or indirect, with the Authority, the City or the Community Facilities Districts; and
- (c) is not connected with the Authority, the City or the Community Facilities Districts as an officer or employee of the Authority, the City or the Community Facilities Districts, but who may be regularly retained to make reports to the Authority, the City or the Community Facilities Districts.

**“Independent Financial Consultant”** means any financial consultant or firm of such financial consultants appointed by the Authority and who, or each of whom:

- (a) is judged by the Authority to have experience with respect to the financing of public capital improvement projects;
- (b) is in fact independent and not under the domination of the Authority, the City, or the Community Facilities Districts;
- (c) does not have any substantial interest, direct or indirect, with the Authority, the City, or the Community Facilities Districts; and
- (d) is not connected with the Authority, the City, or the Community Facilities Districts as an officer or employee of the Authority, the City, or the Community Facilities Districts, but who may be regularly retained to make reports to the Authority, the City, or the Community Facilities Districts.

**“Interest Account”** means the account by that name established with the Trustee with respect to the Bonds pursuant to the Indenture and to be administered as prescribed in Section 5.03.

**“Interest Payment Date”** means September 1 and March 1, commencing March 1, 2016 as to the Bonds.

**“Maximum Annual Debt Service”** means, as of any date of calculation as to the Bonds, the largest Annual Debt Service, during the current or any future Bond Year.

**“Mello-Roos Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being California Government Code Sections 53311 *et seq.*

**“Moody’s”** means Moody’s Investors Service, its successors and assigns.

**“Original Purchaser”** means City National Bank, a national banking association, and its successors and assigns.

**“Outstanding”** when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 13.13) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except (a) Bonds theretofore cancelled 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 particular Bonds (or portions of Bonds) described in Section 13.13; 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” or “Bond 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.

**“Permitted Investments”** means any of the investments listed in Exhibit B hereto.

**“Person”** means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

**“Placement Agent”** means Stifel, Nicolaus & Company, Incorporated.

**“Principal Account”** means the account by that name established with the Trustee with respect to the Bonds pursuant to the Indenture and to be administered as provided in Section 5.04.

**“Principal Office”** means such corporate trust office of the Trustee as may be designated from time to time by written notice from the Trustee to the Authority, initially being Los Angeles, except that with respect to presentation of Bonds for payment or for registration of transfer or exchange or maintenance of the Registration Books, such term shall mean the office of the Trustee at which its corporate agency business shall be conducted.

**“Principal Prepayments”** means any amounts received by the Trustee representing a prepayment of principal of any issue of Special Tax Refunding Bonds, whether at maturity of such issue of Special Tax Refunding Bonds or upon the prior redemption, prepayment or acceleration thereof.

**“Prior Authority Bonds”** means the \$15,970,000 Rancho Cucamonga Public Financing Authority Special Tax Refunding Revenue Bonds, Series 2012.

**“Prior 2007 Special Tax Bonds”** means the following:

- (a) \$5,800,000 City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner’s Grove) 2007 Special Tax Bonds (“CFD No. 2006-01 2007 ST Bonds”)
- (b) \$5,407,000 City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66) 2007 Special Tax Bonds (“CFD No. 2006-02 2007 ST Bonds”)

**“Prior Special Tax Refunding Bonds”** means the following:

- (a) \$658,000 City of Rancho Cucamonga Community Facilities District No. 2000-01 (South Etiwanda) Special Tax Refunding Bonds, Series 2012;
- (b) \$5,407,000 City of Rancho Cucamonga Community Facilities District No. 2000-02 (Rancho Cucamonga Corporate Park) Special Tax Refunding Bonds, Series 2012;
- (c) \$9,093,000 City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 1 and Improvement Area No. 2 Special Tax Refunding Bonds, Series 2012; and
- (d) \$812,000 City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 3 Special Tax Refunding Bonds, Series 2012.

**“Prior Special Tax Bonds”** means collectively, the Prior 2007 Special Tax Bonds and the Prior Special Tax Refunding Bonds.

**“Proceeds”** means the face amount of the Bonds, plus accrued interest and original issue premium, if any, less original issue discount, if any.

**“Program Fund”** means the fund by that name established and held by the Trustee with respect to the Bonds pursuant to the Indenture and to be maintained as provided in Section 3.03.

**“Proportionate Share”** means, as of the date of calculation, for any Special Tax Refunding Bond when computing the proportionate share allocable to such Special Tax Refunding Bond among all outstanding Special Tax Refunding Bonds, the ratio derived by dividing the outstanding principal amount of the Special Tax Refunding Bond by the principal amount of the Outstanding Bonds.

**“Rebate Fund”** means the fund by that name established with the Trustee with respect to the Bonds pursuant to the Indenture and to be administered as prescribed in Section 5.08.

**“Record Date”** means the fifteenth (15th) day of the month (whether or not such day is a Business Day) preceding each Interest Payment Date.

**“Redemption Account”** means the account by that name established with the Trustee with respect to the Bonds pursuant to the Indenture and to be administered as provided in Section 5.06.

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

**“Representation Letter”** means the letter of representations from the Authority to, or other instrument or agreement of the Authority with, a Book-Entry Depository in which the Authority, among other things, makes certain representations to such Depository with respect to the Bonds, the payment thereof and delivery of notices with respect thereto.

**“Requisition”** means a written requisition signed in the name of the Authority by its Authorized Representative.

**“Residual Account”** means the account by that name established and held by the Trustee with respect to the Bonds pursuant to the Indenture and to be administered as provided in Section 5.05.

**“Revenue Fund”** means the fund by that name established and held by the Trustee with respect to the Bonds pursuant to the Indenture and to be administered as provided in Section 5.01 and 5.02.

**“Revenues”** means, with respect to the Bonds: (a) all amounts derived from the Special Tax Refunding Bonds and (b) investment income with respect to the funds and accounts established hereunder.

**“RMA”** shall have the meaning given such term in the Fiscal Agent Agreement applicable to a particular Series of Special Tax Refunding Bonds.

**“S&P”** means Standard & Poor’s Ratings Group, a division of McGraw Hill, its successors and assigns.

**“Series”** means, as to the Special Tax Refunding Bonds, any series of the Special Tax Refunding Bonds.

**“Special Record Date”** means the date established by the Trustee pursuant to Section 2.02 as a record date for the payment of defaulted interest on the Bonds, if any.

**“Special Tax Refunding Bonds”** means, collectively, those special tax bonds designated as:

- (a) \$ \_\_\_\_\_ City of Rancho Cucamonga Community Facilities District No. 2000-1 (South Etiwanda) Special Tax Refunding Bonds, Series 2015;
- (b) \$ \_\_\_\_\_ City of Rancho Cucamonga Community Facilities District No. 2001-2 (Rancho Cucamonga Corporate Park) Special Tax Refunding Bonds, Series 2015; and
- (c) \$ \_\_\_\_\_ City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 1 and Improvement Area No. 2 Special Tax Refunding Bonds, Series 2015;
- (d) \$ \_\_\_\_\_ City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 3 Special Tax Refunding Bonds, Series 2015;
- (e) \$ \_\_\_\_\_ City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner’s Grove) Special Tax Refunding Bonds, Series 2015; and

- (f) \$\_\_\_\_\_ City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66) Special Tax Refunding Bonds, Series 2015.

“**Special Taxes**” has the meaning given such term in the Fiscal Agent Agreement applicable to a particular Series of Special Tax Refunding Bonds.

“**Supplemental Indenture**” means a Supplemental Indenture of Trust providing for any matter herein authorized, entered into by and between the Authority and the Trustee pursuant to the provisions of this Indenture.

“**Tax Certificate**” means the certificate delivered by the Authority upon the delivery of the Bonds relating to Section 148 of the Code, or any functionally similar replacement certificate.

“**Tax Code**” means the Internal Revenue Code of 1986, as amended from time to time. Any reference to a provision of the Tax Code shall include the applicable Regulations promulgated with respect to such provision.

“**Tax Regulations**” means temporary and permanent regulations promulgated under Section 103 and related sections of the Tax Code.

“**Trustee**” means MUFG Union Bank, N.A., or its successor, as Trustee hereunder as provided in Section 8.01, or such other trustee as shall be named, provided such other trustee shall meet the requirements of Article VIII hereof.

“**Placement Agent**” means Stifel, Nicolaus & Company, Incorporated.

“**Written Certificate**” and “**Written Request**” of the Authority or the Community Facilities District, mean, respectively, a written certificate or written request signed in the name of the Authority by its Authorized Representative or in the name of such Community Facilities District by its Authorized Representative. Any such certificate or request 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. If and to the extent required by Section 1.02, each such certificate or request shall include the statements provided for in Section 1.02.

**Section 1.02. Content of Certificates and Opinions.** Any certificate or opinion made or given by an officer of the Authority or the Community Facilities District may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel, an accountant or a financial consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an accountant or a financial consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority or the Community Facilities District, as the case may be) upon a certificate or opinion of or representation by an officer of the Authority or the Community Facilities District, unless such counsel, accountant or financial consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such Person’s certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the Authority or a Community Facilities District, or the same counsel, accountant or financial consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture, but different officers, counsel, accountants or financial consultants may certify to different matters, respectively.

**Section 1.03. Interpretation.** Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

Headings of articles and sections herein and the table of contents hereto, are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

All references herein to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections, or subdivisions of this Indenture; the words "herein," "hereof," "hereby," "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 1.04. 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 the Agreement and the Bond Law and 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 the Bond Law and this Indenture for the purpose of providing funds to acquire the Special Tax Refunding Bonds from the Community Facilities District.

**Section 1.05. Indenture Constitutes Contract; 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 other Bonds 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

### THE BONDS

**Section 2.01. Authorization of Bonds.** The Authority hereby authorizes the issuance of the Bonds hereunder and under the Bond Law, the Bonds to constitute special obligations of the Authority, for the purpose of providing moneys to finance the acquisition by the Authority of the Special Tax Refunding Bonds. The Bonds shall be issued in the principal amount of \$\_\_\_\_\_, are hereby designated the "Rancho Cucamonga Public Finance Authority Special Tax Refunding Revenue Bonds, Series 2015," and shall be issued for the purpose of acquiring the Special Tax Refunding Bonds. Other than Parity Bonds, no additional Bonds or bonds secured by the same Revenues as the Bonds shall be issued hereunder. This Indenture constitutes a continuing agreement with the Owners from time to time of the Bonds to secure the full and timely payment of the principal of and interest on all such Bonds, subject to the covenants, provisions and conditions herein.

**Section 2.02. Terms of the Bonds.** The Bonds shall be issued in fully registered form without coupons in any Authorized Denomination. The Bonds shall be dated the Closing Date, shall mature (subject to prior redemption) on September 1 in each of the years and in the amounts and shall bear interest at the rate or rates per annum, calculated on the basis of a 360-day year of twelve 30-day months, set forth herein. The Bonds shall mature on the dates and in the respective principal amounts and shall bear interest at the respective rates per annum, as follows:

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u> \$	<u>Interest Rate</u> <u>Per Annum</u> %
[Redacted Table Content]		

Interest on the Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date; (ii) a Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Closing Date provided in the form of the Bonds; or (iii) interest on any Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has been paid in full, payable on each Interest Payment Date. Interest shall be paid on each Interest Payment Date to the Persons in whose names the ownership of the Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest on any Bond which is not punctually paid or duly provided for on any Interest Payment Date shall be payable to the Person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice of which shall be given to such Owner not less than fifteen (15) days prior to such Special Record Date. Interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Bond Owners at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date; or by wire transfer made on such Interest Payment Date to any Owner of \$1,000,000 or more in aggregate principal amount of Bonds who shall have requested such transfer pursuant to written notice filed with the Trustee on or before the preceding Record Date.

The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the Principal Office of the Trustee. Payment of principal on any Bond shall be made only upon presentation and surrender of such Bond at the Principal Office of the Trustee.

The Bonds shall be subject to redemption as provided in Article IV.

**Section 2.03. Transfer of Bonds.** Any Bond may, in accordance with its terms, be transferred, in whole or in part, upon the books required to be kept pursuant to the provisions of Section 2.05 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 duly written instrument of transfer in substantially the form set forth in Exhibit D hereto. The cost for any services rendered or any expenses incurred by the Trustee in connection with any such transfer shall be paid by the District. The Trustee shall not be obligated to make any transfer of Bonds during the period selected by the Trustee for the selection of Bonds for redemption, or with respect to any Bonds selected for redemption.

Whenever any Bond 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 or maturity amount, as applicable, in an Authorized Denomination. The Trustee shall require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

**Section 2.04. Exchange of Bonds.** The Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount or maturity amount, as applicable, of Bonds of Authorized Denominations and of the same maturity. The Authority may charge a reasonable sum for each new Bond issued upon any exchange (except in the case of any exchange of temporary Bonds for definitive Bonds and except in the case of the first exchange of any definitive Bond in the form in which it is originally issued) and shall require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The Trustee shall not be obligated to make any exchange of Bonds during the period selected by the Trustee for the selection of Bonds for redemption, or with respect to any Bonds selected for redemption.

**Section 2.05. Registration Books.** The Trustee will keep or cause to be kept, at the Principal Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall be open to inspection during regular business hours and upon reasonable notice by the Authority; 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.

The Authority and the Trustee will treat the Owner of any Bond whose name appears on the Bond register as the absolute Owner of such Bond for any and all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary. The Authority and the Trustee may rely on the address of the Bond Owner as it appears on the Bond register for any and all purposes.

**Section 2.06. Form and Execution of the Bonds.** The Bonds shall be in the form set forth in Exhibit A hereto and shall otherwise comply with the requirements of this Indenture. The Bonds shall be executed in the name and on behalf of the Authority with the manual or facsimile signature of its Chairman (or any duly authorized deputy to the Chairman) attested by the manual or facsimile signature of its Secretary. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the Authority before the Bonds so signed or attested 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 those who signed and attested the same had continued to be such officers of the Authority, and also any Bonds may be signed and attested on behalf of the Authority by such Persons as at the actual date of execution of such Bonds shall be the proper officers of the Authority although at the nominal date of such Bonds any such Person shall not have been such officer of the Authority.

Only such of the Bonds as shall bear thereon a Certificate of Authentication, substantially in the form set forth in Exhibit A hereto, 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 or on behalf of the Trustee

shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

The Bonds shall be issued substantially in the form attached hereto as "Exhibit A" with necessary or appropriate variations, omissions and insertions, as permitted or required by the 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 Authorized 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 shall be surrendered, for cancellation, at the Principal Office of the Trustee and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount or maturity amount, as applicable, 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. Bonds 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 Trustee and, if such evidence be satisfactory to them and indemnity satisfactory to it shall be given, the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in replacement 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 replacement Bond, the Trustee may pay the same without surrender thereof upon receipt of the above-mentioned indemnity). The Authority may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee. Any Bond issued under the provisions of this Section 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.

### ARTICLE III

#### ISSUANCE OF THE BONDS; APPLICATION OF PROCEEDS

**Section 3.01. Issuance of the Bonds.** Upon execution and delivery of this Indenture, the Authority shall execute and deliver the Bonds to the Trustee for authentication and delivery to the Placement Agent who shall deliver the Bonds to the Original Purchaser thereof upon the written request of the Authority.

**Section 3.02. Application of Proceeds of the Bonds.** Upon the receipt of payment for the Bonds on the Closing Date, the Trustee shall apply the proceeds of sale thereof by depositing \$ \_\_\_\_\_ representing the aggregate principal amount of the Bonds in the Program Fund.

In addition, the Trustee shall deposit the following amounts received by the Trustee from the Fiscal Agents under the Fiscal Agent Agreements for the Special Tax Refunding Bonds to the following funds and accounts:

- (a) in the Costs of Issuance Fund \$\_\_\_\_\_ for payment of Costs of Issuance.

**Section 3.03. Program Fund.** The Trustee shall establish and maintain a separate fund to be known as the “Program Fund” into which shall be deposited a portion of the proceeds of the sale of the Bonds pursuant to Section 3.02. The Trustee shall use the proceeds of the Bonds in the Program Fund to purchase the applicable Special Tax Refunding Bonds on the Closing Date as directed in writing by the Authority and shall deposit and hold the applicable Special Tax Refunding Bonds in the Program Fund.

**Section 3.04. Costs of Issuance Fund.** The Trustee shall establish and maintain a separate fund to be held by the Trustee known as the “Costs of Issuance Fund” into which shall be deposited the amounts set forth in Section 3.02 (a) above. The moneys in the Costs of Issuance Fund shall be used to pay Costs of Issuance of the Bonds from time to time upon receipt of a Requisition of the Authority substantially in the form of Exhibit E and approved by an Authorized Representative. On the date which is one hundred eighty (180) days following the Closing Date of the Bonds, or upon the earlier receipt by the Trustee of a Written Request of the Authority stating that all Costs of Issuance have been paid, the Trustee shall transfer all remaining amounts in the Costs of Issuance Fund to the Revenue Fund.

**Section 3.05. Additional Funds and Accounts.** The Trustee may establish additional accounts or subaccounts of the funds and accounts described herein as the Trustee shall deem necessary in furtherance of its duties pursuant to this Indenture. Additionally, the Authority may request the establishment of such additional accounts as it deems necessary to meet its obligations pursuant to Article 6 hereof and the Trustee shall establish such accounts.

**Section 3.06. 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 acquisition of the Special Tax Refunding Bonds. The recital contained in the Bonds that the same are issued pursuant to the constitution and laws of the State of California 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. Redemption; Special Mandatory Redemption.**

(a) **Optional Redemption of the Bonds.** The Bonds may be redeemed at the option of the Authority from any source of funds other than prepayment of Special Taxes, prior to their stated maturity, as a whole or in part (in the principal amount of \$100,000 or any integral multiples of \$5,000 in excess thereof) on any date on or after March 1, 20\_\_, from such maturities as are selected by the District, and by lot within a maturity, by paying the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

For purposes of the selection of Bonds for redemption pursuant to this subsection (a), the Bonds shall be selected for redemption among maturities by the Authority (evidenced pursuant to a Written Certificate of the Authority delivered to the Trustee at least 60 days prior to the redemption date or such later date as shall be acceptable to the Trustee) on such basis that the debt service on the Special Tax Refunding Bonds on each Interest Payment Date will be sufficient to pay debt service on the Bonds on

such Interest Payment Date, as shall be demonstrated in a report of an Independent Financial Consultant filed with the Trustee; provided, however, that no such report need be filed with the Trustee if, after such redemption, no Bonds will be Outstanding.

(b) Mandatory Redemption of the Bonds from Principal Prepayments of the Special Tax Refunding Bonds. The Bonds shall be subject to redemption on any Interest Payment Date, prior to maturity, as a whole or in part from such maturities, as are selected by the Authority, from Prepayments of Special Taxes, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date of redemption; provided, however, that the Bonds that remain Outstanding after any such redemption pursuant to this Section 4.01(b) shall be in authorized denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof.

The principal amount of the Bonds to be redeemed pursuant to this subsection (b) from any such Principal Prepayments shall be the greatest principal amount of Bonds, the redemption price of which is less than or equal to such Principal Prepayments, as specified in a Written Request of the Authority delivered to the Trustee. In the event that a Fiscal Agent for any Series of the Special Tax Refunding Bonds shall mail notice of redemption of any such Special Tax Refunding Bonds which will produce Principal Prepayments, the Trustee shall concurrently mail notice of the redemption of Bonds pursuant to this subsection (b), such redemption to occur on the date fixed for redemption of such Special Tax Refunding Bonds. On the date of such redemption of such Special Tax Refunding Bonds, the proceeds of any such redemption shall be applied by the Trustee to pay the redemption price of Bonds pursuant to this subsection (b).

For purposes of the selection of Bonds for redemption pursuant to this subsection (b), the Bonds shall be selected for redemption among maturities by the Authority (evidenced pursuant to a Written Certificate of the Authority delivered to the Trustee at least 60 days prior to the redemption date or such later date as shall be acceptable to the Trustee) on such basis that the debt service on the Special Tax Refunding Bonds on each Interest Payment Date will be sufficient to pay debt service on the Bonds on such Interest Payment Date, as shall be demonstrated in a report of an Independent Financial Consultant filed with the Trustee; provided, however, that no such report need be filed with the Trustee if, after such redemption, no Bonds will be Outstanding.

(c) Mandatory Sinking Fund Redemption of the Bonds. The Bonds maturing on September 1, 20\_\_ and September 1, 20\_\_ are subject to mandatory redemption in part by lot, beginning September 1, 20\_\_, and September 1, 20\_\_, respectively, from mandatory sinking payments made by the Authority at a redemption price equal to the principal amount thereof to be redeemed, without premium, plus accrued interest thereon to the date of redemption in the aggregate respective principal amounts:

**BONDS MATURING SEPTEMBER 1, 20\_\_**

<i>Year</i>	<i>Principal Amount</i>
(maturity)	\$

**BONDS MATURING SEPTEMBER 1, 20\_\_**

<i>Year</i>	<i>Principal Amount</i>
(maturity)	\$

If some but not all of the Bonds maturing on September 1, 20\_\_ are redeemed pursuant to Section 4.01(a), the principal amount of the Bonds maturing on September 1, 20\_\_ to be redeemed pursuant to Section 4.01(c) on any subsequent September 1 shall be reduced, by \$5,000 or an integral multiple thereof, as designated by the Authority in a Written Certificate of the Authority filed with the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of Bonds maturing on September 1, 20\_\_ redeemed pursuant to Section 4.01(a). If some but not all of the Bonds maturing on September 1, 20\_\_ are redeemed pursuant to Section 4.01(b), the principal amount of the Bonds maturing on September 1, 20\_\_ to be redeemed pursuant to Section 4.01(c) on any subsequent September 1 shall be reduced by the aggregate principal amount of the Bonds maturing on September 1, 20\_\_ pursuant to Section 4.01(b), such reduction to be allocated among redemption dates as nearly as practicable on a *pro rata* basis in amounts of \$5,000 or integral multiples thereof, as determined by the Trustee, notice of which determination shall be given by the Trustee to the Authority.

**Section 4.02. Selection of Bonds of a Maturity for Redemption.**

Whenever provision is made in this Indenture for the redemption of less than all of the Bonds of a maturity, the Trustee shall select the Bonds to be redeemed from all Bonds of such maturity not previously called for redemption, by lot in any manner which the Authority in its sole discretion shall deem appropriate and fair. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 Authorized Denominations and such separate Authorized Denominations shall be treated as separate Bonds which may be separately redeemed.

**Section 4.03. Notice of Redemption.**

(a) Contents of Notice. Notice of redemption shall be mailed by the Trustee, by first class mail, postage prepaid, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Registration Books at least 30 days but not more than 60 days prior to the redemption date. Neither the failure to receive such notice nor any defect in the notice so mailed will affect the sufficiency of the proceedings for redemption of such Bonds or the cessation of accrual of interest on the redemption date. Each notice of redemption shall state the redemption date, the place or places of redemption and the Bond numbers of the Bonds to be redeemed, and in the case of Bonds to be redeemed in part only, the respective Authorized Denominations of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the principal amount relating thereto or of said specified portion of the principal thereof in the case of a Bond to be redeemed in part only, plus accrued interest, if any, and through which date such interest will accrue, and that from and after such date interest thereon shall cease to accrue or compound, as applicable, and shall require that such Bonds be then surrendered at the Principal Office of the Trustee. Neither the failure of any Bond Owner to receive any notice so mailed nor any defect therein shall affect the sufficiency of the proceedings for redemption of any Bonds nor the cessation of accrual of interest thereon.

(b) Conditional Notice of Redemption. Any notice of optional redemption of the Bonds delivered in accordance with this Section 4.03 may be conditional and if any condition stated in the notice of redemption shall not have been satisfied on or prior to the redemption date, said notice shall be of no force and effect and the Authority shall not be required to redeem such Bonds and the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, to the persons and in the manner in which the notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled.

The Authority may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners

of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the Redemption Account or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

(c) Given On Behalf of the Authority. 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 4.04. Partial Redemption of Bonds.** In the event that only a portion of any Bond is called for redemption, upon surrender of such Bond the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond of Authorized Denominations equal in aggregate principal amount or maturity amount, as applicable, representing the unredeemed portion of the Bond to be redeemed.

**Section 4.05. Effect of Notice of Redemption.** Notice having been given as aforesaid, and moneys for the redemption (including the interest to the applicable date of redemption and including any applicable premium), having been set aside in the Redemption Fund or any of the accounts therein, the Bonds to be redeemed shall become due and payable on said date of redemption, and, upon presentation and surrender thereof at the Principal office of the Trustee, said Bonds shall be paid at the redemption price thereof, together with interest, accrued and unpaid to said date of redemption and premium, if any.

If, on said date of redemption, moneys for the redemption of the Bonds to be redeemed, together with interest to said date of redemption, shall be held by the Trustee so as to be available therefor on such date of redemption, and, if notice of redemption thereof shall have been given as aforesaid and not cancelled, then, from and after said date of redemption, interest represented by such Bonds shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed without liability for interest thereon.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Article IV shall be cancelled upon surrender thereof and destroyed.

Notice of the special redemption of Bonds shall be given upon receipt of notice of prepayment of the Special Tax Refunding Bonds.

## ARTICLE V

### REVENUES; FUNDS AND ACCOUNTS

#### **Section 5.01. Pledge and Assignment.**

(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 (excluding the Residual Account and the Rebate Fund) are hereby pledged by the Authority to secure the full and timely payment of the principal of and interest and premium, if any, of the Bonds in accordance with their terms and the provisions of this Indenture. Said pledge shall constitute a lien on and security interest in such assets and shall attach, be perfected, and be valid and binding from and after

delivery of the Bonds by the Trustee and the Revenues and other items pledged hereunder shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act.

(b) Subject to the provisions of this Indenture, the Authority hereby pledges and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues, all of the monies, and securities in the funds and accounts created hereunder (excluding the Residual Account and the Rebate Fund), as their interests appear and other amounts pledged in paragraph (a) above and all of the right, title, and interest of the Authority in the Special Tax Refunding Bonds. The Authority shall collect and receive, or cause to be collected and received by the Trustee, all such Revenues, and Revenues collected or received by the Authority, or collected and received by the Trustee on behalf of the Authority, shall be deemed to be held, and to have been collected or received, by the Authority, in trust, and shall be paid to the Trustee as set forth herein. The Trustee also shall be entitled to and may take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, by itself, all of the rights of the Authority and all of the obligations of the Community Facilities District under and with respect to the applicable Special Tax Refunding Bonds.

**Section 5.02. Establishment of Revenue Fund; Allocation of Revenues.** The Authority shall establish with the Trustee a special fund designated the "Revenue Fund" which the Trustee shall maintain and hold in trust. Within the Revenue Fund, the Trustee shall establish special accounts designated as the "Principal Account," the "Interest Account," the "Redemption Account," and the "Residual Account." Such fund and accounts shall be held and maintained as separate and distinct funds and accounts. All Revenues shall be promptly transferred to the Trustee by the Authority and deposited by the Trustee upon receipt thereof in a special fund hereby established with the Trustee and designated as the "Revenue Fund" which the Trustee shall maintain and hold in trust. All Revenues deposited with the Trustee shall be held, disbursed, allocated, and applied by the Trustee only as provided in this Indenture.

On each Interest Payment Date, the Trustee shall transfer all Revenues (other than Revenues resulting from the redemption of Special Tax Refunding Bonds as the result of the prepayment of Special Taxes, which shall be transferred as described below) then in the Revenue Fund into the following funds and accounts based upon the following deposit requirements and 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 deposit is made to any account subsequent in priority:

(a) The Trustee shall deposit in the Interest Account an amount which, together with the amounts then on deposit therein is sufficient to cause the aggregate amount on deposit in the Interest Account to equal the amount of interest coming due and payable on the Bonds on such Interest Payment Date and any amount of interest previously due and unpaid.

(b) The Trustee shall deposit in the Principal Account, if necessary, an amount which, together with the amounts then on deposit therein, is sufficient to cause the aggregate amount on deposit in the Principal Account to equal the amount of principal or mandatory sinking account payment coming due and payable on the Bonds within the Bond Year and any amount of principal previously due and unpaid.

(c) The Trustee shall deposit in the Rebate Fund, if necessary, an amount which is sufficient to cause the aggregate amount on deposit in the Rebate Fund to equal the amount of any payment then required to be made to the United States, as directed by the Authority.

(d) On June 30 of each Fiscal Year, the Trustee shall determine if the funds then on deposit in the Revenue Fund, together with the funds on deposit with the Fiscal Agent for each Outstanding Special Tax Refunding Bond and available to pay scheduled debt service on such Special Tax Refunding

Bond on the following September 1, are in excess of the amount necessary to pay scheduled debt service on the Outstanding Bonds on the following September 1. If such an excess exists, the Trustee shall notify the Authority and the City of the amount of such excess and shall transfer from the funds then on deposit in the Revenue Fund an amount up to such excess to the Residual Account.

(e) On September 2, the Trustee shall transfer all remaining amounts on deposit in the Revenue Fund to the Residual Account to be applied as provided in Section 5.05.

The Trustee shall deposit in the Redemption Account those Revenues representing Principal Prepayments and which are to be used for the mandatory redemption of the Bonds. The Trustee shall deposit in the Redemption Account those Revenues resulting from the optional redemption of the Special Tax Refunding Bonds, and which the Authority has directed the Trustee to use for the optional redemption of the Bonds.

**Section 5.03. Application of Interest Account.** Subject to the provisions of this Indenture, 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 or, at the Written Request of the Authority filed with the Trustee, to apply to the payment of accrued interest on any Bonds purchased by the Authority pursuant to Section 5.06 in lieu of redemption pursuant to Article IV. Any amounts on deposit in the Interest Account on any Interest Payment Date which are not required to pay interest then due and payable on the Bonds shall be transferred to the Residual Account.

**Section 5.04. Application of Principal Account.** Subject to the provisions of this Indenture, all amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal or maturity amount, as applicable, of the Bonds upon the stated maturity thereof or upon any prior redemption of the Bonds with the proceeds of mandatory sinking payments. Any amounts on deposit in the Principal Account on any Interest Payment Date which are not required to pay the principal amount or maturity amount, as applicable, then due and payable on the Bonds shall be transferred to the Residual Account.

**Section 5.05. Application of Residual Account.** Amounts in the Residual Account shall no longer be considered Revenues and are not pledged to repay the Bonds. So long as the Special Tax Refunding Bonds are outstanding under the terms of the Fiscal Agent Agreements, on July 1 following any transfer to the Residual Account pursuant to Section 5.02(e) and on September 2 of each year, the remaining balance in the Residual Account shall, except as provided below, be transferred to the Special Tax Fund (as such terms are defined in the Fiscal Agent Agreements) established and held by the Fiscal Agent for each Special Tax Refunding Bond proportionately based on their respective Proportionate Share. In the event that the Special Tax Refunding Bonds have been paid or defeased, then any amounts in the Residual Account shall be paid by the Trustee to the Authority to be used for any lawful purpose.

The amount of the transfer to the Special Tax Fund for a Special Tax Refunding Bond calculated pursuant to the preceding paragraph shall be reduced by the amount of any outstanding deficiency, as of the date of such transfer, in the payment of debt service on such Special Tax Refunding Bond occurring in the Bond Year ending the September 1<sup>st</sup> immediately preceding such transfer date.

**Section 5.06. Establishment and Application of Redemption Account.** The Authority shall establish a special account within the Revenue Fund designated as the "Redemption Account," which account the Trustee shall maintain and hold in trust as a separate and distinct account within such fund. The Trustee shall deposit in the Redemption Account any amounts required or permitted to be applied to the redemption of Bonds pursuant to Section 4.01 (a) or (b) hereunder.

Subject to the provisions of this Indenture, all amounts deposited in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of redeeming the Bonds in the manner and upon the terms and conditions specified in Section 4.01 (a) or (b), at the next succeeding date of redemption for which notice has been given and at the redemption prices then applicable. At any time prior to selection of Bonds for such notice of redemption, the Trustee may, at the Written Request of the Authority, apply amounts on deposit in the Redemption Account to the purchase of such Bonds, for cancellation, at public or private sale, as and when and at prices not exceeding the par amount thereof (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account).

**Section 5.07. Establishment and Application of the Rebate Fund.** When and if necessary, the Trustee shall establish and maintain a separate fund to be held by the Trustee and known as the “Rebate Fund.” The Trustee shall, in accordance with written directions received from an Authorized Representative of the Authority, deposit into the Rebate Fund moneys transferred by the Fiscal Agent pursuant to the provisions of the applicable Fiscal Agent Agreement or Fiscal Agent Agreements. The Rebate Fund shall be held either uninvested or invested only in Permitted Investments described in paragraph B.5 of the definition thereof at the written direction of the Authority. Moneys on deposit in the Rebate Fund shall be applied only to payments made to the United States, to the extent such payments are required by the Tax Certificate. The Trustee shall, upon written request and direction of an Authorized Representative of the Authority, make such payments to the United States.

The Trustee shall be deemed conclusively to have complied with the provisions of this Section 5.07 if it follows the Request of the Authority, and shall have no liability or responsibility to enforce compliance by the Authority with the terms hereof or of the Tax Certificate and shall rely conclusively upon the Authority’s determinations, calculations and certifications required by this Section. The Trustee shall have no responsibility to independently make any calculation or determination or to review the Authority’s calculations hereunder. The Trustee’s sole responsibilities under this Section 5.07 are to follow the written instructions of the Authority pertaining hereto. The Authority shall be responsible for any fees and expenses incurred by the Trustee pursuant to Section 5.08.

The Trustee shall, upon written request and direction from an Authorized Representative of the Authority, transfer to or upon the order of the Authority any moneys on deposit in the Rebate Fund in excess of the amount, if any, required to be maintained or held therein in accordance with the Tax Certificate.

**Section 5.08. Investment of Moneys.** Except as otherwise provided herein, all moneys in any of the funds or accounts established pursuant to the Indenture shall be invested by the Authority solely in Permitted Investments, or, if such fund or account is held by the Trustee solely in Permitted Investments, as directed in writing by the Authority two (2) Business Days prior to the making of such investment. Such investment instructions shall certify that the investment is a Permitted Investment. Permitted Investments may be purchased at such prices as the Authority shall determine. All Permitted Investments shall be acquired subject to any restrictive instructions given to the Trustee pursuant to Section 6.07 and such additional limitations or requirements consistent with the foregoing as may be established by the Written Request of the Authority. Moneys in any funds and accounts shall be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in this Indenture. Absent timely written direction from the Authority, the Trustee shall invest any funds held by it in Permitted Investments described in clause B(5) of the definition thereof; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a written direction from the Authority specifying a specific money market fund and, if not such written direction from the Authority is so received, the Trustee shall hold such moneys uninvested.

All interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Indenture shall be deposited in the Revenue Fund. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Permitted Investments equal to the amount of accrued interest, if any, paid as part of the purchase price of such Permitted Investments shall be credited to the fund from which such accrued interest was paid.

Permitted Investments acquired as an investment of moneys in any fund established under this Indenture shall be credited to such fund. Permitted Investments shall be valued by the Trustee as specified in Exhibit B hereto. The Authority shall restore the amount on deposit in any fund or account resulting from a decline in market value no later than the succeeding valuation date.

The Trustee or an affiliate may act as principal or agent in the making or disposing of any investment and shall be entitled to its customary fee therefor. Upon the Written Request of the Authority, or as required for the purposes of the provisions of this Indenture, the Trustee shall sell or present for redemption, any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal, or disbursement from the fund to which such Permitted Investments are credited, and the Trustee shall not be liable or responsible for any loss resulting from any investment made or sold pursuant to this Section 5.08.

## ARTICLE VI

### PARTICULAR COVENANTS

**Section 6.01. Punctual Payment.** The Authority shall punctually pay or cause to be paid the principal, premium, if any, and interest to become due in respect of 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 and received by the Authority or the Trustee.

**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 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, including other programs under the Bond Law, and reserves the right to issue other obligations for such purposes.

**Section 6.04. Power to Issue Bonds and Make Pledge Assignment.** The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues, the Special Tax Refunding Bonds and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. 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, and the Authority and the Trustee, subject to the provisions of

Article VIII, shall at all times, 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 Bond Owners under this Indenture against all claims and demands of all Persons whomsoever.

**Section 6.05. Accounting Records and Financial Statement.** The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the Bond proceeds, the Revenues, the Special Tax Refunding Bonds and all funds and accounts established with the Trustee pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority, the Independent Financial Consultant, the Original Purchaser, and the Community Facilities District, during regular business hours and upon reasonable notice and under reasonable circumstances as agreed to by the Trustee. The Trustee shall furnish the Authority periodic cash transaction statements which include detail for all investment transaction effected by the Trustee or brokers selected by the Authority. Upon the Authority's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Authority waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The Authority further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

The Authority shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with generally accepted accounting principles, in which complete and accurate entries shall be made of all transactions relating to the Bond proceeds, the Revenues, the Special Tax Refunding Bonds and all funds and accounts established pursuant to this Indenture (other than those records and accounts kept by the Trustee). Such books of record and account shall be available for inspection by the Trustee, the Independent Financial Consultant, and the Community Facilities District, during regular business hours and upon twenty-four (24) hours, notice and under reasonable circumstances as agreed to by the Authority.

**Section 6.06. 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 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 6.07. Tax Covenants.** The Authority will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Authority or take or omit to take any action that would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Tax Code, or obligations which are "federally guaranteed" within the meaning of Section 149(b) of the Tax Code. The Authority will not allow five percent (5%) or more of the proceeds of the Bonds to be used in the trade or business of any non-governmental units and will not loan five percent (5%) or more of the proceeds of the Bonds to any non-governmental units.

The Authority covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 of the Tax Code. The Authority will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Authority, or take or omit to take any action, that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code. To that end, the Authority will comply with all requirements of Section 148 of the Tax Code to the extent applicable to the Bonds. In the event that at any time the Authority is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on the investment of any monies held

under this Indenture or otherwise the Authority shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

Without limiting the generality of the foregoing, the Authority agrees that there shall be paid from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Tax Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Bonds from time to time. This covenant shall survive payment in full or defeasance of the Bonds.

Notwithstanding any provision of this Section, if the Authority shall obtain an opinion of Bond Counsel to the effect that any action required under this covenant is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on the Bonds pursuant to Section 103 of the Tax Code, the Trustee may rely conclusively on such opinion in complying with the provisions hereof, and the covenant hereunder shall be deemed to be modified to that extent.

**Section 6.08. Collection of Revenues.** The Authority shall cause to be collected and paid to it all Revenues payable with respect to the Special Tax Refunding Bonds promptly as such Revenues become due and payable, and shall vigorously enforce and cause to be enforced all rights of the Authority and the Trustee under and with respect to the Special Tax Refunding Bonds. Upon any failure of the Authority to perform as required by this Section 6.08, the Trustee shall, subject to the provisions of Article VIII hereof, take appropriate actions to collect and cause the Revenues to be paid to the Trustee.

**Section 6.09. Special Tax Refunding Bonds.** The Authority, the Trustee and the applicable Community Facilities Districts may at any time consent to, amend or modify any of the applicable Special Tax Refunding Bonds pursuant to the terms thereof, (i) with the prior consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, or (ii) without the consent of any of the Owners, if such amendment or modification is for any one or more of the following purposes:

(a) to add to the covenants and agreements contained in such Special Tax Refunding Bonds, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power therein reserved to or conferred upon the applicable Community Facilities District; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in such Special Tax Refunding Bonds, or in any other respect whatsoever as such Community Facilities District may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the Owners of the Bonds; or

(c) to amend any provision thereof to the extent necessary to comply with the Code, but only if and to the extent such amendment will not adversely affect the exclusion from gross income of the interest on any of the Bonds under the Code, in the opinion of nationally-recognized bond counsel.

**Section 6.10. Limitation on Defeasance, Sale and Refunding of Special Tax Refunding Bonds.** The Authority shall not consent to a sale, defeasance or optional redemption of any Special Tax Refunding Bonds unless the Authority shall provide to the Trustee a certificate of an Independent Financial Consultant or an Independent Accountant, certifying that after giving effect to the redemption, cash flows from the Special Tax Refunding Bonds will be sufficient to satisfy the ongoing requirement for payment of principal of and interest on the Bonds.

**Section 6.11. Annual Reporting Requirements to Original Purchaser.** The Authority acknowledges that on or before each March 31 of each year, the Community Facilities Districts shall provide to the Original Purchaser copies of the audited financial statements, along with the following

information: (a) the amount of Bonds outstanding (as of the prior [Bond Year/Fiscal Year]); (b) the balance in each fund administered by the Fiscal Agent Agreement (as of the prior [Bond Year/Fiscal Year]); (c) a summary of special taxes levied within the Community Facilities District and an update of the assessed value within the Community Facilities District (as of the prior Fiscal Year); (d) a summary of any changes to the RMA of special taxes approved or submitted to the electors for approval prior to the annual report; (e) the status of foreclosure action being pursued by the District with respect to special taxes (as of the prior [Bond Year/Fiscal Year]); (f) the delinquency rate for the special taxes for the preceding Fiscal Year and the identity of any property owner whose delinquent special taxes represented more than 5% of the amount levied and assessed value to lien ratios of such delinquent properties; (g) any additional information provided to the California Debt and Investment Advisory Commission pursuant to the Fiscal Agent Agreements and not otherwise provided to the Original Purchaser. The Community Facilities Districts shall further provide to the Original Purchaser: (a) within three (3) Business Days after the Community Facilities District obtains knowledge thereof, notice by telephone, promptly confirmed in writing, of any event that constitutes an Event of Default under this Indenture or the Fiscal Agent Agreement, as applicable, together with a statement by an Authorized Representative of the District of the steps being taken by the Community Facilities District to cure such Event of Default; (b) within ten (10) days after the Community Facilities District obtains knowledge thereof, written notice of any Material Adverse Effect; and (c) within ten (10) days after receipt of request therefor by the Original Purchaser, updates, if any, of the information described in Section 5.14 of the Fiscal Agent Agreements.

**Section 6.12. Agency as Party to the Agreement.** The Authority covenants and agrees that it will comply with all of its obligations under this Indenture and the Bonds whether or not the Agency is a party under the Agreement

**Section 6.13. 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 OF BOND OWNERS

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

- (a) if default by the Authority shall be made 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 sinking fund redemption, by acceleration, or otherwise;
- (b) if default shall be made 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) if default shall be made 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 contained, if such default shall have continued for a period of thirty (30) days after written notice thereof which grace period shall not be extended beyond sixty (60) days, Trustee or the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time Outstanding as determined in Section 13.12 hereof; provided, however, if the failure stated in the notice can be corrected, but not within the applicable period, the Authority, the Trustee, and such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Authority within the applicable period and diligently pursued until the default is corrected;

- (d) the occurrence of an Event of Bankruptcy with respect to the Authority; and
- (e) the occurrence of a default under any Special Tax Refunding Bond.

**Section 7.02. Acceleration.** The Bonds are not subject to acceleration.

**Section 7.03. Remedies of Bond Owners.** Subject to the provisions of Sections 7.03 and 7.07, any Bond Owner shall have the right, for the equal benefit and protection of all Bond Owners similarly situated:

- (a) by mandamus, suit, action, or proceeding, to compel the Authority and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Indenture and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the Authority and the fulfillment of all duties imposed upon it by the Bond Law;
- (b) by suit, action, or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bond Owners, rights; or
- (c) upon the happening of any Event of Default, by suit, action, or proceeding in any court of competent jurisdiction, to require the Authority and its members and employees to account as if it and they were the trustees of an express trust.

**Section 7.04. 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 Authority shall, immediately upon receipt by the Authority, be transferred by the Authority to the Trustee and be deposited by the Trustee in the Revenue Fund and all amounts held in the Revenue Fund by the Trustee and all Revenues and any other funds then held or thereafter received by the Authority or 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 fees and expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and payment of reasonable 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;
- (b) To the payment of the principal of and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to 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 call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption, 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.

**Section 7.05. Trustee to Represent Bond Owners.** Subject to the provisions of Sections 7.03 and 7.12, 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 the Owners under the provisions of the Bonds, this Indenture, the Bond Law and applicable provisions of any other 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 Bond Owners, the Trustee in its discretion may, and upon the written request of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, as determined pursuant to Section 13.13 hereof, 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 and such Owners under the Bonds, this Indenture, the applicable Supplemental Indenture, the Bond Law 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 the Owners of such Bonds, subject to the provisions of this Indenture.

**Section 7.06. Appointment of Receivers.** Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners of the Bonds under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Revenues and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment shall confer.

**Section 7.07. Bond Owners' Direction of Proceedings.** Subject to Section 7.12, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, as determined pursuant to Section 13.13 hereof, 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 be unjustly prejudicial to Bond Owners not parties to such direction.

**Section 7.08. Limitation on Bond Owners' Right to Sue.** 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 Agreement, the Bond Law 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 not less than a majority in aggregate principal amount of the Bonds then Outstanding, as determined pursuant to Section 13.13 hereof, 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 said Owners shall have tendered to the Trustee indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

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 not 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 Owner of the Bonds, or to enforce any right under the Bonds, this Indenture, the Bond Law 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 7.09. Absolute Obligation of Authority.** Nothing in Section 7.08 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 and received by the Authority or the Trustee, 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 7.10. Termination of Proceedings.** In case any proceedings taken by the Trustee or any one or more Bond 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 Bond Owners, then in every such case the Authority, the Trustee and the Bond Owners, object 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 Bond Owners shall continue as though no such proceedings had been taken.

**Section 7.11. 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 7.12. 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 default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

## ARTICLE VIII

### THE TRUSTEE

#### **Section 8.01. Duties and Liabilities of Trustee.**

(a) The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Indenture. The Trustee shall, during the existence of any Event of Default which has not been cured, exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Authority may remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an

instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, as determined pursuant to Section 13.13 hereof (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee and thereupon shall appoint a successor Trustee by an instrument in writing. Notwithstanding anything herein to the contrary, the Trustee must at all times be the same entity (at the same branch office) as the Fiscal Agent for the Special Tax Refunding Bonds.

(c) The Trustee may at any time resign by giving written notice of such resignation by first class mail, postage prepaid, to the Authority and the Bond Owners at the respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing. The Trustee shall not be relieved of its duties until such successor Trustee has accepted appointment.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days following giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bond Owner (on behalf of himself and all other Bond Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority and to its predecessor Trustee a written acceptance thereof, and to the predecessor Trustee an instrument indemnifying the predecessor Trustee for any costs or claims arising during the time the successor Trustee serves as Trustee hereunder, and after payment by the Authority of all unpaid fees and expenses of the predecessor Trustee, the successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the written Request of the Authority or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties, and obligations. Upon acceptance of appointment by a successor Trustee as provided for in this subsection, the Authority shall mail or cause the successor Trustee to mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then maintains a rating on the Bonds and to the Bond Owners at the addresses shown on the Registration Books. If the Authority fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(e) Any Trustee appointed under the provisions of this Section 8.01 in succession to the Trustee shall be a trust company or bank in good standing located in or incorporated under the laws of the State of California, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported combined capital and surplus of not less than seventy-five million dollars (\$75,000,000). If such bank or trust company publishes a report of condition at least annually, pursuant

to law or to the requirements of any supervising or examining agency above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

(f) Notwithstanding any other provision of this Indenture, no removal, resignation or termination of the Trustee shall take effect until a successor shall be appointed.

**Section 8.02. Merger or Consolidation.** Any bank or trust company into which the Trustee may be merged or converted or with which it may be consolidated, or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party, or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or trust company shall be eligible under subsection (e) of Section 8.01, shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

**Section 8.03. Liability of Trustee.**

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture or of the Bonds or shall incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its Certificate of Authentication on the Bonds. The Trustee makes no representations as to the validity or sufficiency of the Indenture, or of any Bonds, or any Special Tax Refunding Bond or in respect of the security afforded by this Indenture and the Trustee shall incur no responsibility in respect thereof. The Trustee shall be under no responsibility or duty with respect to: (i) the issuance of the Bonds for value; (ii) the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee; or (iii) the application of any moneys paid to the Authority or others in accordance with this Indenture except as the application of any moneys paid to the Trustee in its capacity as Trustee. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own gross negligence or willful default and the negligence and willful misconduct of its agents. Absent negligence or willful misconduct, the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Indenture. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depositary 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 Bond Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

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

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds as determined pursuant to Section 13.13 hereof, at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) Absent negligence or willful misconduct, the Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

(e) The Trustee shall not be deemed to have knowledge of any default or Event of Default hereunder or under any Special Tax Refunding Bond unless a responsible officer shall have received written notice thereof, at its Principal Office, and it references the Bonds and this Indenture. Except as otherwise provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default thereunder.

(f) The Trustee shall be under no obligation to institute any suit or take any remedial action under this Indenture, or to enter any appearance in or in any way defend any suit in which it may be made defendant, or to take any steps in the execution of the trust hereby created or in the exercise of any rights or powers hereunder at the request, order, or direction of any Owners of Bonds or otherwise unless it shall be indemnified to its satisfaction against any and all reasonable costs and expenses, outlays and counsel fees and other disbursements, and against all liability not due to its negligence or willful misconduct; provided, however, that if the Trustee intends to rely on this Section 8.03(f) as a basis for non-action it shall so inform the Owners of the Bonds and the Authority as soon as possible.

(g) The Trustee shall have no duty to expend or risk its own funds in the performance of its duties hereunder.

(h) The Trustee will not incur liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Trustee (including but not limited to any act or provision of any present or future law or regulation or governmental authority, natural catastrophes, civil or military disturbances, loss or malfunction of utilities, any act of God or war, terrorism or the unavailability of the Federal Reserve Bank or other wire or communication facility).

(i) The Trustee's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the Bonds. All indemnifications and releases from liability granted herein to the Trustee shall extend to the Directors, Officers, Employees and Agents of the Trustee.

(j) In no event shall the Trustee be liable for any consequential, indirect, punitive or special damage relating to its performance of its duties under this Indenture except for damages caused by its own gross negligence or will misconduct as finally determined in a non-appealable judgment by a court of competent jurisdiction.

**Section 8.04. Right to Rely on Documents.** The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bonds or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be Bond Counsel or other counsel of or to the Authority, with regard to legal questions, and absent negligence or willful misconduct, the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith; provided, however, the Trustee shall in no event delay any payment with respect to the Bonds in anticipation of any such opinion.

Except as otherwise expressly provided in this Indenture, the Trustee shall not be bound to recognize any Person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is satisfactorily established, if disputed.

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 Written Certificate of the Authority, and such Written 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 Written 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.

**Section 8.05. Preservation and Inspection of Documents.** All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject during business hours, and upon reasonable notice, to the inspection of the Authority, the Community Facilities District and their agents and representatives duly authorized in writing.

**Section 8.06. Compensation; Indemnification.** The Authority shall cause to be paid to the Trustee from time to time all reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Indenture. However, the Authority shall not be liable for "overhead expenses" except as such expenses may be included as a component of the Trustee's stated annual fees. The Authority agrees to indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, including, but not limited to, claims of the Owners arising from the Trustee's actions pursuant to Section 10.04 hereof, and under any related documents, including the enforcement of any remedies and the defense of any suit, and which are not due to its negligence or its willful default. The duty of the Authority to indemnify the Trustee hereunder shall survive the termination and discharge of this Indenture. None of the provisions contained in the Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

**Section 8.07. Right of Trustee to Acquire Bonds.** The Trustee and its officers and directors may acquire and hold, or become the pledgee of, Bonds and otherwise deal with the Authority in the manner and to the same extent and with like effect as if it were not the Trustee hereunder.

## ARTICLE IX

### MODIFICATION OR AMENDMENT OF THE 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 a Supplemental Indenture, which the Authority and the Trustee may enter into with the written consent of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, as determined pursuant to Section 13.13 hereof, which 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, 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 (iii) 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 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 Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. The Trustee shall, at least fifteen (15) days in advance of the effective date of any Supplemental Indenture, cause to be mailed a notice (the form of which shall be furnished to the Trustee by the Authority) of the proposed modification or amendment of this Indenture containing a copy of the Supplemental Indenture intended to effectuate such amendment or modification. Promptly after the execution by the Authority and the Trustee of any Supplemental Indenture pursuant to this subsection (a), (i) the Trustee shall cause to be mailed a notice (the form of which shall be furnished to the Trustee by the Authority), by first class mail postage prepaid, setting forth in general terms the substance of such Supplemental Indenture, to the Owners of the Bonds at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(b) This Indenture and any Supplemental Indenture and the rights and obligations of the Authority, the Trustee, and the Owners of the Bonds may also be modified or amended from time to time and at any time by an indenture or indentures supplemental hereto, which the Authority and the Trustee may enter into without the consent of any Bond Owners, 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 as to any other provisions of the Indenture as the Authority may deem necessary or desirable, in any case which do not have a material and adverse affect on the security for the Bonds granted hereunder;

(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;

(iv) to modify, amend, or supplement this Indenture in such manner as to cause interest on the Bonds to be excludable, or remain, from gross income for purposes of federal income taxation by the United States of America; and

(v) to modify or amend any provision of this Indenture with any effect and to any extent whatsoever permissible by law, provided that any such modification or amendment shall apply only to the Bonds issued and delivered subsequent to the execution and delivery of the applicable Supplemental Indenture.

**Section 9.02. Effect of Supplemental Indenture.** Upon the execution of any Supplemental Indenture pursuant to this Article, 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 and the Trustee 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 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 and the Trustee, 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 of the Owners of any Bonds then outstanding shall be exchanged at the Office of the Trustee, without cost to any Bond Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same interest rate and maturity.

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

## ARTICLE X

### DEFEASANCE

**Section 10.01. Discharge of Indenture.** The Bonds or any portion thereof 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 and premium, if any, on the Bonds or any portion thereof, as and when the same become due and payable;
- (b) by irrevocably depositing with the Trustee, in trust (pursuant to an escrow agreement), at or before maturity, money or Defeasance Obligations in the necessary amount (as provided in Section 10.03) to pay or redeem all or any portion of the Bonds then Outstanding; or
- (c) by delivering to the Trustee, for cancellation by it, all or any portion of the Bonds then Outstanding.

If the Authority shall also pay or cause to be paid all other sums payable hereunder by the Authority including without limitation any compensation or other amounts due and owing the Trustee hereunder, 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 Bonds shall not have been surrendered for payment, this Indenture and the pledge of Revenues and other assets made under this Indenture and all covenants, agreements and other obligations of the Authority under this Indenture shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon the Written Request of the Authority, and upon receipt of a Written Certificate of an Authorized Representative of the Authority and an opinion of Bond Counsel acceptable to the Trustee, each to the effect that all conditions precedent herein provided for relating to the discharge and satisfaction of the obligations of the Authority have been satisfied, the Trustee shall cause an accounting for such period or periods as may be requested by the Authority to be prepared and filed with the Authority and 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 all moneys or securities or other property held by it

pursuant to this Indenture and the applicable Supplemental Indenture, which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption, to the Authority.

**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.** Subject to Section 13.09 hereof, 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, premium, if any, and all unpaid interest thereon to the redemption date; or

(b) Noncallable defeasance obligations (described in paragraph A of the definition of Permitted Investments), the principal of, premium, if any, and interest on which when due will provide money sufficient to pay the principal of and all unpaid interest to maturity, or to the redemption date, as the case may be, 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 the Trustee shall have been irrevocably instructed (by the terms of this Indenture or by Written Request of the Authority) to apply such funds to the payment of such principal and interest with respect to such Bonds.

**Section 10.04. Payment of Bonds After Discharge of Indenture.** Notwithstanding any provisions of this Indenture, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any Bonds (other than amounts provided by Treasurer) 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 or by acceleration 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 to the Authority free from the trusts created by this Indenture and the applicable Supplemental Indenture, and all liability of the Trustee, as applicable, 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 of the Authority and at the cost of the Authority, mail, by first class mail, postage prepaid, to the Owners of Bonds which have not

yet been paid, at the respective addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee, as applicable, 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, neither the Authority, nor any member thereof, shall 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 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. Successor Is Deemed Included in All References to Predecessor.** Whenever in this Indenture either 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 Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

**Section 11.03. Limitation of Rights to Parties and Bond 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 Community Facilities District, 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 Authority, the Trustee, the Community Facilities District, and the Owners of the Bonds.

**Section 11.04. 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 may, in lieu of such cancellation and delivery, destroy such Bonds as may be allowed by law, and upon the Written Request of the Authority deliver a certificate of such destruction to the Authority.

**Section 11.05. 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, subsection, 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, subsections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

**Section 11.06. Notices.** All notices or communications herein required or permitted to be given to the Authority or the Trustee shall be in writing and shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by facsimile, electronic transmission, overnight mail, courier or personal delivery or by being deposited, postage prepaid, in a post office letter box, addressed as follows:



unclaimed for two (2) years after the date when such bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee after said date when such Bonds become due and payable, shall be repaid by the Trustee to the Authority, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the Authority for the payment of such Bonds; provided, however, that before being required to make such payment to the Authority, the Trustee shall, at the expense of Authority, cause to be mailed to the Owners of all such Bonds, at their respective addresses appearing on the Bond Register, a notice that said moneys remain unclaimed and that, after a date in said notice, which date shall not be less than thirty (30) days after the date of mailing such notice, the balance of such moneys then unclaimed will be returned to the Authority.

**Section 11.11. 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 6.05 and for the protection of the security of the Bonds and the rights of every Owner thereof.

**Section 11.12. 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 known by the Trustee to be owned or held by or for the account of the Authority, 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 any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 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 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.

**Section 11.13. Determination of Percentage of Bond Owners.** Whenever in this Indenture the consent, direction or other action is required or permitted to be given or taken by a percentage of the Owners of an aggregate principal amount of Bonds Outstanding (including the owners of a majority in aggregate principal amount of the Bonds Outstanding), such percentage shall be calculated on the basis of the principal amount of the Outstanding Bonds.

**Section 11.14. Payment on Non-Business Days.** In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day.

**Section 11.15. Waiver of Personal Liability.** No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of or premium 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 member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

**Section 11.16. 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 11.17. Governing Laws.** This Indenture shall be governed by and construed in accordance with the laws of the State of California.

## ARTICLE XII

### DOCUMENTS TO BE DELIVERED AT CLOSING

**Section 12.01. Documents to be Delivered at Closing.** On or prior to the Closing Date, each of the Authority, the Trustee, and the Original Purchaser shall receive one copy of each of the following documents relating to the authorization and issuance of the Bonds.

**Section 12.02. Final Opinion of Bond Counsel.** The final opinion of Bond Counsel, dated the Closing Date, substantially in the form set forth in the Form of Bond attached as in Exhibit C hereto, together with a letter dated the Closing Date and addressed to each of the Trustee and the Original Purchaser authorizing the Original Purchaser to rely on said opinion.

**Section 12.03. Supplemental Opinion of Bond Counsel.** A supplemental opinion of Bond Counsel, dated the Closing Date, addressed to the Authority and the Original Purchaser to the effect that:

- A. the Authority is duly organized and validly existing under the Joint Powers Act;
- B. Each Community Facilities District is duly organized and validly existing as a community facilities district under the laws of the State of California; and
- C. the Bonds and the Special Tax Refunding Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Authority Indenture and the Fiscal Agent Agreements are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

**Section 12.04. Special Tax Refunding Bonds Bond Opinion.** An opinion of Bond Counsel, dated the Closing Date and addressed to the Community Facilities Districts with respect to the Special Tax Refunding Bonds, together with reliance letters addressed to the Authority and the Original Purchaser.

**Section 12.05. Special Tax Refunding Bonds Supplemental Opinion.** A supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Authority with respect to the Special Tax Refunding Bonds.

**Section 12.06. Defeasance Opinions of Bond Counsel.** Defeasance opinions of Bond Counsel, dated the Closing Date, with respect to the Prior Authority Bonds and the Prior 2007 Special Tax Bonds.

**Section 12.07. Opinion of City Attorney.** An opinion of the City Attorney of the City on behalf of the District, dated the Closing Date and addressed to the Trustee and the Original Purchaser to the effect that:

- A. the resolutions approving the issuance of the Bonds and Special Tax Refunding Bonds have been duly adopted at meetings of the Authority and the City Council, acting as the legislative body of the Community Facilities Districts, which meetings were called and held pursuant to law with all public notice required by law and at which a quorum was present and acting throughout and such resolution is in full force and effect and has not been modified, amended, or rescinded;
- B. to the best knowledge of such counsel, there is no action, suit, proceeding, or investigation before or by any court, public board, or body pending (notice of which has been served on

and received by the Authority or respective Community Facilities District) or threatened in writing against the Authority or any Community Facilities District, challenging the creation, organization, existence, or powers of the Authority or any Community Facilities District or the titles of its members and officers to their respective offices, seeking to restrain or enjoin the repayment of the Bonds or Special Tax Refunding Bonds, in any way contesting or challenging the validity of the Authority Documents or the Community Facilities Districts Documents or the authority of the Authority or Community Facilities Districts to enter into or perform their obligations under any of the Authority Documents or Community Facilities Districts Documents, questioning the right of the Community Facilities Districts to use the Special Taxes levied within the respective Community Facilities District for repayment of the Bonds or the right or ability of the Community Facilities Districts to collect or pledge the Special Taxes levied within the District, or wherein an unfavorable decision, ruling, or finding would materially adversely affect the right of the Community Facilities Districts to use the Special Taxes levied within the respective Community Facilities District for repayment of the Bonds or the right or ability of the Community Facilities Districts to collect or pledge the Special Taxes levied within the respective Community Facilities District; and

C. to the best knowledge of such counsel, the execution and delivery of the Authority Documents and the Community Facilities Districts Documents and compliance with the provisions thereof under the circumstances contemplated thereby, (a) do not in any material respect conflict with or constitute on the part of the Authority or the Community Facilities Districts a breach of or default under any agreement or other instrument to which the Authority or Community Facilities Districts are a party or by which it is bound, and (b) do not and will not in any material respect constitute on the part of the Authority or Community Facilities Districts a violation, breach of, or default under any court order or consent decree to which the Authority or the Community Facilities Districts are subject.

**Section 12.08. Opinion of Counsel to Trustee and Fiscal Agent.** An opinion of counsel to the Trustee and the Fiscal Agent (the “Trustee/Fiscal Agent”), dated the Closing Date and addressed to the Authority, the Community Facilities Districts and the Original Purchaser to the effect that:

A. the Bank is a national banking association, duly organized and validly existing under the laws of the United States, having full power to enter into and perform its obligations under this Indenture and the Fiscal Agent Agreement (collectively, the “Trustee/Fiscal Agent Agreements”);

B. assuming due execution by the other parties thereto, the Trustee/Fiscal Agent Agreements have been duly authorized, executed, and delivered by the Trustee/Fiscal Agent and constitute the legal, valid, and binding obligations of the Trustee/Fiscal Agent enforceable in accordance with their respective 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. no consent, approval, authorization, or other action by any governmental or regulatory authority having jurisdiction over the Trustee/Fiscal Agent that has not been obtained is or will be required for the execution and delivery of the Trustee/Fiscal Agent Agreements or the consummation of the transactions contemplated by the Trustee/Fiscal Agent Agreements; and

D. to the best knowledge of the Trustee/Fiscal Agent, the execution and delivery by the Trustee/Fiscal Agent of the Trustee/Fiscal Agent Agreements and compliance with the terms thereof will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution, or any other agreement or instrument to which the Trustee/Fiscal Agent is a party or by which it is bound, or any law or any rule, regulation, order, or decree of any court or governmental agency or body having jurisdiction over the Trustee/Fiscal Agent or any of its activities or

properties (except that no representation, warranty, or agreement is made by the Trustee/Fiscal Agent with respect to any federal or state securities or blue sky laws or regulations).

**Section 12.09. Opinion of Counsel to the Escrow Bank.** An opinion of counsel to the Escrow Bank (the “Escrow Bank”), dated the Closing Date and addressed to the Authority, the Community Facilities Districts and the Original Purchaser to the effect that:

A. the Escrow Bank is a national banking association, duly organized and validly existing under the laws of the United States, having full power to enter into and perform its obligations under the Escrow Agreements;

B. assuming due execution by the other parties thereto, the Escrow Agreements have been duly authorized, executed, and delivered by the Escrow Bank and constitute the legal, valid, and binding obligations of the Escrow Bank enforceable in accordance with their respective 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. no consent, approval, authorization, or other action by any governmental or regulatory authority having jurisdiction over the Escrow Bank that has not been obtained is or will be required for the execution and delivery of the Escrow Agreements or the consummation of the transactions contemplated by the Escrow Agreements; and

D. to the best knowledge of the Escrow Bank, the execution and delivery by the Escrow Bank of the Escrow Agreements and compliance with the terms thereof will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution, or any other agreement or instrument to which the Escrow Bank is a party or by which it is bound, or any law or any rule, regulation, order, or decree of any court or governmental agency or body having jurisdiction over the Escrow Bank or any of its activities or properties (except that no representation, warranty, or agreement is made by the Escrow Bank with respect to any federal or state securities or blue sky laws or regulations).

**Section 12.10. Community Facilities Districts Certificate.** A certificate of the Community Facilities Districts, dated the Closing Date and signed by an authorized official of each Community Facilities District, to the effect that:

A. the Community Facilities Districts are community facilities districts, duly organized and validly existing under the Constitution and laws of the State, with full right, power, and authority to enter into the Community Facilities District Documents, adopt the resolution authorizing the issuance of the Special Tax Refunding Bonds and the entering into the Community Facilities District Documents and to take all other actions on the part of the Community Facilities Districts relating thereto, issue, sell, and deliver the Bonds to the Original Purchaser, and carry out and consummate the transactions on its part contemplated by the Community Facilities District Documents;

B. by all necessary official action of the City Council, as the legislative body of the Community Facilities Districts, the Community Facilities Districts have duly authorized and approved the execution and delivery by each Community Facilities District of, and the performance by the Community Facilities Districts of the obligations on its part contained in, the Community Facilities District Documents and, as of the Closing Date, such authorizations and approvals are in full force and effect and have not been amended, modified, or rescinded. When executed and delivered by the parties thereto, the Community Facilities District Documents will constitute the legally valid and binding obligations of each Community Facilities District enforceable upon such Community Facilities District in accordance with

their respective 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 Special Taxes have been duly and lawfully levied under and pursuant to the provisions of the Act; and the Special Taxes constitute a valid and legally binding lien on land in the Community Facilities Districts. The Special Taxes are not subject to repeal or reduction by action of the City Council if the effect thereof would interfere with the timely payment of the principal of and interest on the Bonds;

D. as of the Closing Date, each Community Facilities District is not, in any material respect, in breach of or in default under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement, or other instrument to which the Community Facilities District 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 event of default under any such instrument which breach, default, or event could have a materially adverse effect on the Community Facilities District's ability to perform its obligations under the Community Facilities District Documents; and, as of the Closing Date, the authorization, execution, and delivery of the Community Facilities District Documents and compliance by the Community Facilities District with the provisions of each of such agreements or instruments does not and will not, in any material respect, conflict with or constitute a breach of or default under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement, or other instrument to which the Community Facilities District (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Community Facilities District Documents;

E. as of the Closing Date, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, government agency, public board, or body (collectively and individually, an "Action") pending (notice of which has been served on and received the Community Facilities Districts) or, to the best knowledge of the District, threatened, in which any such Action (i) in any way questions the corporate existence of the Community Facilities Districts or the titles of the officers of the Community Facilities Districts to their respective offices; (ii) affects, contests, or seeks to prohibit, restrain, or enjoin the issuance or delivery of the Bonds or the payment or collection of installments of the Special Taxes or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the Community Facilities District Documents or the consummation of the transactions on the part of the Community Facilities Districts contemplated thereby; or (iii) contests the exemption of interest on the Bonds from State income taxation or contests the powers of Community Facilities Districts which may result in any material adverse change relating to the financial condition of the Community Facilities Districts; and, as of the Closing Date, and to the best knowledge of the Community Facilities District, there is no basis for any Action of the nature described in clauses (i) through (iii) of this paragraph;

F. the Special Tax Refunding Bonds, when issued, executed, and delivered in accordance with the Fiscal Agent Agreements, will be validly issued and outstanding limited obligations of the Community Facilities Districts, entitled to the benefits of the Fiscal Agent Agreements. The Fiscal Agent Agreements create a valid pledge of the monies in certain funds and accounts established pursuant thereto, subject in all cases to the provisions of the Fiscal Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein; and

G. all authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency, or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, or which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Community Facilities Districts of, their obligations in connection with the Community Facilities District Documents have been duly obtained or made and are in full force and effect.

**Section 12.11. Trustee and Fiscal Agent's Certificate.** A certificate of the Trustee/Fiscal Agent, dated the Closing Date, to the following effect:

A. the Trustee/Fiscal Agent is duly organized and existing as a national banking association in good standing under the laws of the United States, having the full power and authority to accept and perform its duties under the Trustee/Fiscal Agent Agreements;

B. the Trustee/Fiscal Agent Agreements have been duly authorized, executed, and delivered by the Trustee/Fiscal Agent and constitute the legal, valid, and binding obligations of the Trustee/Fiscal Agent enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting enforcement of creditors rights, or by the application of equitable principles if equitable remedies are sought;

C. the Trustee/Fiscal Agent is duly authorized to accept the obligations created by the Trustee/Fiscal Agent Agreements, and to authenticate the Bonds pursuant to the terms of this Indenture; and to authenticate the Special Tax Refunding Bonds pursuant to the terms of the Fiscal Agent Agreements;

D. the Bonds have been duly authenticated pursuant to the terms of the Indenture and the Special Tax Refunding Bonds have been duly authenticated pursuant to the terms of the Fiscal Agent Agreements;

E. to the best knowledge of the Trustee/Fiscal Agent, there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending against the Trustee/Fiscal Agent or threatened against the Trustee/Fiscal Agent which in the reasonable judgment of the Trustee/Fiscal Agent would affect the existence of the Bank or in any way contesting or affecting the validity or enforceability of the Trustee/Fiscal Agent Agreements or contesting the powers of the Trustee/Fiscal Agent or its authority to enter into and perform its obligations under the Trustee/Fiscal Agent Agreements; and

F. no consent, approval, authorization, or other action by any governmental or regulatory authority having jurisdiction over the Trustee/Fiscal Agent that has not been obtained is or will be required for the authentication of the Bonds or the consummation by the Trustee/Fiscal Agent of the other transactions contemplated to be performed by the Bank in connection with the authentication of the Bonds and the acceptance and performance by the Trustee/Fiscal Agent of the obligations created by the Trustee/Fiscal Agent Agreements.

**Section 12.12. Verification Letter.** A letter addressed to the Authority or the Community Facilities District, as applicable, dated on or before the Closing Date, from Causey, Demgen & Moore Inc., Denver, Colorado (the "Verification Agent"), verifying the accuracy of the mathematical computations concerning the adequacy of the moneys to be deposited with the Escrow Bank in the Escrow Fund under the Escrow Agreements to pay when due pursuant to the stated maturity or call for redemption the principal of and interest and premium with respect to the Prior Authority Bonds and the Prior 2007 Special Tax Bonds.

**Section 12.13. Resolutions.** Copies of the resolutions adopted by the Authority and by the City Council, as the legislative body of the Community Facilities Districts, authorizing the issuance of the Bonds, certified by the Secretary of the Authority and the City Clerk of the City and the authorizing resolutions of the Bank.

**Section 12.14. CDIAC Statements.** Copies of the statements with respect to the sale of the Bonds required to be delivered to the California Debt and Investment Advisory Committee pursuant to Sections 53583 and 8855 of the California Government Code.

**Section 12.15. Form 8038-G.** Evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing.

**Section 12.16. Tax Certificate.** The Tax Certificate of the District, in form satisfactory to Bond Counsel, signed by an appropriate officer of the District; and

**Section 12.17. Additional Documents.** Such additional legal opinions, certificates, instruments, and other documents as Bond Counsel or the Original Purchaser may reasonably deem necessary.

IN WITNESS WHEREOF, the RANCHO CUCAMONGA PUBLIC FINANCE AUTHORITY has caused this Indenture to be signed in its name by its Executive Director, and MUFG UNION BANK, N.A., in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

RANCHO CUCAMONGA PUBLIC FINANCE  
AUTHORITY

By: \_\_\_\_\_  
Executive Director

MUFG UNION BANK, N.A., as Trustee

By: \_\_\_\_\_  
Authorized Officer

Acknowledged and Agreed to by:

CITY NATIONAL BANK

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT A  
FORM OF BOND

R - 1

\$ \_\_\_\_\_

NEITHER THE PAYMENT OF THE PRINCIPAL OR ANY PART THEREOF NOR ANY INTEREST THEREON CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE CITY OF RANCHO CUCAMONGA OR THE REDEVELOPMENT AGENCY OF THE CITY OF RANCHO CUCAMONGA, WHICH ARE MEMBERS OF THE RANCHO CUCAMONGA PUBLIC FINANCE AUTHORITY.

THIS BOND MAY ONLY BE TRANSFERRED TO AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED, SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THE AGREEMENT.

UNITED STATES OF AMERICA  
STATE OF CALIFORNIA  
COUNTY OF SAN DIEGO

RANCHO CUCAMONGA PUBLIC FINANCE AUTHORITY  
SPECIAL TAX REFUNDING REVENUE BOND,  
SERIES 2015

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>
___%	September 1, ___	July __, 2015

REGISTERED OWNER: CITY NATIONAL BANK

PRINCIPAL SUM: \*\*\* \_\_\_\_\_ DOLLARS\*\*\*

The RANCHO CUCAMONGA PUBLIC FINANCE AUTHORITY (the "Authority"), a joint powers authority created pursuant to the provisions of Articles 1 through 4 (Commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Law"), for value received, hereby promises to pay (but only out of the Revenues and other assets pledged therefor as hereinafter mentioned) to the Registered Owner stated above or registered assigns (the "Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter mentioned), the Principal Sum stated 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 this Bond is authenticated after a Record Date (as hereinafter defined) and on or prior to the next succeeding Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or before August 15, 2016, in which event it shall bear interest from the Dated Date stated above) until payment of such Principal Sum shall be discharged as provided in the Indenture hereinafter mentioned, at the Interest Rate per annum stated above, payable semiannually on each September 1 and March 1 (each an "Interest Payment Date,"), commencing March 1, 2016. The principal (or redemption price) hereof is payable upon presentation and

surrender of this Bond at the corporate trust office of MUFJ Union Bank, N.A., as trustee (the "Trustee"), in Los Angeles, California (or such other office designated by the Trustee, herein called the "Principal Office" of the Trustee). Interest hereon is payable by check of the Trustee mailed by first class mail on each Interest Payment Date to the Owner as of the fifteenth (15th) day of the month preceding each Interest Payment Date (the "Record Date") at the address shown on the Registration Books maintained by the Trustee or, upon written request filed with the Trustee prior to the fifteenth (15th) day preceding the applicable Interest Payment Date by an Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, by wire transfer in immediately available funds to an account in the United States of America designated by such Owner in such written request.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "Rancho Cucamonga Public Finance Authority Special Tax Refunding Revenue Bonds, Series 2015 (the "Bonds"), in the aggregate principal amount of \$\_\_\_\_\_ pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, being Article 4 of the Law (commencing with Section 6584) (the "Bond Law"), and pursuant to an Indenture of Trust, dated as of July 1, 2015 by and between the Authority and the Trustee (the "Indenture"), issued for the purpose of providing funds for the purchase of the Special Tax Refunding Bonds issued to defease and refund the Prior 2007 Special Tax Bonds and Prior Authority Bonds (as such terms are defined in the Indenture).

Reference is hereby made to the Indenture (copies of which are on file at said office of the Trustee) and all indentures supplemental thereto and to the Bond Law for a description of the rights thereunder of the Owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Authority thereunder. The Owner of this Bond, by acceptance hereof, assents and agrees to all the provisions of the Indenture. Unless otherwise specified herein or the context requires otherwise, capitalized terms used herein shall have the meanings given to such terms in the Indenture.

The Bonds and the interest thereon are payable from Revenues (as such term is defined in the Indenture) derived primarily from payments made by the Community Facilities District (as such term is defined in the Indenture) with respect to Special Tax Refunding Bonds acquired with the proceeds of the Bonds, and are secured by a pledge and assignment of said Revenues and of amounts (including proceeds of the sale of the Bonds) held in the funds and accounts established pursuant to the Indenture (excluding the Residual Account and Rebate Fund, as each of these terms are defined in the Indenture), subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Bonds are special obligations of the Authority and are not a lien or charge upon the funds or property of the Authority, except to the extent of the aforesaid pledge and assignment. The Bonds are not a debt of the Community Facilities Districts, the City, or the State of California and said State is not liable for the payment thereof. The Authority has no taxing power.

The Bonds may be redeemed at the option of the Authority from any source of funds other than prepayment of Special Taxes, prior to their stated maturity, as a whole or in part (in the principal amount of \$100,000 or any integral multiples of \$5,000 in excess thereof) on any date on or after March 1, 20\_\_, from such maturities as are selected by the District, and by lot within a maturity, by paying the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

The Bonds shall be subject to redemption on any Interest Payment Date, prior to maturity, as a whole or in part from such maturities, as are selected by the Authority, from Prepayments of Special Taxes, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date of redemption; provided, however, that the Bonds that remain Outstanding after any such redemption pursuant to this Section 4.01(b) shall be in authorized denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof.

The Bonds maturing on September 1, 20\_\_ and September 1, 20\_\_ are subject to mandatory redemption in part by lot, beginning September 1, 20\_\_, and September 1, 20\_\_, respectively, from mandatory sinking payments made by the Authority at a redemption price equal to the principal amount thereof to be redeemed, without premium, plus accrued interest thereon to the date of redemption in the aggregate respective principal amounts:

**BONDS MATURING SEPTEMBER 1, 20\_\_**

Year	Principal Amount
(maturity)	\$

**BONDS MATURING SEPTEMBER 1, 20\_\_**

Year	Principal Amount
(maturity)	\$

Notice of redemption shall be mailed by first class mail, postage prepaid, not less than thirty (30) 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 Bond Registration Books held by the Trustee. Each notice of redemption shall state the redemption date, the place or places of redemption, and the CUSIP numbers and the bond numbers of the Bonds to be redeemed, and in the case of Bonds to be redeemed in part only, the respective multiples of \$5,000 of the principal amount or Maturity Amount, as applicable, thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the principal amount relating thereto or of said specified portion of the principal thereof in the case of a Bond to be redeemed in part only, plus accrued interest, if any, plus a premium, if any, and that from and after such redemption date, interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the Principal Office of the Trustee. Neither the failure of any Owner to receive any notice so mailed nor any defect therein shall affect the sufficiency of the proceedings for redemption of any Bonds nor the cessation of accrual of interest thereon.

The Bonds are issuable as fully registered bonds in the minimum denomination of \$5,000 each or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, Bonds may be exchanged, at the Principal Office of the Trustee, for a like aggregate principal amount of Bonds of the same interest rate and of other authorized denominations.

This Bond is transferable by the Owner hereof, in person or by his attorney duly authorized in writing, at the Principal Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor. The Trustee shall not be required to register the transfer or exchange of any Bond (i) during the period established by the Trustee for selection of Bonds for redemption, or (ii) selected for redemption. The Authority and the Trustee may treat the 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.

The 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 in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment

shall: (i) extend the fixed maturity of this Bond, or reduce the amount of principal hereof, or reduce the rate of interest hereon, or extend the time of payment of interest hereon, or reduce any premium payable upon the redemption hereof, without the consent of the Owner hereof; or (ii) reduce the percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment; or (iii) permit the creation of any lien on the Revenues and other assets pledged as security for the Bonds prior to or on a parity with the lien created by the Indenture, or deprive the Owners of the Bonds of the lien created by the Indenture on such Revenues and other assets (except as expressly provided in the indentures), without the consent of the Owners of all Bonds then Outstanding, all as more fully set forth in the Indenture.

The Authority may issue Parity Bonds under the Indenture secured by and payable from a lien and charge upon such amounts equal to the lien and charge securing the Outstanding Bonds and any other Parity Bonds on Revenues and other amounts (including proceeds of the sale of such bonds) held in any fund and account established pursuant to the Indenture or any applicable Supplemental Indenture (other than the Reserve Fund established for any other Series of Parity Bonds, the Residual Account and the Rebate Fund) only for the purpose of financing the acquisition of Additional Special Tax Refunding Bonds and subject to the requirements set forth in the Indenture.

It is hereby certified and recited by the Authority that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Bond Law, and by the Constitution and 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 by the Constitution and 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 Trustee's Certificate of Authentication hereon endorsed shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Rancho Cucamonga Public Finance Authority has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Chairperson of the Authority and attested to by the manual or facsimile signature of the Secretary of the Authority, all as of the Dated Date stated above.

RANCHO CUCAMONGA PUBLIC FINANCE  
AUTHORITY:

By: \_\_\_\_\_  
Chairperson

ATTEST:

By: \_\_\_\_\_  
Secretary

**FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This is one of the Bonds described in the within mentioned Indenture, which has been authenticated on the date set forth below.

Date of Authentication: \_\_\_\_\_

MUFG Union Bank, N.A., as Trustee:

By: \_\_\_\_\_  
Authorized Signatory

ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto \_\_\_\_\_ the within mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) \_\_\_\_\_ attorney, to transfer said Bond on the books of \_\_\_\_\_ as Trustee, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTE: Signature(s) must be guaranteed by an authorized guarantor institution

\_\_\_\_\_  
NOTE: 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

**EXHIBIT B****PERMITTED INVESTMENTS**

"Permitted Investments" means any of the investments listed below that at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein (provided that the Trustee shall have no duty to investigate the legality of any investments):

A. The following obligations may be used for all purposes, including defeasance investments:

- (1) Cash.
- (2) Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including:
  - (a) U.S. treasury obligations,
  - (b) all direct or fully guaranteed obligations,
  - (c) Farmers Home Administration,
  - (d) General Services Administration,
  - (e) Guaranteed Title XI financing,
  - (f) Government National Mortgage Association (GNMA),
  - (g) State and Local Government Series.

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or pre-payable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

B. The following obligations may be used as for all purposes other than defeasance investments in refunding escrow accounts:

- (1) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:
  - (a) Export-Import Bank,
  - (b) Rural Economic Community Development Administration,
  - (c) U.S. Maritime Administration,
  - (d) Small Business Administration,
  - (e) U.S. Department of Housing & Urban Development (PHAs),
  - (f) Federal Housing Administration,

- (g) Federal Financing Bank.
- (2) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:
    - (a) senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC);
    - (b) obligations of the Resolution Funding Corporation (REFCORP);
    - (c) senior debt obligations of the Federal Home Loan Bank System.
  - (3) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank).
  - (4) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase.
  - (5) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P including funds for which the Trustee or an affiliate provides investment advice or other services.
  - (6) Pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice:
    - (a) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or
    - (b) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in A.(2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate; and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.
  - (7) Municipal obligations rated "Aaa/AAA" or general obligations of States with a rating of "A2/A" or higher by both Moody's and S&P.
  - (8) Investment in the Local Agency Investment Fund of the State of California (LAIF), provided that any investment of the type authorized pursuant to paragraphs (d), (e), (h), and (i) of Section 53601 of the California Government Code are additionally restricted as

provided in the appropriate paragraph or paragraphs above applicable to such type of investment and provided further that investments authorized pursuant to paragraphs (r) and (m) of Section 53601 of the California Government Code are not permitted.

## EXHIBIT C

## FORM OF OPINION OF BOND COUNSEL

Rancho Cucamonga Public Finance Authority  
 10500 Civic Center Drive  
 Rancho Cucamonga, California 91730

Re: \$ \_\_\_\_\_ Rancho Cucamonga Public Finance Authority Special Tax Refunding Revenue Bonds,  
 Series 2015

## BOND OPINION

Ladies and Gentlemen:

We have acted as bond counsel to the Rancho Cucamonga Public Finance Authority (the "Authority") in connection with the sale and delivery of the Authority's Special Tax Refunding Revenue Bonds, Series 2015 in the aggregate principal amount of \$ \_\_\_\_\_ (the "2015 Bonds"). The 2015 Bonds are issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (Government Code Section 6584 and following), a resolution adopted by the Board of Directors of the Authority on July [1], 2015 (the "Resolution of Issuance"), and an Indenture of Trust, dated as of June 1, 2015 (the "Indenture"), and entered into by and between the Authority and MUFJ Union Bank, N.A., as trustee. Capitalized terms used herein, but not defined herein, have the meanings ascribed to those terms in the Indenture.

The 2015 Bonds are special, limited obligations of the Authority. The 2015 Bonds are payable solely from and secured by a first lien upon and pledge of the Revenues of the Authority and from certain other amounts on deposit in the funds and accounts created under the Indenture.

We have examined the Indenture, the Resolution of Issuance, the law and such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications, documents and written opinions provided to us by persons believed to be responsible without undertaking to verify such facts by independent investigation. We have also assumed the genuineness of the signatures appearing upon such records, proceedings, certifications, documents and opinions.

We call attention to the fact that the rights and obligations under the 2015 Bonds and the Indenture are subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities in the State of California.

We have not been engaged to take, and have not undertaken, any responsibility for the accuracy, completeness or fairness of offering materials relating to the 2015 Bonds and express no opinion relating thereto.

Based upon our examination and subject to the foregoing, we are of the opinion, as of the date hereof, that:

1. The Authority is a joint powers authority duly organized and validly existing under the laws of the State of California and has duly and validly authorized all the acts undertaken by it in connection with the authorization, issuance, sale and delivery of the 2015 Bonds.

2. The Indenture has been duly entered into by the Authority and constitutes a legal, valid and binding limited obligation of the Authority enforceable in accordance with its terms.

3. The Indenture creates valid liens on the funds pledged by the Indenture for the security of and payment on the 2015 Bonds.

4. The 2015 Bonds have been duly authorized, executed and delivered by the Authority and are valid and binding limited obligations of the Authority, payable solely from the sources provided for in the Indenture.

5. Under existing statutes, regulations, rulings and court decisions, and assuming compliance by the Authority with the aforementioned covenants, the interest on the 2015 Bonds is excluded from gross income for purposes of federal income taxation. Interest on the 2015 Bonds is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that, with respect to corporations, such interest will be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of corporations.

6. Interest on the 2015 Bonds is exempt from State of California personal income tax.

The opinions expressed in paragraph (5) above as to the exclusion from gross income for federal income tax purposes of interest on the 2015 Bonds are subject to the condition that the Authority and the City of Rancho Cucamonga Community Facilities District No. 2000-01 ("CFD No. 2000-01"), the City of Rancho Cucamonga Community Facilities District No. 2000-02 ("CFD No. 2000-02"), the City of Rancho Cucamonga Community Facilities District No. 2001-01 ("CFD No. 2001-01"), the City of Rancho Cucamonga Community Facilities District No. 2006-01 ("CFD No. 2006-01") and the City of Rancho Cucamonga Community Facilities District No. 2006-02 ("CFD No. 2006-02") (collectively, the "CFDs"), comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the 2015 Bonds to assure that such interest will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest on the 2015 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2015 Bonds. The Authority and the CFDs each have covenanted to comply with all such requirements. Except as set forth in paragraph (5) above, we express no opinion as to any federal tax consequences related to the 2015 Bonds.

We are admitted to the practice of law only in the State of California and our opinions are limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Our engagement as Bond Counsel with respect to the 2015 Bonds terminates upon the issuance of the 2015 Bonds and we have not undertaken to determine, or to inform any person, whether any such actions or events are taken (or not taken) or do occur (or do not occur).

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover matters not directly addressed by such authorities.

Respectfully submitted,

BEST BEST & KRIEGER LLP

## EXHIBIT D

## LETTER OF REPRESENTATIONS

Rancho Cucamonga Public Finance Authority  
c/o City of Rancho Cucamonga  
10500 Civic Center Drive  
Rancho Cucamonga, California 91730  
Attention: Finance Director

Re: Rancho Cucamonga Public Finance Authority  
Special Tax Refunding Bonds, Series 2015

The undersigned, City National Bank (the "Purchaser"), hereby certifies, represents, and warrants to the Rancho Cucamonga Public Finance Authority (the "Authority") as follows:

(i) The Purchaser has purchased on the date hereof the above-referenced bonds (the "Bonds"), the outstanding principal amount of which is \$\_\_\_\_\_.00, issued pursuant to the Indenture of Trust, dated as of July 1, 2015 (the "Indenture"), by and between the Authority and MUFG Union Bank, N.A., as trustee, and acknowledged and agreed to by the Purchaser, as the original purchaser of the Bonds.

(ii) The Bonds are being acquired by the Purchaser for its own account and not with a present intent for any resale or distribution thereof, in whole or in part, to others; provided, however, that the Purchaser shall not be precluded from transferring or assigning its interest in the Bonds in accordance with the terms and conditions set forth in the Indenture; provided, however, the Purchaser will not transfer or assign its interest in the Bonds unless the proposed transferee or assignee executes and provides to the Authority a Letter of Representations substantially similar in form and substance to this Letter of Representations and acceptable to Bond Counsel (as such term is defined in the Indenture). The Purchaser is not participating, directly or indirectly, in a distribution of the Bonds and will not take, or cause to be taken, any action that would cause the Purchaser to be deemed an "underwriter" of such Bonds as defined in Section 2(11) of the Securities Act of 1933, as amended (the "Securities Act"). The Purchaser understands that the Authority has no obligation to register the Bonds for resale under the Securities Act. The Purchaser further understands that the Bonds are being sold in a transaction that is exempt from the registration requirements of the Securities Act. The Purchaser acknowledges that the Authority will not be entering into a continuing disclosure agreement pursuant to Section 15c2-12 of the Securities Exchange Act of 1934, as amended.

(iii) The Purchaser has received and carefully read all information and other items of disclosure relating to the Authority and the Bonds that the Purchaser has deemed material (the "Disclosure Items") and, in connection therewith, has had access to all other materials, books, records, documents, and information relating to the Authority and the Bonds, and has been able to verify the accuracy of, and supplement, the information contained therein.

(iv) The Purchaser has had an opportunity to ask questions of, and receive satisfactory answers from, duly designated representatives of the Authority concerning the terms and conditions pursuant to which the offer to purchase the Bonds is being made, and any request for

such information has been fully complied with to the extent the Authority possesses such information or can acquire it without unreasonable effort or expense.

(v) The Purchaser is a bank that has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of a loan of bond proceeds (i) the information (including the information set forth in the Disclosure Items) furnished to it by the Authority; (ii) its or such representative's personal knowledge of the business and affairs of the Authority; (iii) the records, files, and plans of the Authority, to all of which it or such representative has had full access; (iv) such additional information as it or such representative may have requested and have received from the Authority; and (v) the independent inquiries and investigations undertaken by it or such representative.

(vi) The Purchaser represents that it can bear the economic risk of loss of a loan of bond proceeds; it has adequate means for providing for its current needs and personal contingencies; and it has no need for liquidity with respect to its acquisition of the Bonds.

(vii) The Purchaser's overall commitment to a loan of bond proceeds that are not readily marketable is not disproportionate to its net worth, and its purchase of the Bonds will not cause such overall commitment to become excessive.

(viii) The Purchaser certifies that it is an "accredited investor" within the meaning of Regulation D under the Securities Act and applicable state securities laws.

(ix) No person has given any information or made any representation not contained in any Disclosure Items referred to above or otherwise provided to the Purchaser in writing by a person employed or authorized in writing by the Authority. The Purchaser understands and agrees that any information or representation not contained therein must not, and will not, be relied upon and that nothing contained therein should be construed as legal or tax advice to the Purchaser.

(x) No person has made any direct or indirect representation or warranty of any kind to the Purchaser with respect to the economic return which may accrue to the Purchaser. The Purchaser has consulted with its own tax counsel and other advisors with respect to an investment in the Bonds.

(xi) The signatory of this letter is a duly authorized officer of the Purchaser with the authority to sign this letter on behalf of the Purchaser, and this letter has been duly authorized, executed, and delivered by the Purchaser.

DATED: \_\_\_\_\_

CITY NATIONAL BANK

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT E**

**§ \_\_\_\_\_  
RANCHO CUCAMONGA PUBLIC FINANCE AUTHORITY  
SPECIAL TAX REFUNDING REVENUE BONDS, SERIES 2015**

REQUISITION NO. \_\_\_ PERTAINING TO DISBURSEMENTS FROM THE AUTHORITY  
COSTS OF ISSUANCE ACCOUNT FOR COSTS OF ISSUANCE

The undersigned hereby states and certifies:

(i) I am the duly appointed, qualified and acting Authorized Representative, within the meaning of the Indenture of Trust hereinafter defined, of the Rancho Cucamonga Public Finance Authority (the "Authority") acting for and on behalf of the Authority; and

(ii) that, pursuant to Section 3.04 of the Indenture of Trust, dated as of July 1, 2015 by and between the Authority and MUFG Union Bank, N.A., as trustee (the "Trustee"), pertaining to the above-captioned Bonds, the undersigned hereby requests the Trustee to disburse from the Authority Costs of Issuance Account established under the Indenture to each of the payees designated on Exhibit "A," attached hereto and incorporated herein by this reference, the respective sums set forth in an invoice from each payee but not more than the amount set forth opposite such designations, in payment or reimbursement of previous payments of such costs, set forth in Exhibit "A," attached hereto; and all such payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such invoice and the Trustee shall rely on such payment instructions with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein or the authority under which they were given; and

(iii) that the amounts to be disbursed are properly chargeable to the Authority Costs of Issuance Account.

Dated: \_\_\_\_\_

RANCHO CUCAMONGA  
PUBLIC FINANCE AUTHORITY

By: \_\_\_\_\_  
Authorized Representative

**EXHIBIT A - COSTS OF ISSUANCE**

<b><u>Payee</u></b>	<b><u>Description of Cost of Issuance</u></b>	<b><u>Amount</u></b>
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**TOTAL:** \$ \_\_\_\_\_

Please make payment pursuant to the instructions contained in the attached invoices.

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**FISCAL AGENT AGREEMENT**

**by and between**

**CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2000-01  
(SOUTH ETIWANDA)**

**and**

**MUFG UNION BANK, N.A.  
as Fiscal Agent**

**Dated as of July 1, 2015**

**Relating to:**

**§ \_\_\_\_\_**

**City of Rancho Cucamonga  
Community Facilities District No. 2000-01 (South Etiwanda)  
Special Tax Refunding Bonds, Series 2015**

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## FISCAL AGENT AGREEMENT

**THIS FISCAL AGENT AGREEMENT** (the “Agreement”) is made and entered into as of July 1, 2015, by and between the City of Rancho Cucamonga Community Facilities District No. 2000-01 (South Etiwanda) (the “District”), a community facilities district, organized and existing under and by virtue of the laws of the State of California, and MUFG Union Bank, N.A., a national banking association organized and existing under the laws of the United States of America, as fiscal agent (the “Fiscal Agent”).

### WITNESSETH:

**WHEREAS**, the City Council of the City of Rancho Cucamonga (the “City”) has formed the District under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 et seq. of the California Government Code) (the “Act”) and Resolution No. 00-235 of the City Council adopted on November 1, 2000;

**WHEREAS**, the City Council is authorized under the Act and pursuant to Ordinance No. 645 to levy special taxes to pay for the costs of facilities provided by the District;

**WHEREAS**, under the provisions of the Act, on November 1, 2000, the City Council, acting as the legislative body of the District, adopted Resolution No. 00-236 which resolution, among other matters, expressed the determination of the City Council of the necessity to issue special tax bonds in the maximum aggregate principal amount of \$2,750,000 for the District secured by the special taxes;

**WHEREAS**, on December 6, 2000, the City Council adopted Resolution No. 00-239 (the “Resolution”) authorizing the issuance and sale of bonds for the District pursuant to the Bond Indenture, dated as of November 1, 2000 (the “Prior Bond Indenture”), by and between the District and Wells Fargo Bank, National Association, as fiscal agent, designated the “City of Rancho Cucamonga Community Facilities District No. 2000-01 (South Etiwanda) Special Tax Bonds, Series 2000” (the “Prior Special Tax Bonds”), for the purpose of funding the acquisition, rehabilitation and construction of certain public improvements (defined in the Prior Bond Indenture as the “Project”);

**WHEREAS**, on December 12, 2000 the Prior Special Tax Bonds in the principal amount of \$1,365,000 were issued;

**WHEREAS**, on December 7, 2011, the City Council adopted Resolution No. 11-179 (the “Prior Resolution of Issuance”) authorizing the issuance and sale of bonds of the District pursuant to the Fiscal Agent Agreement, dated as of December 1, 2011, (the “Prior Fiscal Agent Agreement”) by and between the District and Wells Fargo Bank, National Association, as fiscal agent, designated “City of Rancho Cucamonga Community Facilities District No. 2000-01 (South Etiwanda) Special Tax Refunding Bonds, Series 2012” (the “Prior Special Tax Refunding Bonds”), for the purpose of financing the defeasance and refunding of the Prior Special Tax Bonds;

**WHEREAS**, on July 1, 2015, the City Council adopted Resolution No. 15-\_\_\_ (the “Resolution of Issuance”) authorizing the issuance and sale of bonds of the District pursuant to this Agreement, designated “City of Rancho Cucamonga Community Facilities District No. 2000-1 (South Etiwanda) Special Tax Refunding Bonds, Series 2015 (the “Special Tax Refunding Bonds”), for the purpose of financing the defeasance and refunding of the Prior Special Tax Refunding Bonds.

**WHEREAS**, it is in the public interest and for the benefit of the City, the District, the persons responsible for the payment of special taxes and the owners of the Bonds that the District enter into this Agreement to provide for the issuance of the Bonds, the disbursement of proceeds of the Bonds, the disposition of the special taxes securing the Bonds, and the administration and payment of the Bonds;

**WHEREAS**, all things necessary to cause the Bonds, when authenticated by the Fiscal Agent and issued as provided in the Act, the Resolution and this Agreement, to be legal, valid and binding and limited obligations in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Agreement and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

**NOW, THEREFORE**, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Agreement, according to their tenor, 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 received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the District does hereby covenant and agree with the Fiscal Agent, for the benefit of the respective holders from time to time of the Bonds, as follows:

**ARTICLE I**

**STATUTORY AUTHORITY AND DEFINITIONS**

Section 1.01. **Authority for this Agreement.** This Agreement is entered into pursuant to the provisions of the Act and the Resolution.

Section 1.02. **Agreement for Benefit of Bondowners.** The provisions, covenants and agreements herein set forth to be performed by or on behalf of the City and the District shall be for the equal benefit, protection, and security of the Owners from time to time. In consideration of the acceptance of the Bonds by the Owners thereof, this Agreement shall be deemed to be and shall constitute a contract between the District and the Owners; and the covenants and agreements herein set forth to be performed by the District 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. All of the

Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Agreement.

The Fiscal Agent may become the Owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Fiscal Agent.

Section 1.03. **Definitions.** Unless the context otherwise requires, the terms defined in this Section 1.03 shall, for all purposes of this Agreement, of any Supplemental Agreement, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Authority Indenture. All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311 et seq. of the California Government Code.

“Administrative Expense Fund” means the fund by that name established by Section 3.04A hereof.

“Administrative Expenses” means any or all of the following: the fees and expenses of the Fiscal Agent (including the fees and expenses of its counsel), the expenses of the City or the District in carrying out its duties hereunder (including, but not limited to, the levying and collection of the Special Taxes, complying with the disclosure provisions of the Act and this Agreement, including those related to public inquiries regarding the Special Tax and disclosures to Bondowners and the Original Purchaser); the costs of the City and the District or their designees related to an appeal of the Special Tax; any costs of the City and the District (including fees and expenses of counsel) to defend the first lien on and pledge of the Special Taxes to the payment of the Bonds or otherwise in respect of litigation relating to the District or the Bonds or with respect to any other obligations of the District; the Proportionate Share of the Authority Administrative Expenses allocable to the Bonds, the Proportionate Share of the salaries of City staff directly related to the carrying out by the City of its obligations hereunder or under the Authority Indenture and a proportionate amount of City general administrative overhead related thereto allocable to the Bonds; and all other costs and expenses of the City, the District, and the Fiscal Agent incurred in connection with the discharge of their respective duties hereunder, and in the case of the City, in any way related to the administration of the District and all actual costs and expenses incurred in connection with the administration of the Bonds.

“Agreement” means this Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement adopted pursuant to the provisions hereof.

“Annual Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, and (ii) the principal amount of the Outstanding Bonds scheduled to be paid in such Bond Year.

“Auditor” means the auditor/tax collector of the County of San Bernardino.

“Authority” means the Rancho Cucamonga Public Finance Authority and any successor thereto.

“Authority Bonds” means any bonds outstanding under the Authority Indenture, which are secured by payments to be made on the Bonds.

“Authority Indenture” means that certain Indenture of Trust, dated as of July 1, 2015, by and between the Authority and the Authority Trustee, pursuant to which the Authority Bonds are issued.

“Authority Original Purchaser” means City National Bank, a national banking association, and its successors and assigns.

“Authority Trustee” means MUFG Union Bank, N.A., or any successor thereto appointed under the Authority Indenture.

“Authorized Officer” means the City Manager, Assistant City Manager, Director of Finance, or City Clerk of the City, or any other officer or employee authorized by the City Council of the City or by an Authorized Officer to undertake the action referenced in this Agreement as required to be undertaken by an Authorized Officer.

“Bond Counsel” means (i) Best Best & Krieger LLP; or (ii) any attorney or firm of attorneys acceptable to the District and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Fund” means the fund by that name established by Section 4.02A hereof.

“Bond Year” means the one-year period beginning on September 2 in each year and ending on September 1 in the following year except that the first Bond Year shall begin on the Closing Date and end on September 1, 2015.

“Bonds” means the City of Rancho Cucamonga Community Facilities District No. 2000-01 (South Etiwanda) Special Tax Refunding Bonds, Series 2015, authorized by, and at any time Outstanding pursuant hereto.

“Business Day” means a day which is not a Saturday, Sunday, or legal holiday on which banking institutions in the State of California, or in any state in which the Principal Office of the Trustee is located, or the New York Stock Exchange are closed. If any payment hereunder is due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such previous day.

“CDIAC” means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

“City” means the City of Rancho Cucamonga, California.

“City Council” means the City Council of the City, acting in its capacity as the legislative body of the District.

“Closing Date” means the date upon which there is a physical delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser.

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

“County” means the County of San Bernardino, California.

“Debt Service” means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“Defeasance Obligations” means those obligations described in paragraph A. of the definition of Permitted Investments.

“District” means the City of Rancho Cucamonga Community Facilities District No. 2000-01 (South Etiwanda), formed pursuant to the Resolution of Formation.

“DTC” means the Depository Trust Company.

“Escrow Agent” means Wells Fargo Bank, National Association, acting as escrow agent under the Escrow Agreement.

“Escrow Agreement” means that Escrow Agreement Deposit and Trust Agreement dated as of July 1, 2015 by and between the Authority and the Escrow Agent relating to defeasance of the Prior Authority Bonds and the Prior Special Tax Refunding Bonds.

“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) any commingled investment fund in which the City and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

“Fiscal Agent” means the Fiscal Agent appointed by the District and acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 8.01.

“Fiscal Year” means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

“Independent Accountant” means any nationally recognized firm of certified public accountants or firm of such accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State, appointed by the City, and who, or each of whom:

- (1) is in fact independent and not under domination of the Authority, the City or the District;
- (2) does not have any substantial interest, direct or indirect, with the Authority, the City or the District; and
- (3) is not connected with the Authority, the City or the District as an officer or employee of the Authority, the City or the District, but who may be regularly retained to make reports to the Authority, the City or the District.

“Independent Financial Consultant” means any financial consultant or firm of such financial consultants appointed by the Authority and who, or each of whom:

- (1) is judged by the City to have experience with respect to the financing of public capital improvement projects;
- (2) is in fact independent and not under the domination of the Authority, the City, or the District;
- (3) does not have any substantial interest, direct or indirect, with the Authority, the City, or the District; and
- (4) is not connected with the Authority, the City, or the District as an officer or employee of the Authority, the City, or the District, but who may be regularly retained to make reports to the Authority, the City, or the District.

“Interest Payment Dates” means September 1 and March 1 of each year, commencing March 1, 2016.

“Investment Earnings” means all interest earned and any gains and losses on the investment of moneys in any fund or account created by this Agreement.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the District or the business, facilities, or operations of the District, (b) the ability of the District to meet or perform its obligations under this Agreement on a timely basis, (c) the validity or enforceability of this Agreement.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

“Net Special Tax Revenues” means, for each Fiscal Year, all Special Tax Revenues received by the District less an amount equal to the Priority Administrative Expenses Amount.

“Officer’s Certificate” means a written certificate of the District or the City signed by an Authorized Officer of the City.

“Ordinance” means an ordinance of the City levying the Special Taxes, including Ordinance No. 645, adopted by the City Council on December 6, 2000.

“Original Purchaser” means the Authority.

“Outstanding,” means (subject to the provisions of Section 9.04), when used as of any particular time with reference to Bonds, all Bonds except: (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of Section 10.01; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued, and delivered by the District pursuant to this Agreement or any Supplemental Agreement.

“Owner” or “Bondowner” means any person who shall be the registered owner of any Outstanding Bond.

“Penalties and Interest” means any penalties or interest in excess of the interest payable on the Bonds collected in connection with delinquent Special Taxes.

“Penalties and Interest Account” means the account by that name within the Special Tax Fund pursuant to Section 3.03D hereof.

“Permitted Investments” shall have the meaning given such term in the Authority Indenture.

“Person” means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Prepayments” means Special Tax Revenues identified to the Fiscal Agent by an Authorized Officer as representing a prepayment of the Special Tax pursuant to the RMA.

“Principal Office” means the principal corporate trust office of the Fiscal Agent as may be designated from time to time by the Fiscal Agent in writing to the District initially set forth in Section 11.06 hereof.

“Prior Authority Bonds” means the \$15,970,000 Rancho Cucamonga Public Financing Authority Special Tax Refunding Revenue Bonds, Series 2012.

“Prior Bond Indenture” means the Bond Indenture, dated as of November 1, 2000, by and between the District and Wells Fargo Bank, National Association, as fiscal agent, pertaining to the Prior Special Tax Bonds.

“Prior Fiscal Agent Agreement” means the Fiscal Agent Agreement, dated as of December 1, 2011, by and between the District and Wells Fargo Bank, National Association, as fiscal agent, pertaining to the Prior Special Tax Refunding Bonds.

“Prior Special Tax Refunding Bonds” means the outstanding City of Rancho Cucamonga Community Facilities District No. 2000-01 (South Etiwanda) Special Tax Refunding Bonds, Series 2012.

“Priority Administrative Expense Amount” means an annual amount equal to \$20,000.00, or such lesser amount as may be designated by written instruction from an Authorized Officer of the District to be allocated as the first priority of Special Taxes received each Fiscal Year for the payment of Administrative Expenses allocated to the Bonds.

“Project” shall have the meaning given such term in the Prior Bond Indenture.

“Proportionate Share” shall have the meaning given such term in the Authority Indenture.

“Record Date” means the fifteenth day of the month next preceding the month of the applicable Interest Payment Date.

“Reserve Fund” means the fund by that name established by Section 4.03 hereof.

“Reserve Requirement” means an amount equal to \$[50% of MADs].

“Resolution of Formation” means Resolution No. 00-235, adopted by the City Council on November 1, 2000.

“Resolution of Issuance” shall have the meaning given such term in the recitals hereto.

“RMA” means the Rate and Method of Apportionment of the Special Tax for the District approved by the qualified electors within the District at a special election held on November 7, 2000.

“Special Tax Refunding Bonds” shall have the meaning given such term in the Authority Indenture.

“Special Tax Fund” means the fund by that name established by Section 3.03A hereof.

“Special Tax Revenues” means the proceeds of the Special Taxes received by the District including any scheduled payments and any prepayments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest and penalties thereon. Notwithstanding the foregoing, “Special Tax Revenues” does not include Penalties and Interest.

“Special Taxes” means the special taxes levied within the District pursuant to the Act, the RMA, the Ordinance, and this Agreement.

“Supplemental Agreement” means an agreement the execution of which is authorized by a resolution which has been duly adopted by the City Council under the Act and which agreement is amendatory of or supplemental to this Agreement, but only if and to the extent that such agreement is specifically authorized hereunder.

“Treasurer” means the person who is acting in the capacity as treasurer or finance director to the City or the designee of either such officer.

**ARTICLE II**

**THE BONDS**

Section 2.01. **Principal Amounts; Designations.** Bonds in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_.00) are hereby authorized to be issued by the District under and subject to the terms of the Resolution of Issuance and this Agreement, the Act and other applicable laws of the State of California. The Bonds shall be designated “City of Rancho Cucamonga Community Facilities District No. 2000-01 (South Etiwanda) Special Tax Refunding Bonds, Series 2015.” This Agreement constitutes a continuing agreement of the District with the Owners from time to time of the Bonds to secure the full payment of the principal of, premium, if any, and interest on all such Bonds subject to the covenants, provisions, and conditions herein contained.

Section 2.02. **Terms of Bonds.**

A. **Form; Denominations.** The Bonds shall be issued as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof; provided, however, one Bond from each maturity may be in an amount other than \$5,000 or an integral multiple thereof. The Bonds shall be lettered and numbered in a customary manner as determined by the Fiscal Agent.

B. **Date of the Bonds.** The Bonds shall be dated the Closing Date.

C. **Maturities, Interest Rates.** The Bonds shall mature on the dates and shall bear interest at the rates as follows:

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal Maturity</u>	<u>Interest Rate</u>
	\$	%

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§

D. Interest. The Bonds shall bear interest at the rates set forth above payable five (5) days preceding the Interest Payment Dates in each year. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication; or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

E. Method of Payment. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check or draft of the Fiscal Agent mailed at least five (5) days preceding the Interest Payment Dates by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Fiscal Agent.

All Bonds paid by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Bonds and issue a certificate of destruction thereof to the District.

### Section 2.03. **Redemption.**

A. Optional Redemption. The Bonds may be redeemed at the option of the District from any source of funds other than prepayment of Special Taxes, prior to their stated maturity, as a whole or in part (in the principal amount of \$100,000 or any integral multiples of \$5,000 in excess thereof) on any date on or after March 1, 20\_\_, from such maturities as are selected by the

District, and by lot within a maturity, by paying the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

Notwithstanding the above, any such optional redemption of the Bonds shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such optional redemption of the Bonds.

B. Mandatory Redemption from the Prepayment of Special Taxes. The Bonds shall be subject to redemption on any Interest Payment Date, prior to maturity, as a whole or in part from such maturities, as are selected by the District, from Prepayments of Special Taxes, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date of redemption; provided, however, that the Bonds that remain Outstanding after any such redemption pursuant to this Section 4.01(b) shall be in authorized denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof.

Notwithstanding the above, such mandatory redemption of the Bonds in whole or in part shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such mandatory redemption of the Bonds.

C. [Mandatory Sinking Fund Redemption?]

C. Purchase In Lieu of Redemption. In lieu of redemption under Section 2.03A or 2.03B, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase, unless a greater purchase price is permitted under the Act and the District determines that it will have sufficient amounts in the Bond Fund, following such purchase, to pay Debt Service on the Bonds.

D. Notice to Fiscal Agent. The District shall give the Fiscal Agent written notice of its intention to redeem Bonds pursuant to Section 2.03A or 2.03B not less than sixty (60) days prior to the applicable redemption date, unless such notice shall be waived by the Fiscal Agent, unless the Fiscal Agent agrees to a shorter period.

E. **Redemption Procedure by Fiscal Agent.** The Fiscal Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, shall designate the Bond numbers of the Bonds to be redeemed by giving the individual Bond number of each Bond to be redeemed or shall state that all Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption, shall state as to any Bond called in part the principal amount thereof to be redeemed, and shall require that such Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such Bonds will not accrue from and after the redemption date. The cost of mailing any such redemption notice and any expenses incurred by the Fiscal Agent in connection therewith shall be paid by the District.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the Bond number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Whenever provision is made in this Agreement for the redemption of less than all of the Bonds or any given portion thereof, the Fiscal Agent shall select the Bonds to be redeemed, from all Bonds or such given portion thereof not previously called for redemption, among maturities as specified by the District in a written certificate delivered to the Fiscal Agent, and by lot within a maturity in any manner which the District in its sole discretion shall deem appropriate and fair. In providing such certificate, the District shall provide for the redemption of Bonds such that the remaining Debt Service payable on the Bonds shall remain level as possible.

Upon surrender of Bonds redeemed in part only, the District shall execute and the Fiscal Agent shall authenticate and deliver to the registered Owner, at the expense of the District, a new Bond or Bonds, of the same Series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

F. **Effect of Redemption.** From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds so called for redemption shall have been deposited in the Bond Fund, such Bonds so called shall cease to be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice.

All Bonds redeemed and purchased by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Bonds and, upon written request of the District, issue a certificate of destruction thereof to the District.

**Section 2.04. Form of Bonds.** The Bonds, the form of Fiscal Agent's certificate of authentication and the form of assignment, to appear thereon, shall be substantially in the forms, respectively, set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, the Resolution, and the Act. The Bonds of any other Series and the form of the certificate of authentication and assignment to appear thereon shall be in such form or forms as may be specified in the Supplemental Agreement creating such Series of Bonds.

**Section 2.05. Execution of Bonds.** The Bonds shall be executed on behalf of the District by the manual or facsimile signatures of the Mayor and City Clerk, who are in office on the date of adoption of this Agreement or at any time thereafter. The Bonds shall then be delivered to the Trustee for authentication. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Owner. Any Bond may be signed and attested on behalf of the District by such persons as at the actual date of the execution of such Bond shall be the proper officers of the District although at the nominal date of such Bond any such person shall not have been such officer of the District.

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

**Section 2.06. Transfer of Bonds.** Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

No transfers of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

Section 2.07. **Exchange of Bonds.** Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

Section 2.08. **Bond Register.** The Fiscal Agent will keep or cause to be kept, at its Principal Office sufficient books for the registration and transfer of the Bonds which books shall show the number, date, amount, rate of interest and last known Owner of each Bond and shall at all times be open to inspection by the District or the City during regular business hours upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided.

The District and the Fiscal Agent will treat the Owner of any Bond whose name appears on the Bond register as the absolute Owner of such Bond for any and all purposes, and the District and the Fiscal Agent shall not be affected by any notice to the contrary. The District and the Fiscal Agent may rely on the address of the Bond Owner as it appears in the Bond register for any and all purposes.

Section 2.09. **Temporary Bonds.** The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such authorized denominations as may be determined by the District, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the District upon the same conditions and in substantially the same manner as the definitive Bonds. If the District issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Fiscal Agent or at such other location as the Fiscal Agent shall designate, and the Fiscal Agent 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 Agreement as definitive Bonds authenticated and delivered hereunder.

Section 2.10. **Bonds Mutilated, Lost, Destroyed or Stolen.** If any Bond shall become mutilated, the District, at the expense of the Owner of said Bond, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent shall be canceled by it and destroyed by the Fiscal Agent, who shall deliver a certificate of destruction thereof to the District. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or

theft may be submitted to the Fiscal Agent and, if such evidence be satisfactory to it and indemnity for the District and the Fiscal Agent satisfactory to the Fiscal Agent shall be given, the District, at the expense of the Owner, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The District may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section and of the expenses which may be incurred by the District and the Fiscal Agent for the preparation, execution, authentication and delivery. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Agreement with all other Bonds issued pursuant to this Agreement.

**Section 2.11. Type and Nature of the Bonds; Limited Obligation.** Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof other than the District is pledged to the payment of the Bonds. Except for the Special Taxes, no other taxes are pledged to the payment of the Bonds. The Bonds are not general or special obligations of the City nor general obligations of the District but are limited obligations of the District payable solely from Net Special Tax Revenues. The District's limited obligation to pay the principal of, premium, if any, and interest on the Bonds from the Net Special Tax Revenues is absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever. No Owner of the Bonds may compel the exercise of the taxing power by the District (except as it pertains to the Special Taxes) or the City or the forfeiture of any of their property. The principal of and interest on the Bonds and premiums upon the redemption thereof, if any, are not a debt of the City, the State of California or any of its political subdivisions except the District within the meaning of any constitutional or statutory limitation or restriction. The Bonds are not a legal or equitable pledge, charge, lien, or encumbrance upon any of the District's property, or upon any of its income, receipts or revenues, except the Net Special Tax Revenues and amounts on deposit in the Special Tax Fund and the Bond Fund to the extent pledged hereunder which are, under the terms of this Agreement and the Act, set aside for the payment of the Bonds and interest thereon and neither the members of the legislative body of the District nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

**Section 2.12. Equality of Bonds and Pledge of Net Special Tax Revenues.** Pursuant to the Act and this Agreement, the Bonds shall be equally payable from the Net Special Tax Revenues and other amounts in the Special Tax Fund without priority for number, date of the Bonds, date of sale, date of execution, or date of delivery, and the payment of the interest on and principal of the Bonds and any premiums upon the redemption thereof, shall be exclusively paid from the Net Special Tax Revenues and other certain other amounts in the Special Tax Fund, which are hereby set aside for the payment of the Bonds. Amounts in the Special Tax Fund shall constitute a trust fund held for the benefit of the Owners to be applied to the payment of the interest on and principal of the Bonds and so long as any of the Bonds or interest thereon remain Outstanding shall not be used for any other purpose, except as permitted by this Agreement.

Nothing in this Fiscal Agent Agreement shall preclude, subject to the limitations contained hereunder, the redemption prior to maturity of any Bonds subject to call and

redemption and payment of said Bonds from proceeds of refunding bonds issued under the Act as the same now exists or as hereafter amended, or under any other law of the State of California, which shall be payable from Net Special Tax Revenues.

Section 2.13. **Description of Bonds; Interest Rates.** The Bonds and any Parity Bonds shall be issued in fully registered form in any denomination. The Bonds and any Parity Bonds of each issue shall be numbered as desired by the Fiscal Agent.

Section 2.14. **No Acceleration.** The principal of the Bonds shall not be subject to acceleration hereunder. Nothing in this Section shall in any way prohibit the prepayment or redemption of Bonds under Section 2.03 hereof, or the defeasance of the Bonds and discharge of this Agreement under Section 10.01 hereof.

Section 2.15. **Additional Bonds.** Other than for the purpose of refunding the Bonds, no additional Bonds entitled to a lien on the Net Special Tax Revenues shall be issued hereunder.

Section 2.16. **Validity of the Bonds.** The validity of the authorization and issuance of the Bonds shall not be affected in any way by any defect in any proceedings taken by the District for the issuance and sale of the Bonds and the recital contained in the Bonds that the same are issued pursuant to the Act and other applicable laws of the State shall be conclusive evidence of their validity and the regularity of their issuance.

### ARTICLE III

#### ISSUANCE OF BONDS

Section 3.01. **Issuance and Delivery of the Bonds.** At any time after the execution of this Agreement, the District may issue the Bonds in the aggregate principal amount set forth in Section 2.01 and deliver the Bonds to the Original Purchaser. The Authorized Officers of the District are hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the Bonds in accordance with the provisions of the Act, the Resolution of Issuance and this Agreement and to do and cause to be done any and all acts and things necessary or convenient for delivery of the Bonds to the Original Purchaser, upon payment of the purchase price for the Bonds.

Section 3.02. **Application of Proceeds of Sale of the Bonds and Transfers from the Prior Special Tax Refunding Bonds.** The proceeds of the purchase of the Bonds by the Original Purchaser (equal to the par amount of \$\_\_\_\_\_.00) shall be paid to the Fiscal Agent, who shall forthwith set aside, pay over and transfer such proceeds on the Closing Date as follows:

A. \$\_\_\_\_\_ shall be transferred to the Escrow Agent for deposit into the Escrow Fund held by the Escrow Agent under the Escrow Agreement;

B. \$\_\_\_\_\_ shall be deposited into the Reserve Fund, equal to the Reserve Requirement; and

C. \$\_\_\_\_\_ shall be transferred to the Authority Trustee for deposit into the Costs of Issuance Fund held under the Authority Indenture.

**Section 3.03. Special Tax Fund.**

A. Establishment of Special Tax Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the "Special Tax Fund," to the credit of which the District or the City, on behalf of the District, shall deposit, immediately upon receipt, all Special Tax Revenue received by the District or the City, on behalf of the District. Moneys in the Special Tax Fund, other than Penalties and Interest, shall be held by the Fiscal Agent for the benefit of the District and the Owners of the Bonds, shall be disbursed as provided below and, pending any disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

B. Disbursements of Special Tax Revenues. The Special Tax Revenues deposited in the Special Tax Fund shall be held and, other than Special Tax Revenues representing Prepayments, subsequently transferred to the following funds and accounts not later than the dates and in the amounts set forth in the following paragraphs and in the following order of priority:

1. to the District for deposit in Administrative Expense Fund an amount equal to the Priority Administrative Expense Amount estimated to be due and payable during the Fiscal Year;

2. not later than ten (10) Business Days prior to each Interest Payment Date, to the Bond Fund:

a. the amount representing past due installments of principal, interest and premium on the Bonds (including any interest thereon pursuant to the second sentence of the second paragraph of Section 4.02B), if any, resulting from the delinquency in the payment of such Special Taxes; and

b. an amount, taking into account any amounts then on deposit in the Bond Fund (other than by reason of the preceding paragraph a.) such that the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds on the next Interest Payment Date;

3. no later than ten (10) Business Days prior to each Interest Payment Date, to the Reserve Fund that amount, in addition to the amount transferred to the Bond Fund pursuant to paragraph 2. above, necessary to replenish any draw on the Reserve Fund resulting from the delinquency in the payment of scheduled debt service on the Bonds ;

4. on September 2 of each year after making the deposits and transfers required under paragraphs 1 and 2 above and the transfer, if any, authorized under paragraph 3 above, upon receipt of written instructions from an Authorized Officer on or before the preceding June 30, to the Authority Trustee the amount specified in such written instructions necessary for the payment of the Proportionate Share of any rebate amount due and owing to the United States of America by the Authority on the Authority Bonds;

5. on September 2 of each year after making the deposits and transfers required under paragraphs 1 through 4 above, upon receipt of written instructions from an Authorized Officer, to the District for deposit in the Administrative Expense Fund the amount specified in such written instructions necessary for payment of the estimated Administrative Expenses projected to be due and payable in the next Fiscal Year, reimbursement of any Administrative Expenses incurred during the Fiscal Year ending on such June 30 or the establishment or replenishment of a reasonable operating reserve within the Administrative Expense Fund and not included in any prior transfer made pursuant to paragraph 1 and 4 above; and

6. after September 2 of each year, after making the deposits and transfers made pursuant to paragraphs 1 through 5 above, monies then on deposit in the Special Tax Fund shall remain therein and shall be subsequently deposited or transferred pursuant to the provisions of paragraphs 1 through 5 above.

C. Transfer of Prepayments. Amounts constituting Prepayments shall be transferred by the Treasurer to the Fiscal Agent, and placed by the Fiscal Agent in a segregated account within the Bond Fund designated as "Prepayment Account" and used to redeem Bonds pursuant to paragraph 2 of Section 2.03B. Any such transfer of Prepayments shall be accompanied by written instructions executed by the Treasurer or an Authorized Officer directing the Fiscal Agent to place such Prepayments in the Prepayment Account.

D. Penalties and Interest. Amounts constituting Penalties and Interest shall be transferred by the Treasurer to the Fiscal Agent, and placed by the Fiscal Agent in a segregated account within the Special Tax Fund designated as "Penalties and Interest Account." The moneys on deposit in the Penalties and Interest Account shall be held and subsequently transferred, upon receipt of written instructions contained in an Officer's Certificate, to the following funds and accounts not later than the dates and in the amounts set forth in the following paragraphs and in the following order of priority:

1. to the Administrative Expense Fund that amount as specified in such written instructions necessary for payment of the estimated Administrative Expenses projected to be due and payable in the next Fiscal Year, reimbursement of any Administrative Expenses incurred during the Fiscal Year ending on such June 30 or establishment or replenishment of a reasonable operating reserve within the Administrative Expense Fund not included in any prior transfer made pursuant to paragraphs 3 or 6 of subsection B above;

2. to the Bond Fund that amount as specified in such Officer's Certificate for the payment of debt service on the Bonds; or

3. to such other fund or account as specified in such Officer's Certificate for any authorized purpose of the District.

E. Investment. Moneys in the Special Tax Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit shall be retained in the Special Tax Fund to be used for the purposes thereof.

**Section 3.04. Administrative Expense Fund.**

A. Establishment of Administrative Expense Fund. There is hereby established, as a separate account to be held by the District, the “Administrative Expense Fund” to the credit of which transfers from the Fiscal Agent shall be made to the District as required by Sections 3.02D, 3.03B or 3.03D hereof. Moneys in the Administrative Expense Fund shall be held in trust by the District for the benefit of the City, the District and the Authority, and shall be disbursed as provided below.

B. Disbursement. Amounts in the Administrative Expense Fund shall be withdrawn by the District and paid to the payee specified in an Officer’s Certificate stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense and the nature of such expense. Amounts on deposit in the Administrative Expense Fund at the end of any Fiscal Year shall be retained in such fund as an operating reserve and shall be disbursed as provided for in this paragraph B.

C. Investment. Moneys in the Administrative Expense Fund shall be invested and deposited in accordance with Section 6.01 hereof. Investment Earnings shall be retained by the District in the Administrative Expense Fund to be used for the purposes of such fund.

**ARTICLE IV**

**NET SPECIAL TAX REVENUES; BOND FUND**

Section 4.01. **Pledge of Net Special Tax Revenues.** The Bonds shall be secured by a first pledge (which pledge shall be effected in the manner and to the extent herein provided) of all of the Net Special Tax Revenues and all moneys deposited in the Bond Fund and, until disbursed as provided herein, in the Special Tax Fund, except for moneys on deposit in the Penalties and Interest Account. The Net Special Tax Revenues and all moneys deposited into said funds (except as otherwise provided herein) are hereby dedicated to the payment of the principal of, and interest and any premium on, the Bonds as provided herein and in the Act until all of the Bonds have been paid and retired or until moneys or Defeasance Obligations have been set aside irrevocably for that purpose in accordance with Section 10.01.

**Section 4.02. Bond Fund.**

A. Establishment of Bond Fund. There is hereby established as a separate fund to be held by the Fiscal Agent for the “Bond Fund” and, within the Bond Fund, the “Prepayment Account” to the credit of which deposits shall be made as required by paragraph 2 of Section 3.03B. and by Section 3.03C., and any other amounts required to be deposited therein by this Agreement or the Act. In addition to the foregoing deposits, the Fiscal Agent shall also deposit amount received from the Authority Trustee transferred to the Fiscal Agent pursuant to Section 5.05 of the Authority Indenture. Moneys in the Bond Fund shall be held by the Fiscal Agent for the benefit of the Owners of the Bonds, shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

B. Disbursements. On each Interest Payment Date, the Fiscal Agent shall withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, then due and payable on the Bonds, including any amounts due under Section 2.03A. hereof; provided, however, that available amounts in the Bond Fund shall first be used to pay to the Owners of the Bonds any past due installments of interest, principal (including mandatory sinking payments) of and premium, if any, on the Bonds, in that order. Amounts transferred to the Bond Fund from the Special Tax Fund pursuant to paragraph 2.a. of Section 3.03B. shall immediately be paid to the Owners of the Bonds in respect of past due payments on the Bonds, and amounts transferred to the Prepayment Account pursuant to Section 3.03C. shall be used to redeem Bonds pursuant to Section 2.03B.

If after the foregoing transfers, there are insufficient funds in the Bond Fund to make the payments provided for in the first sentence of this Section 4.02B., the Fiscal Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal and any mandatory sinking payments due on the Bonds. Any installment of principal (including mandatory sinking payments), premium, if any, or interest on the Bonds which is not paid when due shall accrue interest at the rate of interest on the Bonds until paid, and shall be paid whenever funds in the Bond Fund are sufficient therefor.

If at any time the Fiscal Agent fails to pay principal and interest due on any scheduled payment date for the Bonds, the Fiscal Agent shall notify the District and the Treasurer in writing of such failure, and the Treasurer shall notify the California Debt Advisory Commission of such failure within 10 days of the failure to make such payment, as required by Section 53359(c)(1) of the Act.

C. Investment. Moneys in the Bond Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from the investment and deposit of amounts in the Bond Fund shall be retained in the Bond Fund.

#### Section 4.03. **Reserve Fund.**

A. Establishment of Reserve Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the "Reserve Fund," to the credit of which a deposit shall be made as required by Section 3,02B. hereof. Moneys in the Reserve Fund shall be held by the Fiscal Agent for the benefit of the Bondowners and shall be disbursed as provided in Section 4.03B below.

B. Procedure for Disbursement. Moneys on deposit in the Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the Bonds as such amounts shall become due and payable in the event that the moneys in the Special Tax Fund and the Bond Fund for such purpose are insufficient therefor or redeeming Bonds as described below. The Fiscal Agent shall, when and to the extent necessary, withdraw money from the Reserve Fund and transfer such money to the Bond Fund or the Redemption Fund for such purpose.

On any date after either the transfers, if any, required by the preceding paragraph have been made for any Bond Year or the valuation of the Permitted Investments in the Reserve Fund pursuant to Section 6.01 below, if the amount on deposit in the Reserve Fund is less than the

Reserve Requirement, the Fiscal Agent shall transfer to the Reserve Fund from the first available monies in the Special Tax Fund an amount necessary to increase the balance therein to the Reserve Requirement. If at least ten (10) Business Days prior to each Interest Payment Date of each year, the amount on deposit in the Reserve Fund is in excess of the Reserve Requirement, the Fiscal Agent shall transfer such excess to the Bond Fund. In connection with any optional redemption of Bonds pursuant to Section 2.03A., amounts on deposit in the Reserve Fund which would be in excess of the Reserve Requirement following such redemption shall be transferred to the Redemption Fund or the Bond Fund, as applicable, prior to such redemption and applied to such redemption of Bonds pursuant to written instructions of the District contained in an Officer's Correspondence.

Upon receipt of an Officer's Correspondence instructing the Fiscal Agent to transfer certain moneys representing a Reserve Fund credit for a Prepayment pursuant to the RMA , the Fiscal Agent shall transfer the amount specified in such instructions from the Reserve Fund to the Redemption Fund for the purpose of redeeming Bonds pursuant to such instructions.

Whenever the balance in the Reserve Fund and the Bond Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Fiscal Agent shall transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding interest payment date, to the payment and redemption, in accordance with Section 2.03A of all of the Outstanding Bonds. In the event that the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund shall be transferred to the District to be used for any lawful purpose of the District as set forth in the Act.

C. Investment. Moneys in the Reserve Fund shall be invested and deposited by the Fiscal Agent in accordance with Section 6.01 hereof. Interest earnings and profits from such investment and deposit shall be retained in the Reserve Fund to be used for the purposes of such fund. All Authorized Investments in the Reserve Fund shall be valued at their cost at least semi-annually on February 1 and August 1 so long as at least 25% of the moneys in the Reserve Fund are invested for a period not to exceed two (2) years in length.

## ARTICLE V

### OTHER COVENANTS OF THE DISTRICT

Section 5.01. **Warranty.** The District shall preserve and protect the security pledged hereunder to the Bonds against all claims and demands of all persons.

Section 5.02. **Covenants.** So long as any of the Bonds issued hereunder are Outstanding and unpaid, the District makes the covenants set forth herein below in this Article V with the Bondowners under the provisions of the Act and this Fiscal Agent Agreement (to be performed by the District or the City, acting for and on behalf of the District, or its proper officers, agents and employees), which are covenants necessary and desirable to secure the Bonds and tend to make the Bonds more marketable; provided, however, that such covenants do not require the District to expend any funds or moneys other than the Net Special Tax Revenues.

Section 5.03. **Punctual Payment.** The District shall punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of this Agreement and any Supplemental Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement and all Supplemental Agreements and of the Bonds.

Section 5.04. **Limited Obligation.** The Bonds are limited obligations of the District and are payable solely from and secured solely by the Net Special Tax Revenues and the amounts in the Bond Fund and the Special Tax Fund created hereunder.

Section 5.05. **Payment of Claims.** The District will pay and discharge any and all lawful claims for labor, materials, or supplies which, if unpaid, might become a lien or charge upon the Special Tax Revenues or which might otherwise impair the security of the Bonds then Outstanding; provided that nothing herein contained shall require the District to make any such payments so long as the District in good faith shall contest the validity of any such claims.

Section 5.06. **Extension of Time for Payment.** In order to prevent any accumulation of claims for interest after maturity, the District shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the District, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have so extended or funded.

Section 5.07. **Against Encumbrances.** The District will not encumber, pledge or place any charge or lien upon any of the Net Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by this Agreement.

Section 5.08. **Books and Records.** The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Bond Fund and the Special Tax Fund and relating to the Special Tax Revenues.

Section 5.09. **Protection of Security and Rights of Owners.** The District will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the District, the Bonds shall be incontestable by the District.

Section 5.10. **Collection of Special Tax Revenues.** The District shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

On or about July 10 of each year, the Treasurer shall communicate with the Auditor to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The Treasurer shall effect the levy of the Special Taxes each Fiscal Year on the parcels within the District in accordance with the Ordinance, such that the computation of the levy is complete before the final date on which the Auditor will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next secured tax roll. Upon the completion of the computation of the amounts of the levy, the Treasurer shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next secured tax roll. The Special Taxes so levied shall be payable and be collected in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property, unless otherwise provided by the District.

In the event that the Treasurer determines to levy all or a portion of the Special Taxes by means of direct billing of the property owners of the parcels within the District, the Treasurer shall, not less than forty-five (45) days prior to each Interest Payment Date, send bills to the owners of such real property located within the District subject to the levy of the Special Taxes for Special Taxes in an aggregate amount necessary to meet the financial obligations of the District with respect to the District due on the next Interest Payment Date, said bills to specify that the amounts so levied shall be due and payable not less than thirty (30) days prior to such Interest Payment Date and shall be delinquent if not paid when due.

In any event, the Treasurer shall fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on any Outstanding Bonds becoming due and payable during the ensuing year, an amount necessary to replenish the Reserve Fund pursuant to Section 3.03B.3. and an amount estimated to be sufficient to pay the Administrative Expenses during such year, all in accordance with the RMA and the Ordinance. The Special Taxes so levied shall not exceed the authorized amounts as provided in the proceedings pursuant to the Resolution of Formation.

The Treasurer is hereby authorized to employ consultants to assist in computing the levy of the Special Taxes hereunder and any reconciliation of amounts levied to amounts received. The fees and expenses of such consultants and the costs and expenses of the Treasurer (including a charge for City or District staff time) in conducting its duties hereunder shall be an Administrative Expense hereunder.

**Section 5.11. Further Assurances.** The District shall adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Agreement.

Section 5.12. **Tax Covenants.** The District shall not take, or permit or suffer to be taken by the Fiscal Agent 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 any of the Authority Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code or to be "private activity bonds" within the meaning of Section 141 of the Tax Code.

The District agrees to furnish all information to, and cooperate fully with, the Authority, the Trustee and their respective officers, employees, agents and attorneys, in order to assure compliance with the provisions of Section 6.07 of the Authority Indenture. In the event that the Authority shall notify the District that the Authority has determined, pursuant to Section 6.07 of the Authority Indenture, that any amounts are due and payable to the United States of America thereunder and that neither the Authority nor the Authority Trustee has on deposit an amount of available moneys to make such payment, the District shall promptly direct the Fiscal Agent pay to the Authority Trustee from available Net Special Tax Revenues the Proportionate Share of the amounts determined by the Authority to be due and payable to the United States of America.

Section 5.13. **Covenant to Foreclose.** On or before June 1 of each Fiscal year, the District will review the public records of the County in connection with the Special Taxes levied in such Fiscal Year to determine the amount of Special Taxes actually collected in such Fiscal Year. If the District determines that any parcel subject to the Special Taxes is delinquent in the payment of two or more installments of Special Taxes and the aggregate amount of such delinquent Special Taxes exceeds \$5,000, the City shall, not later than forty-five (45) days of such determination, send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner. The City shall cause judicial foreclosure proceedings to be commenced and filed in the Superior Court not later than ninety (90) days of such determination against any parcel for which a notice of delinquency was given pursuant to this section and for which the Special Taxes remain delinquent.

The City Attorney is hereby authorized to employ counsel to conduct any such foreclosure proceedings. The fees and expenses of any such counsel and costs and expenses of the City Attorney (including a charge for City or District staff time) in conducting foreclosure proceedings shall be an Administrative Expense hereunder.

Notwithstanding any provision of the Act or other law of the State to the contrary, in connection with any foreclosure related to delinquent Special Taxes:

A. The City, is hereby expressly authorized to credit bid at any foreclosure sale, without any requirement that funds be placed in the Bond Fund or otherwise be set aside in the amount of such credit bid, in the amount specified in Section 53356.5 of the Act or such lesser amount as determined under B. below or otherwise under Section 53356.6 of the Act.

B. The City may permit property with delinquent Special Tax payments to be sold for less than the amount specified in Section 53356.5 of the Act, if it determines that such sale is in the interest of the Bond Owners. The Bond Owners, by their acceptance of the Bonds, hereby consent to such sale for such lesser amounts (as such consent is described in Section 53356.6 of

the Act), and hereby release the City, its officers and its agents from any liability in connection therewith.

C. The City is hereby expressly authorized to use amounts in the Administrative Expense Fund to pay costs of foreclosure of delinquent Special Taxes.

D. The City may forgive all or any portion of the Special Taxes levied or to be levied on any parcel in the District, so long as the City determines that such forgiveness is not expected to adversely affect its obligation to pay principal of and interest on the Bonds.

**Section 5.14. Annual Reports to CDIAC.** Not later than October 30 of each year, commencing October 30, 2016, and until the October 30 following the final maturity of the Bonds, the Treasurer shall supply the information required by Section 53359.5(b) or (c) of the Act to CDIAC (on such forms as CDIAC may specify) and the District.

**Section 5.15. Continuing Disclosure to Authority Original Purchaser.** On or before each March 31 of each year, the District shall provide to the Authority Original Purchaser copies of the audited financial statements, along with the following information: (a) the amount of Bonds outstanding (as of the prior [Bond Year/Fiscal Year]); (b) the balance in each fund administered by the Fiscal Agent Agreement (as of the prior [Bond Year/Fiscal Year]); (c) a summary of special taxes levied within the Community Facilities District and an update of the assessed value within the Community Facilities District (as of the prior Fiscal Year); (d) a summary of any changes to the RMA of special taxes approved or submitted to the electors for approval prior to the annual report; (e) the status of foreclosure action being pursued by the District with respect to special taxes; (f) the delinquency rate for the special taxes for the preceding fiscal year and the identity of any property owner whose delinquent special taxes represented more than 5% of the amount levied and assessed value to lien ratios of such delinquent properties; (g) any additional information provided to CDIAC pursuant to this Agreement and not otherwise provided to the Authority Original Purchaser. The District shall further provide to the Authority Original Purchaser: (a) within three (3) Business Days after the District obtains knowledge thereof, notice by telephone, promptly confirmed in writing, of any event that constitutes an Event of Default under the Indenture or this Agreement, as applicable, together with a statement by an Authorized Representative of the District of the steps being taken by the District to cure such Event of Default; (b) within ten (10) days after the District obtains knowledge thereof, written notice of any Material Adverse Effect; and (c) within ten (10) days after receipt of request therefor by the Authority Original Purchaser, updates, if any, of the information described in Section 5.14.

**Section 5.16. Public Access to Facilities.** The City and the District shall provide or cause to be provided access to members of the general public to all portions of the Project financed with the proceeds of the Prior Special Tax Bonds. Said access shall not grant priority to any one person over that of another person, and shall be subject to any applicable City ordinance, rule or regulation.

**Section 5.17. Modification of Maximum Authorized Special Tax.** The District, to the maximum extent that the law permits it to do so, covenants that no modification of the minimum or maximum authorized Special Tax shall be approved by the District nor shall the District take

any other action which would (i) prohibit the District from levying the Special Tax within the District in any Fiscal Year at such a rate as would generate Net Special Tax Revenues in such Fiscal Year at least equal to 110% of Annual Debt Service on all Bonds then Outstanding; (ii) discontinue or cause the discontinuance of such levy; or (iii) permit the prepayment of the Special Tax except as permitted pursuant to the RMA.

Section 5.18. **Covenant to Defend.** The District covenants, in the event that any initiative is adopted by the qualified electors in the District which purports to reduce the minimum or the maximum Special Tax below the levels specified in Section 5.17 above or to limit the power of the District to levy the Special Taxes within the District for the purposes set forth in Section 5.10 above, it will commence and pursue legal action in order to preserve its ability to comply with such covenants.

## ARTICLE VI

### INVESTMENTS; DISPOSITION OF INVESTMENT PROCEEDS; LIABILITY OF THE DISTRICT

Section 6.01. **Deposit and Investment of Moneys in Funds.** Moneys in any fund or account created or established by this Agreement and held by the Fiscal Agent shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Fiscal Agent shall invest any such moneys in Permitted Investments described in clause B(5) of the definition thereof, to the extent practicable which by their terms mature prior to the date on which such moneys are required to be paid out hereunder, or are held uninvested; provided however, that any such investment shall be made by the Fiscal Agent only if, prior to the date on which such investment is to be made, the Fiscal Agent shall have received a written direction from the District specifying a specific money market fund and, if no such written direction from the District is so received, the Fiscal Agent shall hold such moneys uninvested. The Treasurer shall make note of any investment of funds hereunder in excess of the yield on the Bonds, so that appropriate actions can be taken to assure compliance with Section 5.10.

In the event of any transfer by the Authority Trustee from the Residual Account thereof pursuant to Section 5.02(e) of the Authority Indenture for deposit in the Bond Fund pursuant to 4.02A., all moneys on deposit in the Special Tax Fund and the Bond Fund shall be held in cash or invested in Permitted Investments constituting cash equivalents until the payment of the principal of and interest on the Bonds on the September 1 Interest Payment Date following such transfer.

Moneys in any fund or account created or established by this Agreement and held by the Treasurer shall be invested by the Treasurer in Permitted Investments, which in any event by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of this Agreement for transfer of

interest earnings and profits resulting from investment of amounts in funds and accounts. Whenever in this Agreement any moneys are required to be transferred by the District to the Fiscal Agent, such transfer may be accomplished by transferring a like amount of Permitted Investments.

The Fiscal Agent or an affiliate or the Treasurer may act as principal or agent in the acquisition or disposition of any investment and shall be entitled to its customary fee therefor. Neither the Fiscal Agent nor the Treasurer shall incur any liability for losses arising from any investments made pursuant to this Section. For purposes of determining the amount on deposit in any fund or account held hereunder, all Permitted Investments or investments credited to such fund or account shall be valued as provided for in Exhibit B attached hereto.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Agreement, 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 Agreement or the Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under the applicable provisions of the Code shall be valued at their present value (within the meaning of section 148 of the Code). The Fiscal Agent shall not be liable for verification of the application of such sections of the Code.

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent or the Treasurer hereunder, provided that the Fiscal Agent or the Treasurer, as applicable, shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Agreement.

The Fiscal Agent or the Treasurer, as applicable, shall sell at the highest price reasonably obtainable, or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Fiscal Agent nor the Treasurer shall be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

**Section 6.02. Limited Obligation.** The District's obligations hereunder are limited obligations of the District and are payable solely from and secured solely by the Net Special Tax Revenues and the amounts in the Special Tax Fund and the Bond Fund.

**Section 6.03. Liability of District.** The District shall not incur any responsibility in respect of the Bonds or this Agreement other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The District shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The District shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements of the Fiscal Agent herein

or of any of the documents executed by the Fiscal Agent in connection with the Bonds, or as to the existence of a default or event of default thereunder.

In the absence of bad faith, the District, including the Treasurer, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the District and conforming to the requirements of this Agreement. The District, including the Treasurer, shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the District to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Net Special Tax Revenues) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The District may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The District may consult with counsel, who may be the City Attorney, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The District shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the District 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, in the absence of willful misconduct on the part of the District, be deemed to be conclusively proved and established by a certificate of the Fiscal Agent, and such certificate shall be full warrant to the District for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the District may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

**Section 6.04. Employment of Agents by District or the City.** In order to perform their respective duties and obligations hereunder, the City, the District and/or the Treasurer may employ such persons or entities as they deem necessary or advisable. The City, the District, and/or the Treasurer shall not be liable for any of the acts or omissions of such persons or entities employed by them in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

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

A. Failure to pay any installment of principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise.

B. Failure to pay any installment of interest on any Bonds when and as the same shall become due and payable.

C. Failure by the District to observe and perform any of the other covenants, agreements, or conditions on its part in this Agreement or in the Bonds contained, if such failure shall have continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the District by the Fiscal Agent or the Owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 60-day period, such failure shall not constitute an Event of Default if corrective action is instituted by the District within such 60-day period and the District shall thereafter diligently and in good faith cure such failure in a reasonable period of time.

D. Commencement by the District of a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Section 7.02. **Remedies of Bond Owners.** Subject to the provisions of Section 7.07, any Bond Owner shall have the right, for the equal benefit and protection of all Bond Owners similarly situated:

A. by mandamus, suit, action or proceeding, to compel the City and its officers, agents or employees to perform each and every term, provision and covenant contained in this Agreement and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the City and the fulfillment of all duties imposed upon it by the Act;

B. by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bond Owners' rights; or

C. upon the happening of any Event of Default, by suit, action or proceeding in any court of competent jurisdiction, to require the City and its officers and employees to account as if it and they were the trustees of an express trust.

Section 7.03. **Application of Special Taxes and Other Funds After Default.** If an Event of Default shall occur and be continuing, all Special Taxes, including any penalties, costs, fees and other charges accruing under the Act, and any other funds then held or thereafter received by the Fiscal Agent under any of the provisions of this Agreement shall be applied by the Fiscal Agent as follows and in the following order:

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

B. To the payment of the principal of and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Agreement, 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 call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption, 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.

C. Any remaining funds shall be transferred by the Fiscal Agent to the Bond Fund.

**Section 7.04. Absolute Obligation of the District.** Nothing in Section 7.08 or in any other provision of this Agreement or in the Bonds contained shall affect or impair the obligation of the District, 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 Net Special Tax Revenues and other moneys herein pledged therefor and received by the District or the Fiscal Agent, 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 7.05. Termination of Proceedings.** In case any proceedings taken by any one or more Bond 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 Bond Owners, then in every such case the District, and the Bond 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 City, and the Bond Owners shall continue as though no such proceedings had been taken.

**Section 7.06. Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Fiscal Agent 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 7.07. **No Waiver of Default.** No delay or omission of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Agreement to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

## ARTICLE VIII

### THE FISCAL AGENT

Section 8.01. **Appointment of Fiscal Agent.** MUFG Union Bank, N.A., is hereby appointed Fiscal Agent and paying agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Fiscal Agent.

Any company into which the Fiscal Agent 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 Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the following paragraph of this Section, shall be the successor to such Fiscal Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

The District may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Seventy-Five Million Dollars (\$75,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 8.01, combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Fiscal Agent may at any time resign by giving written notice to the District and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent.

If no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Fiscal Agent shall have given to the District written notice or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent or any Bondowner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

If, by reason of the judgment of any court, the Fiscal Agent is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Fiscal Agent hereunder shall be assumed by and vest in the Treasurer of the City in trust for the benefit of the Owners. The District covenants for the direct benefit of the Owners that the Treasurer in such case shall be vested with all of the rights and powers of the Fiscal Agent hereunder, and shall assume all of the responsibilities and perform all of the duties of the Fiscal Agent hereunder, in trust for the benefit of the Owners of the Bonds.

**Section 8.02. Liability of Fiscal Agent.** The recitals of facts, covenants, and agreements herein and in the Bonds contained shall be taken as statements, covenants, and agreements of the District, and the Fiscal Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Agreement or of the Bonds, nor shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement. Except as provided above in this paragraph, the Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of this Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements of the City or the District herein or of any of the documents executed by the City or the District in connection with the Bonds, or as to the existence of a default or event of default thereunder.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing

that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of any of the Owners pursuant to this Agreement unless such Owners shall have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Fiscal Agent may become the Owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

The Fiscal Agent will not incur liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Fiscal Agent (including but not limited to any act or provision of any present or future law or regulation or governmental authority, natural catastrophes, civil or military disturbances, loss or malfunction of utilities, any act of God or war, terrorism or the unavailability of the Federal Reserve Bank or other wire or communication facility).

The Fiscal Agent's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the Bonds. All indemnifications and releases from liability granted to the Fiscal Agent hereunder shall extend to the directors, officers, and employees of the Fiscal Agent.

In no event shall the Fiscal Agent be liable for any consequential, indirect, punitive or special damage relating to its performance of its duties under this Fiscal Agent Agreement except for damages caused by its own gross negligence or willful misconduct as finally determined in a non-appealable judgment by a court of competent jurisdiction.

**Section 8.03. Information.** The Fiscal Agent shall provide to the District such information relating to the Bonds and the funds and accounts maintained by the Fiscal Agent hereunder as the District shall reasonably request, including, but not limited to, quarterly statements reporting funds held and transactions by the Fiscal Agent. The Fiscal Agent shall furnish the District periodic cash transaction statements which include detail for all investment transactions effected by the Fiscal Agent or brokers selected by the District. Upon the District's election, such statements will be delivered via the Fiscal Agent's online service and upon electing such service, paper statements will be provided only upon request. The District waives the right to receive brokerage confirmations of security transactions effected by the Fiscal Agent as they occur, to the extent permitted by law. The District further understands that trade confirmations for securities transactions effected by the Fiscal Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker

**Section 8.04. Notice to Fiscal Agent.** The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, Bond or other paper or document believed by it to be genuine and to

have been signed or presented by the proper party or proper parties. The Fiscal Agent may consult with counsel, who may be counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Fiscal Agent shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the Fiscal Agent 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, in the absence of willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

**Section 8.05. Compensation, Indemnification.** The District shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under this Agreement, and also all reasonable expenses, charges, counsel fees, and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under this Agreement. The District further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct. The obligation of the District under this Section shall survive resignation or removal of the Fiscal Agent under this Agreement and payment of the Bonds and discharge of this Agreement, but any monetary obligation of the District arising under this Section shall be limited solely to amounts on deposit in the Local Refunding Obligation Administrative Expense Fund.

## ARTICLE IX

### MODIFICATION OR AMENDMENT OF THIS AGREEMENT

**Section 9.01. Amendments Permitted.** This Agreement and the rights and obligations of the District and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of the Owners, or with the written consent without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 9.04. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the District to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond; or (ii) permit the creation by the District of any pledge or lien upon the

Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or this Agreement), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Fiscal Agent without its written consent.

This Agreement and the rights and obligations of the District and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the District in this Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the District;
- (ii) to make modifications not adversely affecting any Outstanding Bonds of the District in any material respect;
- (iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting, or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the District and the Fiscal Agent may deem necessary or desirable and not inconsistent with this Agreement, and which shall not adversely affect the rights of the Owners of the Bonds;
- (iv) to make such additions, deletions, or modifications as may be necessary or desirable to assure the exclusion from gross income for federal income tax purposes of interest on the Bonds.

**Section 9.02. Owners' Meetings.** The District may at any time call a meeting of the Owners. In such event the District is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

**Section 9.03. Procedure for Amendment with Written Consent of Owners.** The District and the Fiscal Agent may at any time adopt a Supplemental Agreement amending the provisions of the Bonds or of this Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by Section 9.01, to take effect when and as provided in this Section. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in this Section provided.

Such Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consent of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 9.04 and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for

which such consent is given, which proof shall be such as is permitted by Section 11.04. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the District shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required by this Section 9.03 to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the District and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 9.04. **Disqualified Bonds.** Bonds owned or held for the account of the City or the District, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in this Article IX, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Article IX.

Section 9.05. **Effect of Supplemental Agreement.** From and after the time any Supplemental Agreement becomes effective pursuant to this Article IX, this Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Agreement of the District and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

Section 9.06. **Endorsement or Replacement of Bonds Issued After Amendments.** The District may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article IX shall bear a notation, by endorsement or otherwise, in form approved by the District, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Principal Office of the Fiscal Agent or at such other office as the District may select and designate for that purpose, a suitable notation shall be made on such Bond. The District may determine that new Bonds, so modified as in the opinion of the District is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of

any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

**Section 9.07. Amendatory Endorsement of Bonds.** The provisions of this Article IX shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

**Section 9.08. Notice Requirement.** Not less than 15 days prior to the effective date of any amendment made pursuant to this Article IX, so long as any Bonds are owned by the Authority, the District shall mail notice of the proposed amendment and the text of the proposed amendment to the Authority and the Authority Trustee.

## ARTICLE X

### DEFEASANCE

**Section 10.01. Defeasance.** If the District shall pay or cause to be paid, or there shall otherwise be paid, to the Owner of an Outstanding Bond the interest due thereon and the principal thereof, at the times and in the manner stipulated in this Agreement, then the Owner of such Bond shall cease to be entitled to the pledge of Net Special Tax Revenues, and, other than as set forth below, all covenants, agreements and other obligations of the District to the Owner of such Bond under this Agreement shall thereupon cease, terminate and become void and be discharged and satisfied. In the event of a defeasance of all Outstanding Bonds pursuant to this Section, the Fiscal Agent shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiscal Agent shall pay over or deliver to the District's general fund all money or securities held by it pursuant to this Agreement which are not required for the payment of the principal of, premium, if any, and interest due on such Bonds.

Any Outstanding Bond shall be deemed to have been paid within the meaning expressed in the first paragraph of this Section if such Bond is paid in any one or more of the following ways:

(i) by paying or causing to be paid the principal of, premium, if any, and interest on such Bond, as and when the same become due and payable;

(ii) by depositing with the Fiscal Agent, in trust, at or before maturity, money which, together with the amounts then on deposit in the Special Tax Fund and available for such purpose, is fully sufficient to pay the principal of, premium, if any, and interest on such Bond, as and when the same shall become due and payable; or

(iii) by depositing with the Fiscal Agent or another escrow bank appointed by the District, in trust, direct, noncallable Defeasance Obligations, in which the District may lawfully invest its money, in such amount as an Independent Accountant shall determine will be sufficient, together with the interest to accrue thereon and moneys then on deposit in the Special Tax Fund and available for such purpose, together with the interest to accrue thereon, to pay and

discharge the principal of, premium, if any, and interest on such Bond, as and when the same shall become due and payable;

then, at the election of the District, and notwithstanding that any Outstanding Bonds shall not have been surrendered for payment, all obligations of the District under this Agreement with respect to such Bond shall cease and terminate, except for the obligation of the Fiscal Agent to pay or cause to be paid to the Owners of any such Bond not so surrendered and paid, all sums due thereon. Notice of such election shall be filed with the Fiscal Agent not less than ten (10) days prior to the proposed defeasance date, or such shorter period of time as may be acceptable to the Fiscal Agent. In connection with a defeasance under (ii) or (iii) above, there shall be provided to the District a verification report from an Independent Accountant stating its opinion as to the sufficiency of the moneys or securities deposited with the Fiscal Agent or the escrow bank to pay and discharge the principal of, premium, if any, and interest on all Outstanding Bonds to be defeased in accordance with this Section, as and when the same shall become due and payable, and an opinion of Bond Counsel (which may rely upon the opinion of the certified public accountant) to the effect that the Bonds being defeased have been legally defeased in accordance with this Agreement.

Upon a defeasance, the Fiscal Agent, upon request of the District, shall release the rights of the Owners of such Bonds which have been defeased under this Agreement and execute and deliver to the District all such instruments as may be desirable to evidence such release, discharge and satisfaction. In the case of a defeasance hereunder of all Outstanding Bonds, after payment of any amounts then owed to the Fiscal Agent, the Fiscal Agent shall pay over or deliver to the District any funds held by the Fiscal Agent at the time of a defeasance, which are not required for the purpose of paying and discharging the principal of or interest on the Bonds when due. The Fiscal Agent shall, at the written direction of the District, mail, first class, postage prepaid, a notice to the Bondowners whose Bonds have been defeased, in the form directed by the District, stating that the defeasance has occurred.

## ARTICLE XI

### MISCELLANEOUS

Section 11.01. **Benefits of Agreement Limited to Parties.** Nothing in this Agreement, expressed or implied, is intended to give to any person other than the District, the City, the Fiscal Agent, and the Owners, any right, remedy, claim under or by reason of this Agreement. Any covenants, stipulations, promises, or agreements in this Agreement contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owners and the Fiscal Agent.

Section 11.02. **Cancellation of Bonds.** All Bonds surrendered to the Fiscal Agent for payment upon maturity or for redemption shall be upon payment therefor, and any Bond purchased by the District as authorized herein and delivered to the Fiscal Agent for such purpose shall be, cancelled forthwith and shall not be reissued. The Fiscal Agent shall destroy such Bonds, as provided by law, and furnish to the District a certificate of such destruction.

Section 11.03. **Successor is Deemed Included in All References to Predecessor.** Whenever in this Agreement or any Supplemental Agreement either the District or the Fiscal

Agent 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 Agreement contained by or on behalf of the District or the Fiscal Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

**Section 11.04. Execution of Documents and Proof of Ownership by Owners.** Any request, declaration, or other instrument which this Agreement may require or permit to be executed by the Owners may be in one or more instruments of similar tenor, and shall be executed by the Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the District or the Fiscal Agent in good faith and in accordance therewith.

**Section 11.05. Waiver of Personal Liability.** No member, officer, agent or employee of the District or the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

**Section 11.06. Notices to and Demands on District and Fiscal Agent.** Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the Fiscal Agent to or on the District may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the District with the Fiscal Agent) as follows:

City of Rancho Cucamonga Community Facilities District No.  
2000-01 (South Etiwanda)  
c/o City of Rancho Cucamonga  
10500 Civic Center Drive  
Rancho Cucamonga, California 91730  
Attention: City Manager

Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the District to or on the Fiscal Agent may be given or served by being delivered or sent by facsimile, electronic transmission, overnight mail, courier or personal

delivery or by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the Fiscal Agent with the District) as follows:

MUFG Union Bank, N.A.  
 120 South Pedro Street, 4th Floor  
 Los Angeles, California 90012  
 Attention: Corporate Trust Department  
 Fax: (213) 972-5694  
 Email: AccountAdministration-CorporateTrust@unionbank.com  
 and CashControlGroup-LosAngeles@unionbank.com

Section 11.07. **Partial Invalidity.** If any Section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The District hereby declares that it would have adopted this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable.

Section 11.08. **Unclaimed Moneys.** Anything contained herein to the contrary notwithstanding, any moneys held by the Fiscal Agent for the payment and discharge of the principal of, and the interest and any premium on, the Bonds which remains unclaimed for two (2) years after the date when the payments of such principal, interest and premium have become payable, if such moneys were held by the Fiscal Agent at such date, shall be repaid by the Fiscal Agent to the District as its absolute property free from any trust, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the District for the payment of the principal of, and interest and any premium on, such Bonds.

Section 11.09. **Provisions Constitute Contract.** The provisions of this Agreement shall constitute a contract between the District and the Bondowners and the provisions hereof shall be construed in accordance with the laws of the State of California.

In case any suit, action, or proceeding to enforce any right or exercise any remedy shall be brought or taken and, should said suit, action, or proceeding be abandoned, or be determined adversely to the Bondowners or the Fiscal Agent, then the District, the Fiscal Agent, and the Bondowners shall be restored to their former positions rights and remedies as if such suit, action, or proceeding had not been brought or taken.

After the issuance and delivery of the Bonds this Agreement shall be irrevocable, but shall be subject to modifications to the extent and in the manner provided in this Agreement, but to no greater extent and in no other manner.

Section 11.10. **Future Contracts.** Nothing herein contained shall be deemed to restrict or prohibit the District from making contracts or creating bonded or other indebtedness payable from a pledge of the Net Special Tax Revenues which is subordinate to the pledge hereunder, or which is payable from taxes or any source other than the Net Special Tax Revenues and other amounts pledged hereunder.

Section 11.11. **Further Assurances.** The District will adopt, make, execute, and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Agreement.

Section 11.12. **Applicable Law.** This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 11.13. **Conflict with Act.** In the event of a conflict between any provision of this Agreement with any provision of the Act as in effect on the Closing Date, the provision of the Act shall prevail over the conflicting provision of this Agreement.

Section 11.14. **Conclusive Evidence of Regularity.** Bonds issued pursuant to this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 11.15. **Payment on Business Day.** In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Agreement is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period after such date.

Section 11.16. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the District has caused this Agreement pertaining to the Community Facilities District No. 2000-01 (South Etiwanda) Special Tax Refunding Bonds, Series 2015 to be executed in its name and the Fiscal Agent has caused this Agreement to be executed in its name, all as July 1, 2015.

CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO.  
2000-01 (SOUTH ETIWANDA)

By: \_\_\_\_\_  
City Manager

MUFG UNION BANK, N.A., as Fiscal Agent

By: \_\_\_\_\_  
Authorized Officer



This Bond is one of a duly authorized issue of bonds in the aggregate principal amount of \$\_\_\_\_\_ pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Sections 63311, et seq., of the California Government Code (the "Mello-Roos Act") and designated the City of Rancho Cucamonga Community Facilities District No. 2000-01 (South Etiwanda) Special Tax Refunding Bonds, Series 2015. The Bonds have been issued for the purpose of refunding the City of Rancho Cucamonga Community Facilities District No. 2000-01 (South Etiwanda) Special Tax Bonds, Series 2012 (the "Prior Special Tax Refunding Bonds"). The issuance of the Bonds and the terms and conditions thereof are provided for by the Fiscal Agent Agreement, dated as of July 1, 2015 (the "Agreement"), by and between the City of Rancho Cucamonga Community Facilities District No. 2000-01 (South Etiwanda) and the Fiscal Agent and this reference incorporates the Agreement herein, and by acceptance hereof the Owner of this Bond assents to said terms and conditions.

Pursuant to the Mello-Roos Act and the Agreement, the principal of and interest on this Bond are payable solely from Net Special Tax Revenues of the annual special tax authorized under the Mello-Roos Act to be collected within the District (the "Special Tax") and certain funds held under the Agreement.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication; or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the City, as may be permitted by law. The Bonds do not constitute obligations of the City of Rancho Cucamonga for which said City is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described hereinabove. The District has covenanted for the benefit of the Owners of the Bonds that it will order, and cause to be commenced as provided in the Agreement, and thereafter diligently prosecute to judgment, an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due.

The Bonds may be redeemed at the option of the District from any source of funds other than prepayment of Special Taxes, prior to their stated maturity, as a whole or in part (in the principal amount of \$100,000 or any integral multiples of \$5,000 in excess thereof) on any date on or after March 1, 20\_\_, from such maturities as are selected by the District, and by lot within a maturity, by paying the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

Notwithstanding the above, any such optional redemption of the Bonds shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such optional redemption of the Bonds.

The Bonds shall be subject to redemption on any Interest Payment Date, prior to maturity, as a whole or in part from such maturities, as are selected by the District, from Prepayments of Special Taxes, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date of redemption; provided, however, that the Bonds that remain Outstanding after any such redemption pursuant to this Section 4.01(b) shall be in authorized denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof.

Notwithstanding the above, such mandatory redemption of the Bonds in whole or in part shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such mandatory redemption of the Bonds.

[MANDATORY SINKING FUND REDEMPTION?]

In lieu of redemption under the Fiscal Agent Agreement, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase, unless a greater purchase price is permitted under the Act and the District determines that it will have sufficient amounts in the Bond Fund, following such purchase, to pay Debt Service on the Bonds.

Notice of redemption with respect to the Bonds to be redeemed shall be given to the registered Owners thereof, in the manner, to the extent and subject to the provisions of the Agreement.

This Bond shall be registered in the name of the Owner hereof, as to both principal and interest.

Each registration and transfer of registration of this Bond shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

Except as provided in the Agreement, any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of the Agreement 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 duly written instrument of transfer in a form approved by the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

No transfers of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

The Fiscal Agent Agreement and the rights and obligations of the Agency thereunder may be modified or amended as set forth therein.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Fiscal Agent.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the City of Rancho Cucamonga Community Facilities District 2000-01 has caused this Bond to be dated July \_\_, 2015, to be signed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the City Clerk, each acting for and on behalf of such community facilities district.

CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO.  
2000-01 (SOUTH ETIWANDA)

BY: \_\_\_\_\_  
Mayor

BY: \_\_\_\_\_  
City Clerk

***FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION***

This is one of the Bonds described in the Resolution and the Agreement which has been authenticated on \_\_\_\_\_, \_\_\_\_\_.

MUFG UNION BANK, N.A., as Fiscal Agent

By: \_\_\_\_\_  
Authorized Officer

**ASSIGNMENT**

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

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

the within Bond and do(es) hereby irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer the same on the registration books of the Fiscal Agent, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature(s) on this assignment must correspond with the name(3) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

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**FISCAL AGENT AGREEMENT**

**by and between**

**CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2000-02  
(RANCHO CUCAMONGA CORPORATE PARK**

**and**

**MUFG UNION BANK, N.A.  
as Fiscal Agent**

**Dated as of July 1, 2015**

**Relating to:**

**\$ \_\_\_\_\_**

**City of Rancho Cucamonga  
Community Facilities District No. 2000-02 (Rancho Cucamonga Corporate Park)  
Special Tax Refunding Bonds, Series 2015**

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## FISCAL AGENT AGREEMENT

**THIS FISCAL AGENT AGREEMENT** (the “Agreement”) is made and entered into as of July 1, 2015, by and between the City of Rancho Cucamonga Community Facilities District No. 2000-02 (Rancho Cucamonga Corporate Park) (the “District”), a community facilities district, organized and existing under and by virtue of the laws of the State of California, and MUFG Union Bank, N.A., a national banking association organized and existing under the laws of the United States of America, as fiscal agent (the “Fiscal Agent”).

### WITNESSETH:

**WHEREAS**, the City Council of the City of Rancho Cucamonga (the “City”) has formed the District under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 et seq. of the California Government Code) (the “Act”) and Resolution No. 00-222 of the City Council adopted on November 1, 2000;

**WHEREAS**, the City Council is authorized under the Act and pursuant to Ordinance No. 645 to levy special taxes to pay for the costs of facilities provided by the District;

**WHEREAS**, under the provisions of the Act, on November 1, 2000, the City Council, acting as the legislative body of the District, adopted Resolution No. 00-233 which resolution, among other matters, expressed the determination of the City Council of the necessity to issue special tax bonds in the maximum aggregate principal amount of \$7,000,000 for the District secured by the special taxes;

**WHEREAS**, on December 6, 2000, the City Council adopted Resolution No. 00-240 (the “Resolution”) authorizing the issuance and sale of bonds for the District pursuant to the Bond Indenture, dated as of November 1, 2000 (the “Prior Bond Indenture”), by and between the District and Wells Fargo Bank, National Association, as fiscal agent, designated the “City of Rancho Cucamonga Community Facilities District No. 2000-02 (Rancho Cucamonga Corporate Park) Special Tax Bonds, Series 2000” (the “Prior Special Tax Bonds”), for the purpose of funding the acquisition, rehabilitation and construction of certain public improvements (defined in the Prior Bond Indenture as the “Project”);

**WHEREAS**, on December 21, 2000 the Prior Special Tax Bonds in the principal amount of \$6,835,000 were issued;

**WHEREAS**, on December 7, 2011, the City Council adopted Resolution No. 11-179 (the “Prior Resolution of Issuance”) authorizing the issuance and sale of bonds of the District pursuant to the Fiscal Agent Agreement, dated as of December 1, 2011, (the “Prior Fiscal Agent Agreement”) by and between the District and Wells Fargo Bank, National Association, as fiscal agent, designated “City of Rancho Cucamonga Community Facilities District No. 2000-02 (Rancho Cucamonga Corporate Park) Special Tax Refunding Bonds, Series 2012” (the “Prior Special Tax Refunding Bonds”), for the purpose of financing the defeasance and refunding of the Prior Special Tax Bonds;

**WHEREAS**, on July 1, 2015, the City Council adopted Resolution No. 15-\_\_\_ (the “Resolution of Issuance”) authorizing the issuance and sale of bonds of the District pursuant to this Agreement, designated “City of Rancho Cucamonga Community Facilities District No. 2000-1 (Rancho Cucamonga Corporate Park) Special Tax Refunding Bonds, Series 2015 (the “Special Tax Refunding Bonds”), for the purpose of financing the defeasance and refunding of the Prior Special Tax Refunding Bonds.

**WHEREAS**, it is in the public interest and for the benefit of the City, the District, the persons responsible for the payment of special taxes and the owners of the Bonds that the District enter into this Agreement to provide for the issuance of the Bonds, the disbursement of proceeds of the Bonds, the disposition of the special taxes securing the Bonds, and the administration and payment of the Bonds;

**WHEREAS**, all things necessary to cause the Bonds, when authenticated by the Fiscal Agent and issued as provided in the Act, the Resolution and this Agreement, to be legal, valid and binding and limited obligations in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Agreement and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

**NOW, THEREFORE**, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Agreement, according to their tenor, 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 received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the District does hereby covenant and agree with the Fiscal Agent, for the benefit of the respective holders from time to time of the Bonds, as follows:

## ARTICLE I

### STATUTORY AUTHORITY AND DEFINITIONS

Section 1.01. **Authority for this Agreement.** This Agreement is entered into pursuant to the provisions of the Act and the Resolution.

Section 1.02. **Agreement for Benefit of Bondowners.** The provisions, covenants and agreements herein set forth to be performed by or on behalf of the City and the District shall be for the equal benefit, protection, and security of the Owners from time to time. In consideration of the acceptance of the Bonds by the Owners thereof, this Agreement shall be deemed to be and shall constitute a contract between the District and the Owners; and the covenants and agreements herein set forth to be performed by the District 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. All of the

Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Agreement.

The Fiscal Agent may become the Owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Fiscal Agent.

Section 1.03. **Definitions.** Unless the context otherwise requires, the terms defined in this Section 1.03 shall, for all purposes of this Agreement, of any Supplemental Agreement, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Authority Indenture. All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311 et seq. of the California Government Code.

“Administrative Expense Fund” means the fund by that name established by Section 3.04A hereof.

“Administrative Expenses” means any or all of the following: the fees and expenses of the Fiscal Agent (including the fees and expenses of its counsel), the expenses of the City or the District in carrying out its duties hereunder (including, but not limited to, the levying and collection of the Special Taxes, complying with the disclosure provisions of the Act and this Agreement, including those related to public inquiries regarding the Special Tax and disclosures to Bondowners and the Original Purchaser); the costs of the City and the District or their designees related to an appeal of the Special Tax; any costs of the City and the District (including fees and expenses of counsel) to defend the first lien on and pledge of the Special Taxes to the payment of the Bonds or otherwise in respect of litigation relating to the District or the Bonds or with respect to any other obligations of the District; the Proportionate Share of the Authority Administrative Expenses allocable to the Bonds, the Proportionate Share of the salaries of City staff directly related to the carrying out by the City of its obligations hereunder or under the Authority Indenture and a proportionate amount of City general administrative overhead related thereto allocable to the Bonds; and all other costs and expenses of the City, the District, and the Fiscal Agent incurred in connection with the discharge of their respective duties hereunder, and in the case of the City, in any way related to the administration of the District and all actual costs and expenses incurred in connection with the administration of the Bonds.

“Agreement” means this Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement adopted pursuant to the provisions hereof.

“Annual Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, and (ii) the principal amount of the Outstanding Bonds scheduled to be paid in such Bond Year.

“Auditor” means the auditor/tax collector of the County of San Bernardino.

“Authority” means the Rancho Cucamonga Public Finance Authority and any successor thereto.

“Authority Bonds” means any bonds outstanding under the Authority Indenture, which are secured by payments to be made on the Bonds.

“Authority Indenture” means that certain Indenture of Trust, dated as of July 1, 2015, by and between the Authority and the Authority Trustee, pursuant to which the Authority Bonds are issued.

“Authority Original Purchaser” means City National Bank, a national banking association, and its successors and assigns.

“Authority Trustee” means MUFG Union Bank, N.A., or any successor thereto appointed under the Authority Indenture.

“Authorized Officer” means the City Manager, Assistant City Manager, Director of Finance, or City Clerk of the City, or any other officer or employee authorized by the City Council of the City or by an Authorized Officer to undertake the action referenced in this Agreement as required to be undertaken by an Authorized Officer.

“Bond Counsel” means (i) Best Best & Krieger LLP; or (ii) any attorney or firm of attorneys acceptable to the District and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Fund” means the fund by that name established by Section 4.02A hereof.

“Bond Year” means the one-year period beginning on September 2 in each year and ending on September 1 in the following year except that the first Bond Year shall begin on the Closing Date and end on September 1, 2015.

“Bonds” means the City of Rancho Cucamonga Community Facilities District No. 2000-02 (Rancho Cucamonga Corporate Park) Special Tax Refunding Bonds, Series 2015, authorized by, and at any time Outstanding pursuant hereto.

“Business Day” means a day which is not a Saturday, Sunday, or legal holiday on which banking institutions in the State of California, or in any state in which the Principal Office of the Trustee is located, or the New York Stock Exchange are closed. If any payment hereunder is due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such previous day.

“CDIAC” means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

“City” means the City of Rancho Cucamonga, California.

“City Council” means the City Council of the City, acting in its capacity as the legislative body of the District.

“Closing Date” means the date upon which there is a physical delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser.

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

“County” means the County of San Bernardino, California.

“Debt Service” means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“Defeasance Obligations” means those obligations described in paragraph A. of the definition of Permitted Investments.

“District” means the City of Rancho Cucamonga Community Facilities District No. 2000-02 (Rancho Cucamonga Corporate Park), formed pursuant to the Resolution of Formation.

“DTC” means the Depository Trust Company.

“Escrow Agent” means Wells Fargo Bank, National Association, acting as escrow agent under the Escrow Agreement.

“Escrow Agreement” means that Escrow Agreement Deposit and Trust Agreement dated as of July 1, 2015 by and between the Authority and the Escrow Agent relating to defeasance of the Prior Authority Bonds and the Prior Special Tax Refunding Bonds.

“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) any commingled investment fund in which the City and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

“Fiscal Agent” means the Fiscal Agent appointed by the District and acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 8.01.

“Fiscal Year” means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

“Independent Accountant” means any nationally recognized firm of certified public accountants or firm of such accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State, appointed by the City, and who, or each of whom:

(1) is in fact independent and not under domination of the Authority, the City or the District;

(2) does not have any substantial interest, direct or indirect, with the Authority, the City or the District; and

(3) is not connected with the Authority, the City or the District as an officer or employee of the Authority, the City or the District, but who may be regularly retained to make reports to the Authority, the City or the District.

“Independent Financial Consultant” means any financial consultant or firm of such financial consultants appointed by the Authority and who, or each of whom:

(1) is judged by the City to have experience with respect to the financing of public capital improvement projects;

(2) is in fact independent and not under the domination of the Authority, the City, or the District;

(3) does not have any substantial interest, direct or indirect, with the Authority, the City, or the District; and

(4) is not connected with the Authority, the City, or the District as an officer or employee of the Authority, the City, or the District, but who may be regularly retained to make reports to the Authority, the City, or the District.

“Interest Payment Dates” means September 1 and March 1 of each year, commencing March 1, 2016.

“Investment Earnings” means all interest earned and any gains and losses on the investment of moneys in any fund or account created by this Agreement.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the District or the business, facilities, or operations of the District, (b) the ability of the District to meet or perform its obligations under this Agreement on a timely basis, (c) the validity or enforceability of this Agreement.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

“Net Special Tax Revenues” means, for each Fiscal Year, all Special Tax Revenues received by the District less an amount equal to the Priority Administrative Expenses Amount.

“Officer’s Certificate” means a written certificate of the District or the City signed by an Authorized Officer of the City.

“Ordinance” means an ordinance of the City levying the Special Taxes, including Ordinance No. 646, adopted by the City Council on December 13, 2000.

“Original Purchaser” means the Authority.

“Outstanding,” means (subject to the provisions of Section 9.04), when used as of any particular time with reference to Bonds, all Bonds except: (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of Section 10.01; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued, and delivered by the District pursuant to this Agreement or any Supplemental Agreement.

“Owner” or “Bondowner” means any person who shall be the registered owner of any Outstanding Bond.

“Penalties and Interest” means any penalties or interest in excess of the interest payable on the Bonds collected in connection with delinquent Special Taxes.

“Penalties and Interest Account” means the account by that name within the Special Tax Fund pursuant to Section 3.03D hereof.

“Permitted Investments” shall have the meaning given such term in the Authority Indenture.

“Person” means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Prepayments” means Special Tax Revenues identified to the Fiscal Agent by an Authorized Officer as representing a prepayment of the Special Tax pursuant to the RMA.

“Principal Office” means the principal corporate trust office of the Fiscal Agent as may be designated from time to time by the Fiscal Agent in writing to the District initially set forth in Section 11.06 hereof.

“Prior Authority Bonds” means the \$15,970,000 Rancho Cucamonga Public Financing Authority Special Tax Refunding Revenue Bonds, Series 2012.

“Prior Bond Indenture” means the Bond Indenture, dated as of November 1, 2000, by and between the District and Wells Fargo Bank, National Association, as fiscal agent, pertaining to the Prior Special Tax Bonds.

“Prior Fiscal Agent Agreement” means the Fiscal Agent Agreement, dated as of December 1, 2011, by and between the District and Wells Fargo Bank, National Association, as fiscal agent, pertaining to the Prior Special Tax Refunding Bonds.

“Prior Special Tax Refunding Bonds” means the outstanding City of Rancho Cucamonga Community Facilities District No. 2000-02 (Rancho Cucamonga Corporate Park) Special Tax Refunding Bonds, Series 2012.

“Priority Administrative Expense Amount” means an annual amount equal to \$55,000.00, or such lesser amount as may be designated by written instruction from an Authorized Officer of the District to be allocated as the first priority of Special Taxes received each Fiscal Year for the payment of Administrative Expenses allocated to the Bonds.

“Project” shall have the meaning given such term in the Prior Bond Indenture.

“Proportionate Share” shall have the meaning given such term in the Authority Indenture.

“Record Date” means the fifteenth day of the month next preceding the month of the applicable Interest Payment Date.

“Reserve Fund” means the fund by that name established by Section 4.03 hereof.

“Reserve Requirement” means an amount equal to \$[50% of MADs].

“Resolution of Formation” means Resolution No. 00-222, adopted by the City Council on November 1, 2000.

“Resolution of Issuance” shall have the meaning given such term in the recitals hereto.

“RMA” means the Rate and Method of Apportionment of the Special Tax for the District approved by the qualified electors within the District at a special election held on November 7, 2000.

“Special Tax Refunding Bonds” shall have the meaning given such term in the Authority Indenture.

“Special Tax Fund” means the fund by that name established by Section 3.03A hereof.

“Special Tax Revenues” means the proceeds of the Special Taxes received by the District including any scheduled payments and any prepayments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest and penalties thereon. Notwithstanding the foregoing, “Special Tax Revenues” does not include Penalties and Interest.

“Special Taxes” means the special taxes levied within the District pursuant to the Act, the RMA, the Ordinance, and this Agreement.

“Supplemental Agreement” means an agreement the execution of which is authorized by a resolution which has been duly adopted by the City Council under the Act and which agreement is amendatory of or supplemental to this Agreement, but only if and to the extent that such agreement is specifically authorized hereunder.

“Treasurer” means the person who is acting in the capacity as treasurer or finance director to the City or the designee of either such officer.

**ARTICLE II**

**THE BONDS**

Section 2.01. **Principal Amounts; Designations.** Bonds in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_.00) are hereby authorized to be issued by the District under and subject to the terms of the Resolution of Issuance and this Agreement, the Act and other applicable laws of the State of California. The Bonds shall be designated “City of Rancho Cucamonga Community Facilities District No. 2000-02 (Rancho Cucamonga Corporate Park) Special Tax Refunding Bonds, Series 2015.” This Agreement constitutes a continuing agreement of the District with the Owners from time to time of the Bonds to secure the full payment of the principal of, premium, if any, and interest on all such Bonds subject to the covenants, provisions, and conditions herein contained.

Section 2.02. **Terms of Bonds.**

A. **Form; Denominations.** The Bonds shall be issued as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof; provided, however, one Bond from each maturity may be in an amount other than \$5,000 or an integral multiple thereof. The Bonds shall be lettered and numbered in a customary manner as determined by the Fiscal Agent.

B. **Date of the Bonds.** The Bonds shall be dated the Closing Date.

C. **Maturities, Interest Rates.** The Bonds shall mature on the dates and shall bear interest at the rates as follows:

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal Maturity</u>	<u>Interest Rate</u>
	\$	%

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§ \_\_\_\_\_

D. Interest. The Bonds shall bear interest at the rates set forth above payable five (5) days preceding the Interest Payment Dates in each year. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication; or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

E. Method of Payment. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check or draft of the Fiscal Agent mailed at least five (5) days preceding the Interest Payment Dates by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Fiscal Agent.

All Bonds paid by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Bonds and issue a certificate of destruction thereof to the District.

### Section 2.03. **Redemption.**

A. Optional Redemption. The Bonds may be redeemed at the option of the District from any source of funds other than prepayment of Special Taxes, prior to their stated maturity, as a whole or in part (in the principal amount of \$100,000 or any integral multiples of \$5,000 in excess thereof) on any date on or after March 1, 20\_\_, from such maturities as are selected by the

District, and by lot within a maturity, by paying the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

Notwithstanding the above, any such optional redemption of the Bonds shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such optional redemption of the Bonds.

B. Mandatory Redemption from the Prepayment of Special Taxes. The Bonds shall be subject to redemption on any Interest Payment Date, prior to maturity, as a whole or in part from such maturities, as are selected by the District, from Prepayments of Special Taxes, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date of redemption; provided, however, that the Bonds that remain Outstanding after any such redemption pursuant to this Section 4.01(b) shall be in authorized denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof.

Notwithstanding the above, such mandatory redemption of the Bonds in whole or in part shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such mandatory redemption of the Bonds.

C. [Mandatory Sinking Fund Redemption?]

C. Purchase In Lieu of Redemption. In lieu of redemption under Section 2.03A or 2.03B, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase, unless a greater purchase price is permitted under the Act and the District determines that it will have sufficient amounts in the Bond Fund, following such purchase, to pay Debt Service on the Bonds.

D. Notice to Fiscal Agent. The District shall give the Fiscal Agent written notice of its intention to redeem Bonds pursuant to Section 2.03A or 2.03B not less than sixty (60) days prior to the applicable redemption date, unless such notice shall be waived by the Fiscal Agent, unless the Fiscal Agent agrees to a shorter period.

E. Redemption Procedure by Fiscal Agent. The Fiscal Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, shall designate the Bond numbers of the Bonds to be redeemed by giving the individual Bond number of each Bond to be redeemed or shall state that all Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption, shall state as to any Bond called in part the principal amount thereof to be redeemed, and shall require that such Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such Bonds will not accrue from and after the redemption date. The cost of mailing any such redemption notice and any expenses incurred by the Fiscal Agent in connection therewith shall be paid by the District.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the Bond number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Whenever provision is made in this Agreement for the redemption of less than all of the Bonds or any given portion thereof, the Fiscal Agent shall select the Bonds to be redeemed, from all Bonds or such given portion thereof not previously called for redemption, among maturities as specified by the District in a written certificate delivered to the Fiscal Agent, and by lot within a maturity in any manner which the District in its sole discretion shall deem appropriate and fair. In providing such certificate, the District shall provide for the redemption of Bonds such that the remaining Debt Service payable on the Bonds shall remain level as possible.

Upon surrender of Bonds redeemed in part only, the District shall execute and the Fiscal Agent shall authenticate and deliver to the registered Owner, at the expense of the District, a new Bond or Bonds, of the same Series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

F. Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds so called for redemption shall have been deposited in the Bond Fund, such Bonds so called shall cease to be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice.

All Bonds redeemed and purchased by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Bonds and, upon written request of the District, issue a certificate of destruction thereof to the District.

**Section 2.04. Form of Bonds.** The Bonds, the form of Fiscal Agent's certificate of authentication and the form of assignment, to appear thereon, shall be substantially in the forms, respectively, set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, the Resolution, and the Act. The Bonds of any other Series and the form of the certificate of authentication and assignment to appear thereon shall be in such form or forms as may be specified in the Supplemental Agreement creating such Series of Bonds.

**Section 2.05. Execution of Bonds.** The Bonds shall be executed on behalf of the District by the manual or facsimile signatures of the Mayor and City Clerk, who are in office on the date of adoption of this Agreement or at any time thereafter. The Bonds shall then be delivered to the Trustee for authentication. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Owner. Any Bond may be signed and attested on behalf of the District by such persons as at the actual date of the execution of such Bond shall be the proper officers of the District although at the nominal date of such Bond any such person shall not have been such officer of the District.

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

**Section 2.06. Transfer of Bonds.** Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

No transfers of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

Section 2.07. **Exchange of Bonds.** Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

Section 2.08. **Bond Register.** The Fiscal Agent will keep or cause to be kept, at its Principal Office sufficient books for the registration and transfer of the Bonds which books shall show the number, date, amount, rate of interest and last known Owner of each Bond and shall at all times be open to inspection by the District or the City during regular business hours upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided.

The District and the Fiscal Agent will treat the Owner of any Bond whose name appears on the Bond register as the absolute Owner of such Bond for any and all purposes, and the District and the Fiscal Agent shall not be affected by any notice to the contrary. The District and the Fiscal Agent may rely on the address of the Bond Owner as it appears in the Bond register for any and all purposes.

Section 2.09. **Temporary Bonds.** The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such authorized denominations as may be determined by the District, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the District upon the same conditions and in substantially the same manner as the definitive Bonds. If the District issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Fiscal Agent or at such other location as the Fiscal Agent shall designate, and the Fiscal Agent 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 Agreement as definitive Bonds authenticated and delivered hereunder.

Section 2.10. **Bonds Mutilated, Lost, Destroyed or Stolen.** If any Bond shall become mutilated, the District, at the expense of the Owner of said Bond, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent shall be canceled by it and destroyed by the Fiscal Agent, who shall deliver a certificate of destruction thereof to the District. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or

theft may be submitted to the Fiscal Agent and, if such evidence be satisfactory to it and indemnity for the District and the Fiscal Agent satisfactory to the Fiscal Agent shall be given, the District, at the expense of the Owner, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The District may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section and of the expenses which may be incurred by the District and the Fiscal Agent for the preparation, execution, authentication and delivery. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Agreement with all other Bonds issued pursuant to this Agreement.

**Section 2.11. Type and Nature of the Bonds; Limited Obligation.** Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof other than the District is pledged to the payment of the Bonds. Except for the Special Taxes, no other taxes are pledged to the payment of the Bonds. The Bonds are not general or special obligations of the City nor general obligations of the District but are limited obligations of the District payable solely from Net Special Tax Revenues. The District's limited obligation to pay the principal of, premium, if any, and interest on the Bonds from the Net Special Tax Revenues is absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever. No Owner of the Bonds may compel the exercise of the taxing power by the District (except as it pertains to the Special Taxes) or the City or the forfeiture of any of their property. The principal of and interest on the Bonds and premiums upon the redemption thereof, if any, are not a debt of the City, the State of California or any of its political subdivisions except the District within the meaning of any constitutional or statutory limitation or restriction. The Bonds are not a legal or equitable pledge, charge, lien, or encumbrance upon any of the District's property, or upon any of its income, receipts or revenues, except the Net Special Tax Revenues and amounts on deposit in the Special Tax Fund and the Bond Fund to the extent pledged hereunder which are, under the terms of this Agreement and the Act, set aside for the payment of the Bonds and interest thereon and neither the members of the legislative body of the District nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

**Section 2.12. Equality of Bonds and Pledge of Net Special Tax Revenues.** Pursuant to the Act and this Agreement, the Bonds shall be equally payable from the Net Special Tax Revenues and other amounts in the Special Tax Fund without priority for number, date of the Bonds, date of sale, date of execution, or date of delivery, and the payment of the interest on and principal of the Bonds and any premiums upon the redemption thereof, shall be exclusively paid from the Net Special Tax Revenues and other certain other amounts in the Special Tax Fund, which are hereby set aside for the payment of the Bonds. Amounts in the Special Tax Fund shall constitute a trust fund held for the benefit of the Owners to be applied to the payment of the interest on and principal of the Bonds and so long as any of the Bonds or interest thereon remain Outstanding shall not be used for any other purpose, except as permitted by this Agreement.

Nothing in this Fiscal Agent Agreement shall preclude, subject to the limitations contained hereunder, the redemption prior to maturity of any Bonds subject to call and

redemption and payment of said Bonds from proceeds of refunding bonds issued under the Act as the same now exists or as hereafter amended, or under any other law of the State of California, which shall be payable from Net Special Tax Revenues.

Section 2.13. **Description of Bonds; Interest Rates.** The Bonds and any Parity Bonds shall be issued in fully registered form in any denomination. The Bonds and any Parity Bonds of each issue shall be numbered as desired by the Fiscal Agent.

Section 2.14. **No Acceleration.** The principal of the Bonds shall not be subject to acceleration hereunder. Nothing in this Section shall in any way prohibit the prepayment or redemption of Bonds under Section 2.03 hereof, or the defeasance of the Bonds and discharge of this Agreement under Section 10.01 hereof.

Section 2.15. **Additional Bonds.** Other than for the purpose of refunding the Bonds, no additional Bonds entitled to a lien on the Net Special Tax Revenues shall be issued hereunder.

Section 2.16. **Validity of the Bonds.** The validity of the authorization and issuance of the Bonds shall not be affected in any way by any defect in any proceedings taken by the District for the issuance and sale of the Bonds and the recital contained in the Bonds that the same are issued pursuant to the Act and other applicable laws of the State shall be conclusive evidence of their validity and the regularity of their issuance.

### ARTICLE III

#### ISSUANCE OF BONDS

Section 3.01. **Issuance and Delivery of the Bonds.** At any time after the execution of this Agreement, the District may issue the Bonds in the aggregate principal amount set forth in Section 2.01 and deliver the Bonds to the Original Purchaser. The Authorized Officers of the District are hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the Bonds in accordance with the provisions of the Act, the Resolution of Issuance and this Agreement and to do and cause to be done any and all acts and things necessary or convenient for delivery of the Bonds to the Original Purchaser, upon payment of the purchase price for the Bonds.

Section 3.02. **Application of Proceeds of Sale of the Bonds and Transfers from the Prior Special Tax Refunding Bonds.** The proceeds of the purchase of the Bonds by the Original Purchaser (equal to the par amount of \$\_\_\_\_\_.00) shall be paid to the Fiscal Agent, who shall forthwith set aside, pay over and transfer such proceeds on the Closing Date as follows:

A. \$\_\_\_\_\_ shall be transferred to the Escrow Agent for deposit into the Escrow Fund held by the Escrow Agent under the Escrow Agreement;

B. \$\_\_\_\_\_ shall be deposited into the Reserve Fund, equal to the Reserve Requirement; and

C. \$\_\_\_\_\_ shall be transferred to the Authority Trustee for deposit into the Costs of Issuance Fund held under the Authority Indenture.

**Section 3.03. Special Tax Fund.**

A. Establishment of Special Tax Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the "Special Tax Fund," to the credit of which the District or the City, on behalf of the District, shall deposit, immediately upon receipt, all Special Tax Revenue received by the District or the City, on behalf of the District. Moneys in the Special Tax Fund, other than Penalties and Interest, shall be held by the Fiscal Agent for the benefit of the District and the Owners of the Bonds, shall be disbursed as provided below and, pending any disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

B. Disbursements of Special Tax Revenues. The Special Tax Revenues deposited in the Special Tax Fund shall be held and, other than Special Tax Revenues representing Prepayments, subsequently transferred to the following funds and accounts not later than the dates and in the amounts set forth in the following paragraphs and in the following order of priority:

1. to the District for deposit in Administrative Expense Fund an amount equal to the Priority Administrative Expense Amount estimated to be due and payable during the Fiscal Year;

2. not later than ten (10) Business Days prior to each Interest Payment Date, to the Bond Fund:

a. the amount representing past due installments of principal, interest and premium on the Bonds (including any interest thereon pursuant to the second sentence of the second paragraph of Section 4.02B), if any, resulting from the delinquency in the payment of such Special Taxes; and

b. an amount, taking into account any amounts then on deposit in the Bond Fund (other than by reason of the preceding paragraph a.) such that the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds on the next Interest Payment Date;

3. no later than ten (10) Business Days prior to each Interest Payment Date, to the Reserve Fund that amount, in addition to the amount transferred to the Bond Fund pursuant to paragraph 2. above, necessary to replenish any draw on the Reserve Fund resulting from the delinquency in the payment of scheduled debt service on the Bonds ;

4. on September 2 of each year after making the deposits and transfers required under paragraphs 1 and 2 above and the transfer, if any, authorized under paragraph 3 above, upon receipt of written instructions from an Authorized Officer on or before the preceding June 30, to the Authority Trustee the amount specified in such written instructions necessary for the payment of the Proportionate Share of any rebate amount due and owing to the United States of America by the Authority on the Authority Bonds;

5. on September 2 of each year after making the deposits and transfers required under paragraphs 1 through 4 above, upon receipt of written instructions from an Authorized Officer, to the District for deposit in the Administrative Expense Fund the amount specified in such written instructions necessary for payment of the estimated Administrative Expenses projected to be due and payable in the next Fiscal Year, reimbursement of any Administrative Expenses incurred during the Fiscal Year ending on such June 30 or the establishment or replenishment of a reasonable operating reserve within the Administrative Expense Fund and not included in any prior transfer made pursuant to paragraph 1 and 4 above; and

6. after September 2 of each year, after making the deposits and transfers made pursuant to paragraphs 1 through 5 above, monies then on deposit in the Special Tax Fund shall remain therein and shall be subsequently deposited or transferred pursuant to the provisions of paragraphs 1 through 5 above.

C. Transfer of Prepayments. Amounts constituting Prepayments shall be transferred by the Treasurer to the Fiscal Agent, and placed by the Fiscal Agent in a segregated account within the Bond Fund designated as "Prepayment Account" and used to redeem Bonds pursuant to paragraph 2 of Section 2.03B. Any such transfer of Prepayments shall be accompanied by written instructions executed by the Treasurer or an Authorized Officer directing the Fiscal Agent to place such Prepayments in the Prepayment Account.

D. Penalties and Interest. Amounts constituting Penalties and Interest shall be transferred by the Treasurer to the Fiscal Agent, and placed by the Fiscal Agent in a segregated account within the Special Tax Fund designated as "Penalties and Interest Account." The moneys on deposit in the Penalties and Interest Account shall be held and subsequently transferred, upon receipt of written instructions contained in an Officer's Certificate, to the following funds and accounts not later than the dates and in the amounts set forth in the following paragraphs and in the following order of priority:

1. to the Administrative Expense Fund that amount as specified in such written instructions necessary for payment of the estimated Administrative Expenses projected to be due and payable in the next Fiscal Year, reimbursement of any Administrative Expenses incurred during the Fiscal Year ending on such June 30 or establishment or replenishment of a reasonable operating reserve within the Administrative Expense Fund not included in any prior transfer made pursuant to paragraphs 3 or 6 of subsection B above;

2. to the Bond Fund that amount as specified in such Officer's Certificate for the payment of debt service on the Bonds; or

3. to such other fund or account as specified in such Officer's Certificate for any authorized purpose of the District.

E. Investment. Moneys in the Special Tax Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit shall be retained in the Special Tax Fund to be used for the purposes thereof.

**Section 3.04. Administrative Expense Fund.**

A. Establishment of Administrative Expense Fund. There is hereby established, as a separate account to be held by the District, the “Administrative Expense Fund” to the credit of which transfers from the Fiscal Agent shall be made to the District as required by Sections 3.02D, 3.03B or 3.03D hereof. Moneys in the Administrative Expense Fund shall be held in trust by the District for the benefit of the City, the District and the Authority, and shall be disbursed as provided below.

B. Disbursement. Amounts in the Administrative Expense Fund shall be withdrawn by the District and paid to the payee specified in an Officer’s Certificate stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense and the nature of such expense. Amounts on deposit in the Administrative Expense Fund at the end of any Fiscal Year shall be retained in such fund as an operating reserve and shall be disbursed as provided for in this paragraph B.

C. Investment. Moneys in the Administrative Expense Fund shall be invested and deposited in accordance with Section 6.01 hereof. Investment Earnings shall be retained by the District in the Administrative Expense Fund to be used for the purposes of such fund.

**ARTICLE IV**

**NET SPECIAL TAX REVENUES; BOND FUND**

Section 4.01. **Pledge of Net Special Tax Revenues.** The Bonds shall be secured by a first pledge (which pledge shall be effected in the manner and to the extent herein provided) of all of the Net Special Tax Revenues and all moneys deposited in the Bond Fund and, until disbursed as provided herein, in the Special Tax Fund, except for moneys on deposit in the Penalties and Interest Account. The Net Special Tax Revenues and all moneys deposited into said funds (except as otherwise provided herein) are hereby dedicated to the payment of the principal of, and interest and any premium on, the Bonds as provided herein and in the Act until all of the Bonds have been paid and retired or until moneys or Defeasance Obligations have been set aside irrevocably for that purpose in accordance with Section 10.01.

**Section 4.02. Bond Fund.**

A. Establishment of Bond Fund. There is hereby established as a separate fund to be held by the Fiscal Agent for the “Bond Fund” and, within the Bond Fund, the “Prepayment Account” to the credit of which deposits shall be made as required by paragraph 2 of Section 3.03B. and by Section 3.03C., and any other amounts required to be deposited therein by this Agreement or the Act. In addition to the foregoing deposits, the Fiscal Agent shall also deposit amount received from the Authority Trustee transferred to the Fiscal Agent pursuant to Section 5.05 of the Authority Indenture. Moneys in the Bond Fund shall be held by the Fiscal Agent for the benefit of the Owners of the Bonds, shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

B. Disbursements. On each Interest Payment Date, the Fiscal Agent shall withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, then due and payable on the Bonds, including any amounts due under Section 2.03A. hereof; provided, however, that available amounts in the Bond Fund shall first be used to pay to the Owners of the Bonds any past due installments of interest, principal (including mandatory sinking payments) of and premium, if any, on the Bonds, in that order. Amounts transferred to the Bond Fund from the Special Tax Fund pursuant to paragraph 2.a. of Section 3.03B. shall immediately be paid to the Owners of the Bonds in respect of past due payments on the Bonds, and amounts transferred to the Prepayment Account pursuant to Section 3.03C. shall be used to redeem Bonds pursuant to Section 2.03B.

If after the foregoing transfers, there are insufficient funds in the Bond Fund to make the payments provided for in the first sentence of this Section 4.02B., the Fiscal Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal and any mandatory sinking payments due on the Bonds. Any installment of principal (including mandatory sinking payments), premium, if any, or interest on the Bonds which is not paid when due shall accrue interest at the rate of interest on the Bonds until paid, and shall be paid whenever funds in the Bond Fund are sufficient therefor.

If at any time the Fiscal Agent fails to pay principal and interest due on any scheduled payment date for the Bonds, the Fiscal Agent shall notify the District and the Treasurer in writing of such failure, and the Treasurer shall notify the California Debt Advisory Commission of such failure within 10 days of the failure to make such payment, as required by Section 53359(c)(1) of the Act.

C. Investment. Moneys in the Bond Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from the investment and deposit of amounts in the Bond Fund shall be retained in the Bond Fund.

#### Section 4.03. **Reserve Fund.**

A. Establishment of Reserve Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the "Reserve Fund," to the credit of which a deposit shall be made as required by Section 3,02B. hereof. Moneys in the Reserve Fund shall be held by the Fiscal Agent for the benefit of the Bondowners and shall be disbursed as provided in Section 4.03B below.

B. Procedure for Disbursement. Moneys on deposit in the Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the Bonds as such amounts shall become due and payable in the event that the moneys in the Special Tax Fund and the Bond Fund for such purpose are insufficient therefor or redeeming Bonds as described below. The Fiscal Agent shall, when and to the extent necessary, withdraw money from the Reserve Fund and transfer such money to the Bond Fund or the Redemption Fund for such purpose.

On any date after either the transfers, if any, required by the preceding paragraph have been made for any Bond Year or the valuation of the Permitted Investments in the Reserve Fund pursuant to Section 6.01 below, if the amount on deposit in the Reserve Fund is less than the

Reserve Requirement, the Fiscal Agent shall transfer to the Reserve Fund from the first available monies in the Special Tax Fund an amount necessary to increase the balance therein to the Reserve Requirement. If at least ten (10) Business Days prior to each Interest Payment Date of each year, the amount on deposit in the Reserve Fund is in excess of the Reserve Requirement, the Fiscal Agent shall transfer such excess to the Bond Fund. In connection with any optional redemption of Bonds pursuant to Section 2.03A., amounts on deposit in the Reserve Fund which would be in excess of the Reserve Requirement following such redemption shall be transferred to the Redemption Fund or the Bond Fund, as applicable, prior to such redemption and applied to such redemption of Bonds pursuant to written instructions of the District contained in an Officer's Correspondence.

Upon receipt of an Officer's Correspondence instructing the Fiscal Agent to transfer certain moneys representing a Reserve Fund credit for a Prepayment pursuant to the RMA , the Fiscal Agent shall transfer the amount specified in such instructions from the Reserve Fund to the Redemption Fund for the purpose of redeeming Bonds pursuant to such instructions.

Whenever the balance in the Reserve Fund and the Bond Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Fiscal Agent shall transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding interest payment date, to the payment and redemption, in accordance with Section 2.03A of all of the Outstanding Bonds. In the event that the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund shall be transferred to the District to be used for any lawful purpose of the District as set forth in the Act.

C. Investment. Moneys in the Reserve Fund shall be invested and deposited by the Fiscal Agent in accordance with Section 6.01 hereof. Interest earnings and profits from such investment and deposit shall be retained in the Reserve Fund to be used for the purposes of such fund. All Authorized Investments in the Reserve Fund shall be valued at their cost at least semi-annually on February 1 and August 1 so long as at least 25% of the moneys in the Reserve Fund are invested for a period not to exceed two (2) years in length.

## ARTICLE V

### OTHER COVENANTS OF THE DISTRICT

Section 5.01. **Warranty.** The District shall preserve and protect the security pledged hereunder to the Bonds against all claims and demands of all persons.

Section 5.02. **Covenants.** So long as any of the Bonds issued hereunder are Outstanding and unpaid, the District makes the covenants set forth herein below in this Article V with the Bondowners under the provisions of the Act and this Fiscal Agent Agreement (to be performed by the District or the City, acting for and on behalf of the District, or its proper officers, agents and employees), which are covenants necessary and desirable to secure the Bonds and tend to make the Bonds more marketable; provided, however, that such covenants do not require the District to expend any funds or moneys other than the Net Special Tax Revenues.

Section 5.03. **Punctual Payment.** The District shall punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of this Agreement and any Supplemental Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement and all Supplemental Agreements and of the Bonds.

Section 5.04. **Limited Obligation.** The Bonds are limited obligations of the District and are payable solely from and secured solely by the Net Special Tax Revenues and the amounts in the Bond Fund and the Special Tax Fund created hereunder.

Section 5.05. **Payment of Claims.** The District will pay and discharge any and all lawful claims for labor, materials, or supplies which, if unpaid, might become a lien or charge upon the Special Tax Revenues or which might otherwise impair the security of the Bonds then Outstanding; provided that nothing herein contained shall require the District to make any such payments so long as the District in good faith shall contest the validity of any such claims.

Section 5.06. **Extension of Time for Payment.** In order to prevent any accumulation of claims for interest after maturity, the District shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the District, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have so extended or funded.

Section 5.07. **Against Encumbrances.** The District will not encumber, pledge or place any charge or lien upon any of the Net Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by this Agreement.

Section 5.08. **Books and Records.** The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Bond Fund and the Special Tax Fund and relating to the Special Tax Revenues.

Section 5.09. **Protection of Security and Rights of Owners.** The District will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the District, the Bonds shall be incontestable by the District.

Section 5.10. **Collection of Special Tax Revenues.** The District shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

On or about July 10 of each year, the Treasurer shall communicate with the Auditor to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The Treasurer shall effect the levy of the Special Taxes each Fiscal Year on the parcels within the District in accordance with the Ordinance, such that the computation of the levy is complete before the final date on which the Auditor will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next secured tax roll. Upon the completion of the computation of the amounts of the levy, the Treasurer shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next secured tax roll. The Special Taxes so levied shall be payable and be collected in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property, unless otherwise provided by the District.

In the event that the Treasurer determines to levy all or a portion of the Special Taxes by means of direct billing of the property owners of the parcels within the District, the Treasurer shall, not less than forty-five (45) days prior to each Interest Payment Date, send bills to the owners of such real property located within the District subject to the levy of the Special Taxes for Special Taxes in an aggregate amount necessary to meet the financial obligations of the District with respect to the District due on the next Interest Payment Date, said bills to specify that the amounts so levied shall be due and payable not less than thirty (30) days prior to such Interest Payment Date and shall be delinquent if not paid when due.

In any event, the Treasurer shall fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on any Outstanding Bonds becoming due and payable during the ensuing year, an amount necessary to replenish the Reserve Fund pursuant to Section 3.03B.3. and an amount estimated to be sufficient to pay the Administrative Expenses during such year, all in accordance with the RMA and the Ordinance. The Special Taxes so levied shall not exceed the authorized amounts as provided in the proceedings pursuant to the Resolution of Formation.

The Treasurer is hereby authorized to employ consultants to assist in computing the levy of the Special Taxes hereunder and any reconciliation of amounts levied to amounts received. The fees and expenses of such consultants and the costs and expenses of the Treasurer (including a charge for City or District staff time) in conducting its duties hereunder shall be an Administrative Expense hereunder.

Section 5.11. **Further Assurances.** The District shall adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Agreement.

**Section 5.12. Tax Covenants.** The District shall not take, or permit or suffer to be taken by the Fiscal Agent 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 any of the Authority Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code or to be "private activity bonds" within the meaning of Section 141 of the Tax Code.

The District agrees to furnish all information to, and cooperate fully with, the Authority, the Trustee and their respective officers, employees, agents and attorneys, in order to assure compliance with the provisions of Section 6.07 of the Authority Indenture. In the event that the Authority shall notify the District that the Authority has determined, pursuant to Section 6.07 of the Authority Indenture, that any amounts are due and payable to the United States of America thereunder and that neither the Authority nor the Authority Trustee has on deposit an amount of available moneys to make such payment, the District shall promptly direct the Fiscal Agent pay to the Authority Trustee from available Net Special Tax Revenues the Proportionate Share of the amounts determined by the Authority to be due and payable to the United States of America.

**Section 5.13. Covenant to Foreclose.** On or before June 1 of each Fiscal year, the District will review the public records of the County in connection with the Special Taxes levied in such Fiscal Year to determine the amount of Special Taxes actually collected in such Fiscal Year. If the District determines that any parcel subject to the Special Taxes is delinquent in the payment of two or more installments of Special Taxes and the aggregate amount of such delinquent Special Taxes exceeds \$5,000, the City shall, not later than forty-five (45) days of such determination, send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner. The City shall cause judicial foreclosure proceedings to be commenced and filed in the Superior Court not later than ninety (90) days of such determination against any parcel for which a notice of delinquency was given pursuant to this section and for which the Special Taxes remain delinquent.

The City Attorney is hereby authorized to employ counsel to conduct any such foreclosure proceedings. The fees and expenses of any such counsel and costs and expenses of the City Attorney (including a charge for City or District staff time) in conducting foreclosure proceedings shall be an Administrative Expense hereunder.

Notwithstanding any provision of the Act or other law of the State to the contrary, in connection with any foreclosure related to delinquent Special Taxes:

A. The City, is hereby expressly authorized to credit bid at any foreclosure sale, without any requirement that funds be placed in the Bond Fund or otherwise be set aside in the amount of such credit bid, in the amount specified in Section 53356.5 of the Act or such lesser amount as determined under B. below or otherwise under Section 53356.6 of the Act.

B. The City may permit property with delinquent Special Tax payments to be sold for less than the amount specified in Section 53356.5 of the Act, if it determines that such sale is in the interest of the Bond Owners. The Bond Owners, by their acceptance of the Bonds, hereby consent to such sale for such lesser amounts (as such consent is described in Section 53356.6 of

the Act), and hereby release the City, its officers and its agents from any liability in connection therewith.

C. The City is hereby expressly authorized to use amounts in the Administrative Expense Fund to pay costs of foreclosure of delinquent Special Taxes.

D. The City may forgive all or any portion of the Special Taxes levied or to be levied on any parcel in the District, so long as the City determines that such forgiveness is not expected to adversely affect its obligation to pay principal of and interest on the Bonds.

**Section 5.14. Annual Reports to CDIAC.** Not later than October 30 of each year, commencing October 30, 2016, and until the October 30 following the final maturity of the Bonds, the Treasurer shall supply the information required by Section 53359.5(b) or (c) of the Act to CDIAC (on such forms as CDIAC may specify) and the District.

**Section 5.15. Continuing Disclosure to Authority Original Purchaser.** On or before each March 31 of each year, the District shall provide to the Authority Original Purchaser copies of the audited financial statements, along with the following information: (a) the amount of Bonds outstanding (as of the prior [Bond Year/Fiscal Year]); (b) the balance in each fund administered by the Fiscal Agent Agreement (as of the prior [Bond Year/Fiscal Year]); (c) a summary of special taxes levied within the Community Facilities District and an update of the assessed value within the Community Facilities District (as of the prior Fiscal Year); (d) a summary of any changes to the RMA of special taxes approved or submitted to the electors for approval prior to the annual report; (e) the status of foreclosure action being pursued by the District with respect to special taxes; (f) the delinquency rate for the special taxes for the preceding fiscal year and the identity of any property owner whose delinquent special taxes represented more than 5% of the amount levied and assessed value to lien ratios of such delinquent properties; (g) any additional information provided to CDIAC pursuant to this Agreement and not otherwise provided to the Authority Original Purchaser. The District shall further provide to the Authority Original Purchaser: (a) within three (3) Business Days after the District obtains knowledge thereof, notice by telephone, promptly confirmed in writing, of any event that constitutes an Event of Default under the Indenture or this Agreement, as applicable, together with a statement by an Authorized Representative of the District of the steps being taken by the District to cure such Event of Default; (b) within ten (10) days after the District obtains knowledge thereof, written notice of any Material Adverse Effect; and (c) within ten (10) days after receipt of request therefor by the Authority Original Purchaser, updates, if any, of the information described in Section 5.14.

**Section 5.16. Public Access to Facilities.** The City and the District shall provide or cause to be provided access to members of the general public to all portions of the Project financed with the proceeds of the Prior Special Tax Bonds. Said access shall not grant priority to any one person over that of another person, and shall be subject to any applicable City ordinance, rule or regulation.

**Section 5.17. Modification of Maximum Authorized Special Tax.** The District, to the maximum extent that the law permits it to do so, covenants that no modification of the minimum or maximum authorized Special Tax shall be approved by the District nor shall the District take

any other action which would (i) prohibit the District from levying the Special Tax within the District in any Fiscal Year at such a rate as would generate Net Special Tax Revenues in such Fiscal Year at least equal to 110% of Annual Debt Service on all Bonds then Outstanding; (ii) discontinue or cause the discontinuance of such levy; or (iii) permit the prepayment of the Special Tax except as permitted pursuant to the RMA.

Section 5.18. **Covenant to Defend.** The District covenants, in the event that any initiative is adopted by the qualified electors in the District which purports to reduce the minimum or the maximum Special Tax below the levels specified in Section 5.17 above or to limit the power of the District to levy the Special Taxes within the District for the purposes set forth in Section 5.10 above, it will commence and pursue legal action in order to preserve its ability to comply with such covenants.

## ARTICLE VI

### INVESTMENTS; DISPOSITION OF INVESTMENT PROCEEDS; LIABILITY OF THE DISTRICT

Section 6.01. **Deposit and Investment of Moneys in Funds.** Moneys in any fund or account created or established by this Agreement and held by the Fiscal Agent shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Fiscal Agent shall invest any such moneys in Permitted Investments described in clause B(5) of the definition thereof, to the extent practicable which by their terms mature prior to the date on which such moneys are required to be paid out hereunder, or are held uninvested; provided however, that any such investment shall be made by the Fiscal Agent only if, prior to the date on which such investment is to be made, the Fiscal Agent shall have received a written direction from the District specifying a specific money market fund and, if no such written direction from the District is so received, the Fiscal Agent shall hold such moneys uninvested. The Treasurer shall make note of any investment of funds hereunder in excess of the yield on the Bonds, so that appropriate actions can be taken to assure compliance with Section 5.10.

In the event of any transfer by the Authority Trustee from the Residual Account thereof pursuant to Section 5.02(e) of the Authority Indenture for deposit in the Bond Fund pursuant to 4.02A., all moneys on deposit in the Special Tax Fund and the Bond Fund shall be held in cash or invested in Permitted Investments constituting cash equivalents until the payment of the principal of and interest on the Bonds on the September 1 Interest Payment Date following such transfer.

Moneys in any fund or account created or established by this Agreement and held by the Treasurer shall be invested by the Treasurer in Permitted Investments, which in any event by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of this Agreement for transfer of

interest earnings and profits resulting from investment of amounts in funds and accounts. Whenever in this Agreement any moneys are required to be transferred by the District to the Fiscal Agent, such transfer may be accomplished by transferring a like amount of Permitted Investments.

The Fiscal Agent or an affiliate or the Treasurer may act as principal or agent in the acquisition or disposition of any investment and shall be entitled to its customary fee therefor. Neither the Fiscal Agent nor the Treasurer shall incur any liability for losses arising from any investments made pursuant to this Section. For purposes of determining the amount on deposit in any fund or account held hereunder, all Permitted Investments or investments credited to such fund or account shall be valued as provided for in Exhibit B attached hereto.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Agreement, 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 Agreement or the Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under the applicable provisions of the Code shall be valued at their present value (within the meaning of section 148 of the Code). The Fiscal Agent shall not be liable for verification of the application of such sections of the Code.

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent or the Treasurer hereunder, provided that the Fiscal Agent or the Treasurer, as applicable, shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Agreement.

The Fiscal Agent or the Treasurer, as applicable, shall sell at the highest price reasonably obtainable, or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Fiscal Agent nor the Treasurer shall be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

**Section 6.02. Limited Obligation.** The District's obligations hereunder are limited obligations of the District and are payable solely from and secured solely by the Net Special Tax Revenues and the amounts in the Special Tax Fund and the Bond Fund.

**Section 6.03. Liability of District.** The District shall not incur any responsibility in respect of the Bonds or this Agreement other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The District shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The District shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements of the Fiscal Agent herein

or of any of the documents executed by the Fiscal Agent in connection with the Bonds, or as to the existence of a default or event of default thereunder.

In the absence of bad faith, the District, including the Treasurer, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the District and conforming to the requirements of this Agreement. The District, including the Treasurer, shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the District to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Net Special Tax Revenues) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The District may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The District may consult with counsel, who may be the City Attorney, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The District shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the District 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, in the absence of willful misconduct on the part of the District, be deemed to be conclusively proved and established by a certificate of the Fiscal Agent, and such certificate shall be full warrant to the District for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the District may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

**Section 6.04. Employment of Agents by District or the City.** In order to perform their respective duties and obligations hereunder, the City, the District and/or the Treasurer may employ such persons or entities as they deem necessary or advisable. The City, the District, and/or the Treasurer shall not be liable for any of the acts or omissions of such persons or entities employed by them in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

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

A. Failure to pay any installment of principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise.

B. Failure to pay any installment of interest on any Bonds when and as the same shall become due and payable.

C. Failure by the District to observe and perform any of the other covenants, agreements, or conditions on its part in this Agreement or in the Bonds contained, if such failure shall have continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the District by the Fiscal Agent or the Owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 60-day period, such failure shall not constitute an Event of Default if corrective action is instituted by the District within such 60-day period and the District shall thereafter diligently and in good faith cure such failure in a reasonable period of time.

D. Commencement by the District of a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Section 7.02. **Remedies of Bond Owners.** Subject to the provisions of Section 7.07, any Bond Owner shall have the right, for the equal benefit and protection of all Bond Owners similarly situated:

A. by mandamus, suit, action or proceeding, to compel the City and its officers, agents or employees to perform each and every term, provision and covenant contained in this Agreement and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the City and the fulfillment of all duties imposed upon it by the Act;

B. by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bond Owners' rights; or

C. upon the happening of any Event of Default, by suit, action or proceeding in any court of competent jurisdiction, to require the City and its officers and employees to account as if it and they were the trustees of an express trust.

Section 7.03. **Application of Special Taxes and Other Funds After Default.** If an Event of Default shall occur and be continuing, all Special Taxes, including any penalties, costs, fees and other charges accruing under the Act, and any other funds then held or thereafter received by the Fiscal Agent under any of the provisions of this Agreement shall be applied by the Fiscal Agent as follows and in the following order:

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

B. To the payment of the principal of and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Agreement, 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 call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption, 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.

C. Any remaining funds shall be transferred by the Fiscal Agent to the Bond Fund.

**Section 7.04. Absolute Obligation of the District.** Nothing in Section 7.08 or in any other provision of this Agreement or in the Bonds contained shall affect or impair the obligation of the District, 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 Net Special Tax Revenues and other moneys herein pledged therefor and received by the District or the Fiscal Agent, 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 7.05. Termination of Proceedings.** In case any proceedings taken by any one or more Bond 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 Bond Owners, then in every such case the District, and the Bond 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 City, and the Bond Owners shall continue as though no such proceedings had been taken.

**Section 7.06. Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Fiscal Agent 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 7.07. **No Waiver of Default.** No delay or omission of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Agreement to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

## ARTICLE VIII

### THE FISCAL AGENT

Section 8.01. **Appointment of Fiscal Agent.** MUFG Union Bank, N.A., is hereby appointed Fiscal Agent and paying agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Fiscal Agent.

Any company into which the Fiscal Agent 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 Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the following paragraph of this Section, shall be the successor to such Fiscal Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

The District may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Seventy-Five Million Dollars (\$75,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 8.01, combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Fiscal Agent may at any time resign by giving written notice to the District and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent.

If no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Fiscal Agent shall have given to the District written notice or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent or any Bondowner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

If, by reason of the judgment of any court, the Fiscal Agent is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Fiscal Agent hereunder shall be assumed by and vest in the Treasurer of the City in trust for the benefit of the Owners. The District covenants for the direct benefit of the Owners that the Treasurer in such case shall be vested with all of the rights and powers of the Fiscal Agent hereunder, and shall assume all of the responsibilities and perform all of the duties of the Fiscal Agent hereunder, in trust for the benefit of the Owners of the Bonds.

**Section 8.02. Liability of Fiscal Agent.** The recitals of facts, covenants, and agreements herein and in the Bonds contained shall be taken as statements, covenants, and agreements of the District, and the Fiscal Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Agreement or of the Bonds, nor shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement. Except as provided above in this paragraph, the Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of this Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements of the City or the District herein or of any of the documents executed by the City or the District in connection with the Bonds, or as to the existence of a default or event of default thereunder.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing

that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of any of the Owners pursuant to this Agreement unless such Owners shall have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Fiscal Agent may become the Owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

The Fiscal Agent will not incur liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Fiscal Agent (including but not limited to any act or provision of any present or future law or regulation or governmental authority, natural catastrophes, civil or military disturbances, loss or malfunction of utilities, any act of God or war, terrorism or the unavailability of the Federal Reserve Bank or other wire or communication facility).

The Fiscal Agent's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the Bonds. All indemnifications and releases from liability granted to the Fiscal Agent hereunder shall extend to the directors, officers, and employees of the Fiscal Agent.

In no event shall the Fiscal Agent be liable for any consequential, indirect, punitive or special damage relating to its performance of its duties under this Fiscal Agent Agreement except for damages caused by its own gross negligence or willful misconduct as finally determined in a non-appealable judgment by a court of competent jurisdiction.

**Section 8.03. Information.** The Fiscal Agent shall provide to the District such information relating to the Bonds and the funds and accounts maintained by the Fiscal Agent hereunder as the District shall reasonably request, including, but not limited to, quarterly statements reporting funds held and transactions by the Fiscal Agent. The Fiscal Agent shall furnish the District periodic cash transaction statements which include detail for all investment transactions effected by the Fiscal Agent or brokers selected by the District. Upon the District's election, such statements will be delivered via the Fiscal Agent's online service and upon electing such service, paper statements will be provided only upon request. The District waives the right to receive brokerage confirmations of security transactions effected by the Fiscal Agent as they occur, to the extent permitted by law. The District further understands that trade confirmations for securities transactions effected by the Fiscal Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker

**Section 8.04. Notice to Fiscal Agent.** The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, Bond or other paper or document believed by it to be genuine and to

have been signed or presented by the proper party or proper parties. The Fiscal Agent may consult with counsel, who may be counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Fiscal Agent shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the Fiscal Agent 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, in the absence of willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

**Section 8.05. Compensation, Indemnification.** The District shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under this Agreement, and also all reasonable expenses, charges, counsel fees, and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under this Agreement. The District further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct. The obligation of the District under this Section shall survive resignation or removal of the Fiscal Agent under this Agreement and payment of the Bonds and discharge of this Agreement, but any monetary obligation of the District arising under this Section shall be limited solely to amounts on deposit in the Local Refunding Obligation Administrative Expense Fund.

## ARTICLE IX

### MODIFICATION OR AMENDMENT OF THIS AGREEMENT

**Section 9.01. Amendments Permitted.** This Agreement and the rights and obligations of the District and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of the Owners, or with the written consent without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 9.04. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the District to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond; or (ii) permit the creation by the District of any pledge or lien upon the

Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or this Agreement), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Fiscal Agent without its written consent.

This Agreement and the rights and obligations of the District and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the District in this Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the District;
- (ii) to make modifications not adversely affecting any Outstanding Bonds of the District in any material respect;
- (iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting, or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the District and the Fiscal Agent may deem necessary or desirable and not inconsistent with this Agreement, and which shall not adversely affect the rights of the Owners of the Bonds;
- (iv) to make such additions, deletions, or modifications as may be necessary or desirable to assure the exclusion from gross income for federal income tax purposes of interest on the Bonds.

**Section 9.02. Owners' Meetings.** The District may at any time call a meeting of the Owners. In such event the District is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

**Section 9.03. Procedure for Amendment with Written Consent of Owners.** The District and the Fiscal Agent may at any time adopt a Supplemental Agreement amending the provisions of the Bonds or of this Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by Section 9.01, to take effect when and as provided in this Section. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in this Section provided.

Such Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consent of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 9.04 and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for

which such consent is given, which proof shall be such as is permitted by Section 11.04. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the District shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required by this Section 9.03 to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the District and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 9.04. **Disqualified Bonds.** Bonds owned or held for the account of the City or the District, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in this Article IX, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Article IX.

Section 9.05. **Effect of Supplemental Agreement.** From and after the time any Supplemental Agreement becomes effective pursuant to this Article IX, this Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Agreement of the District and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

Section 9.06. **Endorsement or Replacement of Bonds Issued After Amendments.** The District may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article IX shall bear a notation, by endorsement or otherwise, in form approved by the District, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Principal Office of the Fiscal Agent or at such other office as the District may select and designate for that purpose, a suitable notation shall be made on such Bond. The District may determine that new Bonds, so modified as in the opinion of the District is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of

any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

**Section 9.07. Amendatory Endorsement of Bonds.** The provisions of this Article IX shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

**Section 9.08. Notice Requirement.** Not less than 15 days prior to the effective date of any amendment made pursuant to this Article IX, so long as any Bonds are owned by the Authority, the District shall mail notice of the proposed amendment and the text of the proposed amendment to the Authority and the Authority Trustee.

## ARTICLE X

### DEFEASANCE

**Section 10.01. Defeasance.** If the District shall pay or cause to be paid, or there shall otherwise be paid, to the Owner of an Outstanding Bond the interest due thereon and the principal thereof, at the times and in the manner stipulated in this Agreement, then the Owner of such Bond shall cease to be entitled to the pledge of Net Special Tax Revenues, and, other than as set forth below, all covenants, agreements and other obligations of the District to the Owner of such Bond under this Agreement shall thereupon cease, terminate and become void and be discharged and satisfied. In the event of a defeasance of all Outstanding Bonds pursuant to this Section, the Fiscal Agent shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiscal Agent shall pay over or deliver to the District's general fund all money or securities held by it pursuant to this Agreement which are not required for the payment of the principal of, premium, if any, and interest due on such Bonds.

Any Outstanding Bond shall be deemed to have been paid within the meaning expressed in the first paragraph of this Section if such Bond is paid in any one or more of the following ways:

(i) by paying or causing to be paid the principal of, premium, if any, and interest on such Bond, as and when the same become due and payable;

(ii) by depositing with the Fiscal Agent, in trust, at or before maturity, money which, together with the amounts then on deposit in the Special Tax Fund and available for such purpose, is fully sufficient to pay the principal of, premium, if any, and interest on such Bond, as and when the same shall become due and payable; or

(iii) by depositing with the Fiscal Agent or another escrow bank appointed by the District, in trust, direct, noncallable Defeasance Obligations, in which the District may lawfully invest its money, in such amount as an Independent Accountant shall determine will be sufficient, together with the interest to accrue thereon and moneys then on deposit in the Special Tax Fund and available for such purpose, together with the interest to accrue thereon, to pay and

discharge the principal of, premium, if any, and interest on such Bond, as and when the same shall become due and payable;

then, at the election of the District, and notwithstanding that any Outstanding Bonds shall not have been surrendered for payment, all obligations of the District under this Agreement with respect to such Bond shall cease and terminate, except for the obligation of the Fiscal Agent to pay or cause to be paid to the Owners of any such Bond not so surrendered and paid, all sums due thereon. Notice of such election shall be filed with the Fiscal Agent not less than ten (10) days prior to the proposed defeasance date, or such shorter period of time as may be acceptable to the Fiscal Agent. In connection with a defeasance under (ii) or (iii) above, there shall be provided to the District a verification report from an Independent Accountant stating its opinion as to the sufficiency of the moneys or securities deposited with the Fiscal Agent or the escrow bank to pay and discharge the principal of, premium, if any, and interest on all Outstanding Bonds to be defeased in accordance with this Section, as and when the same shall become due and payable, and an opinion of Bond Counsel (which may rely upon the opinion of the certified public accountant) to the effect that the Bonds being defeased have been legally defeased in accordance with this Agreement.

Upon a defeasance, the Fiscal Agent, upon request of the District, shall release the rights of the Owners of such Bonds which have been defeased under this Agreement and execute and deliver to the District all such instruments as may be desirable to evidence such release, discharge and satisfaction. In the case of a defeasance hereunder of all Outstanding Bonds, after payment of any amounts then owed to the Fiscal Agent, the Fiscal Agent shall pay over or deliver to the District any funds held by the Fiscal Agent at the time of a defeasance, which are not required for the purpose of paying and discharging the principal of or interest on the Bonds when due. The Fiscal Agent shall, at the written direction of the District, mail, first class, postage prepaid, a notice to the Bondowners whose Bonds have been defeased, in the form directed by the District, stating that the defeasance has occurred.

## ARTICLE XI

### MISCELLANEOUS

Section 11.01. **Benefits of Agreement Limited to Parties.** Nothing in this Agreement, expressed or implied, is intended to give to any person other than the District, the City, the Fiscal Agent, and the Owners, any right, remedy, claim under or by reason of this Agreement. Any covenants, stipulations, promises, or agreements in this Agreement contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owners and the Fiscal Agent.

Section 11.02. **Cancellation of Bonds.** All Bonds surrendered to the Fiscal Agent for payment upon maturity or for redemption shall be upon payment therefor, and any Bond purchased by the District as authorized herein and delivered to the Fiscal Agent for such purpose shall be, cancelled forthwith and shall not be reissued. The Fiscal Agent shall destroy such Bonds, as provided by law, and furnish to the District a certificate of such destruction.

Section 11.03. **Successor is Deemed Included in All References to Predecessor.** Whenever in this Agreement or any Supplemental Agreement either the District or the Fiscal

Agent 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 Agreement contained by or on behalf of the District or the Fiscal Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

**Section 11.04. Execution of Documents and Proof of Ownership by Owners.** Any request, declaration, or other instrument which this Agreement may require or permit to be executed by the Owners may be in one or more instruments of similar tenor, and shall be executed by the Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the District or the Fiscal Agent in good faith and in accordance therewith.

**Section 11.05. Waiver of Personal Liability.** No member, officer, agent or employee of the District or the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

**Section 11.06. Notices to and Demands on District and Fiscal Agent.** Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the Fiscal Agent to or on the District may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the District with the Fiscal Agent) as follows:

City of Rancho Cucamonga Community Facilities District No.  
2000-02 (Rancho Cucamonga Corporate Park)  
c/o City of Rancho Cucamonga  
10500 Civic Center Drive  
Rancho Cucamonga, California 91730  
Attention: City Manager

Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the District to or on the Fiscal Agent may be given or served by being delivered or sent by facsimile, electronic transmission, overnight mail, courier or personal

delivery or by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the Fiscal Agent with the District) as follows:

MUFG Union Bank, N.A.  
 120 South Pedro Street, 4th Floor  
 Los Angeles, California 90012  
 Attention: Corporate Trust Department  
 Fax: (213) 972-5694  
 Email: AccountAdministration-CorporateTrust@unionbank.com  
 and CashControlGroup-LosAngeles@unionbank.com

**Section 11.07. Partial Invalidity.** If any Section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The District hereby declares that it would have adopted this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable.

**Section 11.08. Unclaimed Moneys.** Anything contained herein to the contrary notwithstanding, any moneys held by the Fiscal Agent for the payment and discharge of the principal of, and the interest and any premium on, the Bonds which remains unclaimed for two (2) years after the date when the payments of such principal, interest and premium have become payable, if such moneys were held by the Fiscal Agent at such date, shall be repaid by the Fiscal Agent to the District as its absolute property free from any trust, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the District for the payment of the principal of, and interest and any premium on, such Bonds.

**Section 11.09. Provisions Constitute Contract.** The provisions of this Agreement shall constitute a contract between the District and the Bondowners and the provisions hereof shall be construed in accordance with the laws of the State of California.

In case any suit, action, or proceeding to enforce any right or exercise any remedy shall be brought or taken and, should said suit, action, or proceeding be abandoned, or be determined adversely to the Bondowners or the Fiscal Agent, then the District, the Fiscal Agent, and the Bondowners shall be restored to their former positions rights and remedies as if such suit, action, or proceeding had not been brought or taken.

After the issuance and delivery of the Bonds this Agreement shall be irrevocable, but shall be subject to modifications to the extent and in the manner provided in this Agreement, but to no greater extent and in no other manner.

**Section 11.10. Future Contracts.** Nothing herein contained shall be deemed to restrict or prohibit the District from making contracts or creating bonded or other indebtedness payable from a pledge of the Net Special Tax Revenues which is subordinate to the pledge hereunder, or which is payable from taxes or any source other than the Net Special Tax Revenues and other amounts pledged hereunder.

Section 11.11. **Further Assurances.** The District will adopt, make, execute, and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Agreement.

Section 11.12. **Applicable Law.** This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 11.13. **Conflict with Act.** In the event of a conflict between any provision of this Agreement with any provision of the Act as in effect on the Closing Date, the provision of the Act shall prevail over the conflicting provision of this Agreement.

Section 11.14. **Conclusive Evidence of Regularity.** Bonds issued pursuant to this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 11.15. **Payment on Business Day.** In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Agreement is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period after such date.

Section 11.16. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the District has caused this Agreement pertaining to the Community Facilities District No. 2000-02 (Rancho Cucamonga Corporate Park) Special Tax Refunding Bonds, Series 2015 to be executed in its name and the Fiscal Agent has caused this Agreement to be executed in its name, all as July 1, 2015.

CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO.  
2000-02 (RANCHO CUCAMONGA  
CORPORATE PARK)

By: \_\_\_\_\_  
City Manager

MUFG UNION BANK, N.A., as Fiscal Agent

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**  
**FORM OF BOND**

\_\_\_\_\_ \$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF CALIFORNIA  
COUNTY OF SAN BERNARDINO  
CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2000-02  
(RANCHO CUCAMONGA CORPORATE PARK)  
SPECIAL TAX REFUNDING BONDS, SERIES 2015

**INTEREST RATE**

**MATURITY DATE**

**DATED DATE**

September 1, \_\_\_\_

July \_\_, 2015

**REGISTERED OWNER:**

MUFG UNION BANK, N.A.,  
on behalf of the Rancho Cucamonga Public Finance  
Authority

**PRINCIPAL AMOUNT:**

**DOLLARS**

The City of Rancho Cucamonga (the "City") for and on behalf of the City of Rancho Cucamonga Community Facilities District No. 2000-02 (Rancho Cucamonga Corporate Park) (the "District"), for value received, hereby promises to pay solely from Net Special Tax Revenues (as defined in the Agreement) to be collected within the District or amounts in the funds and accounts held under the Agreement (as hereinafter defined), to the registered owner (the "Owner") named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount from the Dated Date, or from the most recent interest payment date to which interest has been paid or duly provided for, semiannually five (5) days prior to each September 1 and March 1, commencing March 1, 2016 (each an "Interest Payment Date"), at the interest rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the registered Owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the office of MUFG Union Bank, N.A. (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed five (5) days preceding each Interest Payment Date to the registered Owner hereof as of the close of business on the 15th day of the month preceding the month in which the interest payment date occurs (the "Record Date") at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent.

This Bond is one of a duly authorized issue of bonds in the aggregate principal amount of \$\_\_\_\_\_ pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Sections 63311, et seq., of the California Government Code (the "Mello-Roos Act") and designated the City of Rancho Cucamonga Community Facilities District No. 2000-02 (Rancho Cucamonga Corporate Park) Special Tax Refunding Bonds, Series 2015. The Bonds have been issued for the purpose of refunding the City of Rancho Cucamonga Community Facilities District No. 2000-02 (Rancho Cucamonga Corporate Park) Special Tax Bonds, Series 2012 (the "Prior Special Tax Refunding Bonds"). The issuance of the Bonds and the terms and conditions thereof are provided for by the Fiscal Agent Agreement, dated as of July 1, 2015 (the "Agreement"), by and between the City of Rancho Cucamonga Community Facilities District No. 2000-02 (Rancho Cucamonga Corporate Park) and the Fiscal Agent and this reference incorporates the Agreement herein, and by acceptance hereof the Owner of this Bond assents to said terms and conditions.

Pursuant to the Mello-Roos Act and the Agreement, the principal of and interest on this Bond are payable solely from Net Special Tax Revenues of the annual special tax authorized under the Mello-Roos Act to be collected within the District (the "Special Tax") and certain funds held under the Agreement.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication; or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the City, as may be permitted by law. The Bonds do not constitute obligations of the City of Rancho Cucamonga for which said City is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described hereinabove. The District has covenanted for the benefit of the Owners of the Bonds that it will order, and cause to be commenced as provided in the Agreement, and thereafter diligently prosecute to judgment, an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due.

The Bonds may be redeemed at the option of the District from any source of funds other than prepayment of Special Taxes, prior to their stated maturity, as a whole or in part (in the principal amount of \$100,000 or any integral multiples of \$5,000 in excess thereof) on any date on or after March 1, 20\_\_, from such maturities as are selected by the District, and by lot within a maturity, by paying the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

Notwithstanding the above, any such optional redemption of the Bonds shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such optional redemption of the Bonds.

The Bonds shall be subject to redemption on any Interest Payment Date, prior to maturity, as a whole or in part from such maturities, as are selected by the District, from Prepayments of Special Taxes, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date of redemption; provided, however, that the Bonds that remain Outstanding after any such redemption pursuant to this Section 4.01(b) shall be in authorized denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof.

Notwithstanding the above, such mandatory redemption of the Bonds in whole or in part shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such mandatory redemption of the Bonds.

[MANDATORY SINKING FUND REDEMPTION?]

In lieu of redemption under the Fiscal Agent Agreement, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase, unless a greater purchase price is permitted under the Act and the District determines that it will have sufficient amounts in the Bond Fund, following such purchase, to pay Debt Service on the Bonds.

Notice of redemption with respect to the Bonds to be redeemed shall be given to the registered Owners thereof, in the manner, to the extent and subject to the provisions of the Agreement.

This Bond shall be registered in the name of the Owner hereof, as to both principal and interest.

Each registration and transfer of registration of this Bond shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

Except as provided in the Agreement, any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of the Agreement 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 duly written instrument of transfer in a form approved by the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

No transfers of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

The Fiscal Agent Agreement and the rights and obligations of the Agency thereunder may be modified or amended as set forth therein.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Fiscal Agent.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the City of Rancho Cucamonga Community Facilities District 2000-02 has caused this Bond to be dated July \_\_, 2015, to be signed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the City Clerk, each acting for and on behalf of such community facilities district.

CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO.  
2000-02 (Rancho Cucamonga Corporate Park)

BY: \_\_\_\_\_  
Mayor

BY: \_\_\_\_\_  
City Clerk

***FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION***

This is one of the Bonds described in the Resolution and the Agreement which has been authenticated on \_\_\_\_\_.

MUFG UNION BANK, N.A., as Fiscal Agent

By: \_\_\_\_\_  
Authorized Officer

*ASSIGNMENT*

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

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

the within Bond and do(es) hereby irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer the same on the registration books of the Fiscal Agent, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature(s) on this assignment must correspond with the name(3) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

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**FISCAL AGENT AGREEMENT**

**by and between**

**CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2001-01**

**and**

**MUFG UNION BANK, N.A.  
as Fiscal Agent**

**Dated as of July 1, 2015**

**Relating to:**

**\$ \_\_\_\_\_**

**City of Rancho Cucamonga  
Community Facilities District No. 2001-01  
Improvement Area No. 1 and Improvement Area No. 2  
Special Tax Refunding Bonds, Series 2015**

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## FISCAL AGENT AGREEMENT

**THIS FISCAL AGENT AGREEMENT** (the “Agreement”) is made and entered into as of July 1, 2015, by and between the City of Rancho Cucamonga Community Facilities District No. 2001-01 (the “District”), a community facilities district, organized and existing under and by virtue of the laws of the State of California, and MUFG Union Bank, N.A., a national banking association organized and existing under the laws of the United States of America, as fiscal agent (the “Fiscal Agent”).

### WITNESSETH:

**WHEREAS**, the City Council of the City of Rancho Cucamonga (the “City”) has formed the District under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 et seq. of the California Government Code) (the “Act”) and Resolution No. 01-162 of the City Council adopted on June 20, 2001;

**WHEREAS**, the City Council is authorized under the Act and pursuant to Ordinance No. 645 to levy special taxes to pay for the costs of facilities provided by the District;

**WHEREAS**, under the provisions of the Act, on June 20, 2001, the City Council, acting as the legislative body of the District, adopted Resolution No. 00-236 which resolution, among other matters, expressed the determination of the City Council of the necessity to issue special tax bonds in the maximum aggregate principal amount of \$15,000,000 for the District secured by the special taxes authorized to be levied in Improvement Area No.1 and Improvement Area No. 2;

**WHEREAS**, on August 15, 2001, the City Council adopted Resolution No. 01-190 (the “Resolution”) authorizing the issuance and sale of bonds for the District pursuant to the Bond Indenture, dated as of November 1, 2000 (the “Prior Bond Indenture”), by and between the District and Wells Fargo Bank, National Association, as fiscal agent, designated the “City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 1 and Improvement Area No. 2 Special Tax Bonds, Series 2001-A” (the “Prior Special Tax Bonds”), for the purpose of funding the acquisition, rehabilitation and construction of certain public improvements (defined in the Prior Bond Indenture as the “Project”);

**WHEREAS**, on September 18, 2001 the Prior Special Tax Bonds in the principal amount of \$14,240,000 were issued;

**WHEREAS**, on December 7, 2011, the City Council adopted Resolution No. 11-179 (the “Prior Resolution of Issuance”) authorizing the issuance and sale of bonds of the District pursuant to the Fiscal Agent Agreement, dated as of December 1, 2011, (the “Prior Fiscal Agent Agreement”) by and between the District and Wells Fargo Bank, National Association, as fiscal agent, designated “City of Rancho Cucamonga Community Facilities District No. 2001-01 (Rancho Cucamonga Corporate Park) Special Tax Refunding Bonds, Series 2012” (the “Prior Special Tax Refunding Bonds”), for the purpose of financing the defeasance and refunding of the Prior Special Tax Bonds;

**WHEREAS**, on July 1, 2015, the City Council adopted Resolution No. 15-\_\_\_ (the “Resolution of Issuance”) authorizing the issuance and sale of bonds of the District pursuant to this Agreement, designated “City of Rancho Cucamonga Community Facilities District No. 2000-1 Improvement Area No. 1 and Improvement Area No. 2 Special Tax Refunding Bonds, Series 2015 (the “Special Tax Refunding Bonds”), for the purpose of financing the defeasance and refunding of the Prior Special Tax Refunding Bonds.

**WHEREAS**, it is in the public interest and for the benefit of the City, the District, the persons responsible for the payment of special taxes and the owners of the Bonds that the District enter into this Agreement to provide for the issuance of the Bonds, the disbursement of proceeds of the Bonds, the disposition of the special taxes securing the Bonds, and the administration and payment of the Bonds;

**WHEREAS**, all things necessary to cause the Bonds, when authenticated by the Fiscal Agent and issued as provided in the Act, the Resolution and this Agreement, to be legal, valid and binding and limited obligations in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Agreement and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

**NOW, THEREFORE**, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Agreement, according to their tenor, 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 received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the District does hereby covenant and agree with the Fiscal Agent, for the benefit of the respective holders from time to time of the Bonds, as follows:

## **ARTICLE I**

### **STATUTORY AUTHORITY AND DEFINITIONS**

Section 1.01. **Authority for this Agreement.** This Agreement is entered into pursuant to the provisions of the Act and the Resolution.

Section 1.02. **Agreement for Benefit of Bondowners.** The provisions, covenants and agreements herein set forth to be performed by or on behalf of the City and the District shall be for the equal benefit, protection, and security of the Owners from time to time. In consideration of the acceptance of the Bonds by the Owners thereof, this Agreement shall be deemed to be and shall constitute a contract between the District and the Owners; and the covenants and agreements herein set forth to be performed by the District 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. All of the

Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Agreement.

The Fiscal Agent may become the Owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Fiscal Agent.

**Section 1.03. Definitions.** Unless the context otherwise requires, the terms defined in this Section 1.03 shall, for all purposes of this Agreement, of any Supplemental Agreement, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Authority Indenture. All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311 et seq. of the California Government Code.

“Administrative Expense Fund” means the fund by that name established by Section 3.04A hereof.

“Administrative Expenses” means any or all of the following: the fees and expenses of the Fiscal Agent (including the fees and expenses of its counsel), the expenses of the City or the District in carrying out its duties hereunder (including, but not limited to, the levying and collection of the Special Taxes, complying with the disclosure provisions of the Act and this Agreement, including those related to public inquiries regarding the Special Tax and disclosures to Bondowners and the Original Purchaser); the costs of the City and the District or their designees related to an appeal of the Special Tax; any costs of the City and the District (including fees and expenses of counsel) to defend the first lien on and pledge of the Special Taxes to the payment of the Bonds or otherwise in respect of litigation relating to the District or the Bonds or with respect to any other obligations of the District; the Proportionate Share of the Authority Administrative Expenses allocable to the Bonds, the Proportionate Share of the salaries of City staff directly related to the carrying out by the City of its obligations hereunder or under the Authority Indenture and a proportionate amount of City general administrative overhead related thereto allocable to the Bonds; and all other costs and expenses of the City, the District, and the Fiscal Agent incurred in connection with the discharge of their respective duties hereunder, and in the case of the City, in any way related to the administration of the District and all actual costs and expenses incurred in connection with the administration of the Bonds.

“Agreement” means this Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement adopted pursuant to the provisions hereof.

“Annual Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, and (ii) the principal amount of the Outstanding Bonds scheduled to be paid in such Bond Year.

“Auditor” means the auditor/tax collector of the County of San Bernardino.

“Authority” means the Rancho Cucamonga Public Finance Authority and any successor thereto.

“Authority Bonds” means any bonds outstanding under the Authority Indenture, which are secured by payments to be made on the Bonds.

“Authority Indenture” means that certain Indenture of Trust, dated as of July 1, 2015, by and between the Authority and the Authority Trustee, pursuant to which the Authority Bonds are issued.

“Authority Original Purchaser” means City National Bank, a national banking association, and its successors and assigns.

“Authority Trustee” means MUFG Union Bank, N.A., or any successor thereto appointed under the Authority Indenture.

“Authorized Officer” means the City Manager, Assistant City Manager, Director of Finance, or City Clerk of the City, or any other officer or employee authorized by the City Council of the City or by an Authorized Officer to undertake the action referenced in this Agreement as required to be undertaken by an Authorized Officer.

“Bond Counsel” means (i) Best Best & Krieger LLP; or (ii) any attorney or firm of attorneys acceptable to the District and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Fund” means the fund by that name established by Section 4.02A hereof.

“Bond Year” means the one-year period beginning on September 2 in each year and ending on September 1 in the following year except that the first Bond Year shall begin on the Closing Date and end on September 1, 2015.

“Bonds” means the City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 1 and Improvement Area No. 2 Special Tax Refunding Bonds, Series 2015, authorized by, and at any time Outstanding pursuant hereto.

“Business Day” means a day which is not a Saturday, Sunday, or legal holiday on which banking institutions in the State of California, or in any state in which the Principal Office of the Trustee is located, or the New York Stock Exchange are closed. If any payment hereunder is due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such previous day.

“CDIAC” means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

“City” means the City of Rancho Cucamonga, California.

“City Council” means the City Council of the City, acting in its capacity as the legislative body of the District.

“Closing Date” means the date upon which there is a physical delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser.

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

“County” means the County of San Bernardino, California.

“Debt Service” means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“Defeasance Obligations” means those obligations described in paragraph A. of the definition of Permitted Investments.

“District” means the City of Rancho Cucamonga Community Facilities District No. 2001-01, formed pursuant to the Resolution of Formation.

“DTC” means the Depository Trust Company.

“Escrow Agent” means Wells Fargo Bank, National Association, acting as escrow agent under the Escrow Agreement.

“Escrow Agreement” means that Escrow Agreement Deposit and Trust Agreement dated as of July 1, 2015 by and between the Authority and the Escrow Agent relating to defeasance of the Prior Authority Bonds and the Prior Special Tax Refunding Bonds.

“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) any commingled investment fund in which the City and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

“Fiscal Agent” means the Fiscal Agent appointed by the District and acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 8.01.

“Fiscal Year” means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

“Independent Accountant” means any nationally recognized firm of certified public accountants or firm of such accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State, appointed by the City, and who, or each of whom:

- (1) is in fact independent and not under domination of the Authority, the City or the District;
- (2) does not have any substantial interest, direct or indirect, with the Authority, the City or the District; and
- (3) is not connected with the Authority, the City or the District as an officer or employee of the Authority, the City or the District, but who may be regularly retained to make reports to the Authority, the City or the District.

“Independent Financial Consultant” means any financial consultant or firm of such financial consultants appointed by the Authority and who, or each of whom:

- (1) is judged by the City to have experience with respect to the financing of public capital improvement projects;
- (2) is in fact independent and not under the domination of the Authority, the City, or the District;
- (3) does not have any substantial interest, direct or indirect, with the Authority, the City, or the District; and
- (4) is not connected with the Authority, the City, or the District as an officer or employee of the Authority, the City, or the District, but who may be regularly retained to make reports to the Authority, the City, or the District.

“Interest Payment Dates” means September 1 and March 1 of each year, commencing March 1, 2016.

“Investment Earnings” means all interest earned and any gains and losses on the investment of moneys in any fund or account created by this Agreement.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the District or the business, facilities, or operations of the District, (b) the ability of the District to meet or perform its obligations under this Agreement on a timely basis, (c) the validity or enforceability of this Agreement.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

“Net Special Tax Revenues” means, for each Fiscal Year, all Special Tax Revenues received by the District less an amount equal to the Priority Administrative Expenses Amount.

“Officer’s Certificate” means a written certificate of the District or the City signed by an Authorized Officer of the City.

“Ordinance” means an ordinance of the City levying the Special Taxes, including Ordinance No. 658, adopted by the City Council on July 18, 2001.

“Original Purchaser” means the Authority.

“Outstanding,” means (subject to the provisions of Section 9.04), when used as of any particular time with reference to Bonds, all Bonds except: (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of Section 10.01; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued, and delivered by the District pursuant to this Agreement or any Supplemental Agreement.

“Owner” or “Bondowner” means any person who shall be the registered owner of any Outstanding Bond.

“Penalties and Interest” means any penalties or interest in excess of the interest payable on the Bonds collected in connection with delinquent Special Taxes.

“Penalties and Interest Account” means the account by that name within the Special Tax Fund pursuant to Section 3.03D hereof.

“Permitted Investments” shall have the meaning given such term in the Authority Indenture.

“Person” means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Prepayments” means Special Tax Revenues identified to the Fiscal Agent by an Authorized Officer as representing a prepayment of the Special Tax pursuant to the RMA.

“Principal Office” means the principal corporate trust office of the Fiscal Agent as may be designated from time to time by the Fiscal Agent in writing to the District initially set forth in Section 11.06 hereof.

“Prior Authority Bonds” means the \$15,970,000 Rancho Cucamonga Public Financing Authority Special Tax Refunding Revenue Bonds, Series 2012.

“Prior Bond Indenture” means the Bond Indenture, dated as of November 1, 2000, by and between the District and Wells Fargo Bank, National Association, as fiscal agent, pertaining to the Prior Special Tax Bonds.

“Prior Fiscal Agent Agreement” means the Fiscal Agent Agreement, dated as of December 1, 2011, by and between the District and Wells Fargo Bank, National Association, as fiscal agent, pertaining to the Prior Special Tax Refunding Bonds.

“Prior Special Tax Refunding Bonds” means the outstanding City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 1 and Improvement Area No. 2 Special Tax Refunding Bonds, Series 2012.

“Priority Administrative Expense Amount” means an annual amount equal to \$60,000.00, or such lesser amount as may be designated by written instruction from an Authorized Officer of the District to be allocated as the first priority of Special Taxes received each Fiscal Year for the payment of Administrative Expenses allocated to the Bonds.

“Project” shall have the meaning given such term in the Prior Bond Indenture.

“Proportionate Share” shall have the meaning given such term in the Authority Indenture.

“Record Date” means the fifteenth day of the month next preceding the month of the applicable Interest Payment Date.

“Reserve Fund” means the fund by that name established by Section 4.03 hereof.

“Reserve Requirement” means an amount equal to \$[50% of MADs].

“Resolution of Formation” means Resolution No. 01-162, adopted by the City Council on June 20, 2001.

“Resolution of Issuance” shall have the meaning given such term in the recitals hereto.

“RMA” means the Rate and Method of Apportionment of the Special Tax for the District approved by the qualified electors within the District at a special election held on June 20, 2001.

“Special Tax Refunding Bonds” shall have the meaning given such term in the Authority Indenture.

“Special Tax Fund” means the fund by that name established by Section 3.03A hereof.

“Special Tax Revenues” means the proceeds of the Special Taxes received by the District including any scheduled payments and any prepayments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest and penalties thereon. Notwithstanding the foregoing, “Special Tax Revenues” does not include Penalties and Interest.

“Special Taxes” means the special taxes levied within the District pursuant to the Act, the RMA, the Ordinance, and this Agreement.

“Supplemental Agreement” means an agreement the execution of which is authorized by a resolution which has been duly adopted by the City Council under the Act and which agreement is amendatory of or supplemental to this Agreement, but only if and to the extent that such agreement is specifically authorized hereunder.

“Treasurer” means the person who is acting in the capacity as treasurer or finance director to the City or the designee of either such officer.

**ARTICLE II**

**THE BONDS**

Section 2.01. **Principal Amounts; Designations.** Bonds in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_.00) are hereby authorized to be issued by the District under and subject to the terms of the Resolution of Issuance and this Agreement, the Act and other applicable laws of the State of California. The Bonds shall be designated “City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 1 and Improvement Area No. 2 Special Tax Refunding Bonds, Series 2015.” This Agreement constitutes a continuing agreement of the District with the Owners from time to time of the Bonds to secure the full payment of the principal of, premium, if any, and interest on all such Bonds subject to the covenants, provisions, and conditions herein contained.

Section 2.02. **Terms of Bonds.**

A. **Form; Denominations.** The Bonds shall be issued as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof; provided, however, one Bond from each maturity may be in an amount other than \$5,000 or an integral multiple thereof. The Bonds shall be lettered and numbered in a customary manner as determined by the Fiscal Agent.

B. **Date of the Bonds.** The Bonds shall be dated the Closing Date.

C. **Maturities, Interest Rates.** The Bonds shall mature on the dates and shall bear interest at the rates as follows:

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal Maturity</u>	<u>Interest Rate</u>
	\$	%

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§

D. Interest. The Bonds shall bear interest at the rates set forth above payable five (5) days preceding the Interest Payment Dates in each year. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication; or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

E. Method of Payment. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check or draft of the Fiscal Agent mailed at least five (5) days preceding the Interest Payment Dates by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Fiscal Agent.

All Bonds paid by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Bonds and issue a certificate of destruction thereof to the District.

### Section 2.03. **Redemption.**

A. Optional Redemption. The Bonds may be redeemed at the option of the District from any source of funds other than prepayment of Special Taxes, prior to their stated maturity, as a whole or in part (in the principal amount of \$100,000 or any integral multiples of \$5,000 in excess thereof) on any date on or after March 1, 20\_\_, from such maturities as are selected by the

District, and by lot within a maturity, by paying the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

Notwithstanding the above, any such optional redemption of the Bonds shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such optional redemption of the Bonds.

B. Mandatory Redemption from the Prepayment of Special Taxes. The Bonds shall be subject to redemption on any Interest Payment Date, prior to maturity, as a whole or in part from such maturities, as are selected by the District, from Prepayments of Special Taxes, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date of redemption; provided, however, that the Bonds that remain Outstanding after any such redemption pursuant to this Section 4.01(b) shall be in authorized denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof.

Notwithstanding the above, such mandatory redemption of the Bonds in whole or in part shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such mandatory redemption of the Bonds.

C. [Mandatory Sinking Fund Redemption?]

C. Purchase In Lieu of Redemption. In lieu of redemption under Section 2.03A or 2.03B, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase, unless a greater purchase price is permitted under the Act and the District determines that it will have sufficient amounts in the Bond Fund, following such purchase, to pay Debt Service on the Bonds.

D. Notice to Fiscal Agent. The District shall give the Fiscal Agent written notice of its intention to redeem Bonds pursuant to Section 2.03A or 2.03B not less than sixty (60) days prior to the applicable redemption date, unless such notice shall be waived by the Fiscal Agent, unless the Fiscal Agent agrees to a shorter period.

E. Redemption Procedure by Fiscal Agent. The Fiscal Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, shall designate the Bond numbers of the Bonds to be redeemed by giving the individual Bond number of each Bond to be redeemed or shall state that all Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption, shall state as to any Bond called in part the principal amount thereof to be redeemed, and shall require that such Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such Bonds will not accrue from and after the redemption date. The cost of mailing any such redemption notice and any expenses incurred by the Fiscal Agent in connection therewith shall be paid by the District.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the Bond number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Whenever provision is made in this Agreement for the redemption of less than all of the Bonds or any given portion thereof, the Fiscal Agent shall select the Bonds to be redeemed, from all Bonds or such given portion thereof not previously called for redemption, among maturities as specified by the District in a written certificate delivered to the Fiscal Agent, and by lot within a maturity in any manner which the District in its sole discretion shall deem appropriate and fair. In providing such certificate, the District shall provide for the redemption of Bonds such that the remaining Debt Service payable on the Bonds shall remain level as possible.

Upon surrender of Bonds redeemed in part only, the District shall execute and the Fiscal Agent shall authenticate and deliver to the registered Owner, at the expense of the District, a new Bond or Bonds, of the same Series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

F. Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds so called for redemption shall have been deposited in the Bond Fund, such Bonds so called shall cease to be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice.

All Bonds redeemed and purchased by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Bonds and, upon written request of the District, issue a certificate of destruction thereof to the District.

**Section 2.04. Form of Bonds.** The Bonds, the form of Fiscal Agent's certificate of authentication and the form of assignment, to appear thereon, shall be substantially in the forms, respectively, set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, the Resolution, and the Act. The Bonds of any other Series and the form of the certificate of authentication and assignment to appear thereon shall be in such form or forms as may be specified in the Supplemental Agreement creating such Series of Bonds.

**Section 2.05. Execution of Bonds.** The Bonds shall be executed on behalf of the District by the manual or facsimile signatures of the Mayor and City Clerk, who are in office on the date of adoption of this Agreement or at any time thereafter. The Bonds shall then be delivered to the Trustee for authentication. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Owner. Any Bond may be signed and attested on behalf of the District by such persons as at the actual date of the execution of such Bond shall be the proper officers of the District although at the nominal date of such Bond any such person shall not have been such officer of the District.

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

**Section 2.06. Transfer of Bonds.** Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

No transfers of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

Section 2.07. **Exchange of Bonds.** Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

Section 2.08. **Bond Register.** The Fiscal Agent will keep or cause to be kept, at its Principal Office sufficient books for the registration and transfer of the Bonds which books shall show the number, date, amount, rate of interest and last known Owner of each Bond and shall at all times be open to inspection by the District or the City during regular business hours upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided.

The District and the Fiscal Agent will treat the Owner of any Bond whose name appears on the Bond register as the absolute Owner of such Bond for any and all purposes, and the District and the Fiscal Agent shall not be affected by any notice to the contrary. The District and the Fiscal Agent may rely on the address of the Bond Owner as it appears in the Bond register for any and all purposes.

Section 2.09. **Temporary Bonds.** The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such authorized denominations as may be determined by the District, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the District upon the same conditions and in substantially the same manner as the definitive Bonds. If the District issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Fiscal Agent or at such other location as the Fiscal Agent shall designate, and the Fiscal Agent 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 Agreement as definitive Bonds authenticated and delivered hereunder.

Section 2.10. **Bonds Mutilated, Lost, Destroyed or Stolen.** If any Bond shall become mutilated, the District, at the expense of the Owner of said Bond, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent shall be canceled by it and destroyed by the Fiscal Agent, who shall deliver a certificate of destruction thereof to the District. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or

theft may be submitted to the Fiscal Agent and, if such evidence be satisfactory to it and indemnity for the District and the Fiscal Agent satisfactory to the Fiscal Agent shall be given, the District, at the expense of the Owner, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The District may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section and of the expenses which may be incurred by the District and the Fiscal Agent for the preparation, execution, authentication and delivery. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Agreement with all other Bonds issued pursuant to this Agreement.

**Section 2.11. Type and Nature of the Bonds; Limited Obligation.** Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof other than the District is pledged to the payment of the Bonds. Except for the Special Taxes, no other taxes are pledged to the payment of the Bonds. The Bonds are not general or special obligations of the City nor general obligations of the District but are limited obligations of the District payable solely from Net Special Tax Revenues. The District's limited obligation to pay the principal of, premium, if any, and interest on the Bonds from the Net Special Tax Revenues is absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever. No Owner of the Bonds may compel the exercise of the taxing power by the District (except as it pertains to the Special Taxes) or the City or the forfeiture of any of their property. The principal of and interest on the Bonds and premiums upon the redemption thereof, if any, are not a debt of the City, the State of California or any of its political subdivisions except the District within the meaning of any constitutional or statutory limitation or restriction. The Bonds are not a legal or equitable pledge, charge, lien, or encumbrance upon any of the District's property, or upon any of its income, receipts or revenues, except the Net Special Tax Revenues and amounts on deposit in the Special Tax Fund and the Bond Fund to the extent pledged hereunder which are, under the terms of this Agreement and the Act, set aside for the payment of the Bonds and interest thereon and neither the members of the legislative body of the District nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

**Section 2.12. Equality of Bonds and Pledge of Net Special Tax Revenues.** Pursuant to the Act and this Agreement, the Bonds shall be equally payable from the Net Special Tax Revenues and other amounts in the Special Tax Fund without priority for number, date of the Bonds, date of sale, date of execution, or date of delivery, and the payment of the interest on and principal of the Bonds and any premiums upon the redemption thereof, shall be exclusively paid from the Net Special Tax Revenues and other certain other amounts in the Special Tax Fund, which are hereby set aside for the payment of the Bonds. Amounts in the Special Tax Fund shall constitute a trust fund held for the benefit of the Owners to be applied to the payment of the interest on and principal of the Bonds and so long as any of the Bonds or interest thereon remain Outstanding shall not be used for any other purpose, except as permitted by this Agreement.

Nothing in this Fiscal Agent Agreement shall preclude, subject to the limitations contained hereunder, the redemption prior to maturity of any Bonds subject to call and

redemption and payment of said Bonds from proceeds of refunding bonds issued under the Act as the same now exists or as hereafter amended, or under any other law of the State of California, which shall be payable from Net Special Tax Revenues.

Section 2.13. **Description of Bonds; Interest Rates.** The Bonds and any Parity Bonds shall be issued in fully registered form in any denomination. The Bonds and any Parity Bonds of each issue shall be numbered as desired by the Fiscal Agent.

Section 2.14. **No Acceleration.** The principal of the Bonds shall not be subject to acceleration hereunder. Nothing in this Section shall in any way prohibit the prepayment or redemption of Bonds under Section 2.03 hereof, or the defeasance of the Bonds and discharge of this Agreement under Section 10.01 hereof.

Section 2.15. **Additional Bonds.** Other than for the purpose of refunding the Bonds, no additional Bonds entitled to a lien on the Net Special Tax Revenues shall be issued hereunder.

Section 2.16. **Validity of the Bonds.** The validity of the authorization and issuance of the Bonds shall not be affected in any way by any defect in any proceedings taken by the District for the issuance and sale of the Bonds and the recital contained in the Bonds that the same are issued pursuant to the Act and other applicable laws of the State shall be conclusive evidence of their validity and the regularity of their issuance.

**ARTICLE III**

**ISSUANCE OF BONDS**

Section 3.01. **Issuance and Delivery of the Bonds.** At any time after the execution of this Agreement, the District may issue the Bonds in the aggregate principal amount set forth in Section 2.01 and deliver the Bonds to the Original Purchaser. The Authorized Officers of the District are hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the Bonds in accordance with the provisions of the Act, the Resolution of Issuance and this Agreement and to do and cause to be done any and all acts and things necessary or convenient for delivery of the Bonds to the Original Purchaser, upon payment of the purchase price for the Bonds.

Section 3.02. **Application of Proceeds of Sale of the Bonds and Transfers from the Prior Special Tax Refunding Bonds.** The proceeds of the purchase of the Bonds by the Original Purchaser (equal to the par amount of \$\_\_\_\_\_.00) shall be paid to the Fiscal Agent, who shall forthwith set aside, pay over and transfer such proceeds on the Closing Date as follows:

A. \$\_\_\_\_\_ shall be transferred to the Escrow Agent for deposit into the Escrow Fund held by the Escrow Agent under the Escrow Agreement;

B. \$\_\_\_\_\_ shall be deposited into the Reserve Fund, equal to the Reserve Requirement; and

C. \$ \_\_\_\_\_ shall be transferred to the Authority Trustee for deposit into the Costs of Issuance Fund held under the Authority Indenture.

**Section 3.03. Special Tax Fund.**

A. Establishment of Special Tax Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the "Special Tax Fund," to the credit of which the District or the City, on behalf of the District, shall deposit, immediately upon receipt, all Special Tax Revenue received by the District or the City, on behalf of the District. Moneys in the Special Tax Fund, other than Penalties and Interest, shall be held by the Fiscal Agent for the benefit of the District and the Owners of the Bonds, shall be disbursed as provided below and, pending any disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

B. Disbursements of Special Tax Revenues. The Special Tax Revenues deposited in the Special Tax Fund shall be held and, other than Special Tax Revenues representing Prepayments, subsequently transferred to the following funds and accounts not later than the dates and in the amounts set forth in the following paragraphs and in the following order of priority:

1. to the District for deposit in Administrative Expense Fund an amount equal to the Priority Administrative Expense Amount estimated to be due and payable during the Fiscal Year;

2. not later than ten (10) Business Days prior to each Interest Payment Date, to the Bond Fund:

a. the amount representing past due installments of principal, interest and premium on the Bonds (including any interest thereon pursuant to the second sentence of the second paragraph of Section 4.02B), if any, resulting from the delinquency in the payment of such Special Taxes; and

b. an amount, taking into account any amounts then on deposit in the Bond Fund (other than by reason of the preceding paragraph a.) such that the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds on the next Interest Payment Date;

3. no later than ten (10) Business Days prior to each Interest Payment Date, to the Reserve Fund that amount, in addition to the amount transferred to the Bond Fund pursuant to paragraph 2. above, necessary to replenish any draw on the Reserve Fund resulting from the delinquency in the payment of scheduled debt service on the Bonds ;

4. on September 2 of each year after making the deposits and transfers required under paragraphs 1 and 2 above and the transfer, if any, authorized under paragraph 3 above, upon receipt of written instructions from an Authorized Officer on or before the preceding June 30, to the Authority Trustee the amount specified in such written instructions necessary for the payment of the Proportionate Share of any rebate amount due and owing to the United States of America by the Authority on the Authority Bonds;

5. on September 2 of each year after making the deposits and transfers required under paragraphs 1 through 4 above, upon receipt of written instructions from an Authorized Officer, to the District for deposit in the Administrative Expense Fund the amount specified in such written instructions necessary for payment of the estimated Administrative Expenses projected to be due and payable in the next Fiscal Year, reimbursement of any Administrative Expenses incurred during the Fiscal Year ending on such June 30 or the establishment or replenishment of a reasonable operating reserve within the Administrative Expense Fund and not included in any prior transfer made pursuant to paragraph 1 and 4 above; and

6. after September 2 of each year, after making the deposits and transfers made pursuant to paragraphs 1 through 5 above, monies then on deposit in the Special Tax Fund shall remain therein and shall be subsequently deposited or transferred pursuant to the provisions of paragraphs 1 through 5 above.

C. Transfer of Prepayments. Amounts constituting Prepayments shall be transferred by the Treasurer to the Fiscal Agent, and placed by the Fiscal Agent in a segregated account within the Bond Fund designated as "Prepayment Account" and used to redeem Bonds pursuant to paragraph 2 of Section 2.03B. Any such transfer of Prepayments shall be accompanied by written instructions executed by the Treasurer or an Authorized Officer directing the Fiscal Agent to place such Prepayments in the Prepayment Account.

D. Penalties and Interest. Amounts constituting Penalties and Interest shall be transferred by the Treasurer to the Fiscal Agent, and placed by the Fiscal Agent in a segregated account within the Special Tax Fund designated as "Penalties and Interest Account." The moneys on deposit in the Penalties and Interest Account shall be held and subsequently transferred, upon receipt of written instructions contained in an Officer's Certificate, to the following funds and accounts not later than the dates and in the amounts set forth in the following paragraphs and in the following order of priority:

1. to the Administrative Expense Fund that amount as specified in such written instructions necessary for payment of the estimated Administrative Expenses projected to be due and payable in the next Fiscal Year, reimbursement of any Administrative Expenses incurred during the Fiscal Year ending on such June 30 or establishment or replenishment of a reasonable operating reserve within the Administrative Expense Fund not included in any prior transfer made pursuant to paragraphs 3 or 6 of subsection B above;

2. to the Bond Fund that amount as specified in such Officer's Certificate for the payment of debt service on the Bonds; or

3. to such other fund or account as specified in such Officer's Certificate for any authorized purpose of the District.

E. Investment. Moneys in the Special Tax Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit shall be retained in the Special Tax Fund to be used for the purposes thereof.

**Section 3.04. Administrative Expense Fund.**

A. Establishment of Administrative Expense Fund. There is hereby established, as a separate account to be held by the District, the “Administrative Expense Fund” to the credit of which transfers from the Fiscal Agent shall be made to the District as required by Sections 3.02D, 3.03B or 3.03D hereof. Moneys in the Administrative Expense Fund shall be held in trust by the District for the benefit of the City, the District and the Authority, and shall be disbursed as provided below.

B. Disbursement. Amounts in the Administrative Expense Fund shall be withdrawn by the District and paid to the payee specified in an Officer’s Certificate stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense and the nature of such expense. Amounts on deposit in the Administrative Expense Fund at the end of any Fiscal Year shall be retained in such fund as an operating reserve and shall be disbursed as provided for in this paragraph B.

C. Investment. Moneys in the Administrative Expense Fund shall be invested and deposited in accordance with Section 6.01 hereof. Investment Earnings shall be retained by the District in the Administrative Expense Fund to be used for the purposes of such fund.

**ARTICLE IV**

**NET SPECIAL TAX REVENUES; BOND FUND**

Section 4.01. **Pledge of Net Special Tax Revenues.** The Bonds shall be secured by a first pledge (which pledge shall be effected in the manner and to the extent herein provided) of all of the Net Special Tax Revenues and all moneys deposited in the Bond Fund and, until disbursed as provided herein, in the Special Tax Fund, except for moneys on deposit in the Penalties and Interest Account. The Net Special Tax Revenues and all moneys deposited into said funds (except as otherwise provided herein) are hereby dedicated to the payment of the principal of, and interest and any premium on, the Bonds as provided herein and in the Act until all of the Bonds have been paid and retired or until moneys or Defeasance Obligations have been set aside irrevocably for that purpose in accordance with Section 10.01.

**Section 4.02. Bond Fund.**

A. Establishment of Bond Fund. There is hereby established as a separate fund to be held by the Fiscal Agent for the “Bond Fund” and, within the Bond Fund, the “Prepayment Account” to the credit of which deposits shall be made as required by paragraph 2 of Section 3.03B. and by Section 3.03C., and any other amounts required to be deposited therein by this Agreement or the Act. In addition to the foregoing deposits, the Fiscal Agent shall also deposit amount received from the Authority Trustee transferred to the Fiscal Agent pursuant to Section 5.05 of the Authority Indenture. Moneys in the Bond Fund shall be held by the Fiscal Agent for the benefit of the Owners of the Bonds, shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

B. Disbursements. On each Interest Payment Date, the Fiscal Agent shall withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, then due and payable on the Bonds, including any amounts due under Section 2.03A. hereof; provided, however, that available amounts in the Bond Fund shall first be used to pay to the Owners of the Bonds any past due installments of interest, principal (including mandatory sinking payments) of and premium, if any, on the Bonds, in that order. Amounts transferred to the Bond Fund from the Special Tax Fund pursuant to paragraph 2.a. of Section 3.03B. shall immediately be paid to the Owners of the Bonds in respect of past due payments on the Bonds, and amounts transferred to the Prepayment Account pursuant to Section 3.03C. shall be used to redeem Bonds pursuant to Section 2.03B.

If after the foregoing transfers, there are insufficient funds in the Bond Fund to make the payments provided for in the first sentence of this Section 4.02B., the Fiscal Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal and any mandatory sinking payments due on the Bonds. Any installment of principal (including mandatory sinking payments), premium, if any, or interest on the Bonds which is not paid when due shall accrue interest at the rate of interest on the Bonds until paid, and shall be paid whenever funds in the Bond Fund are sufficient therefor.

If at any time the Fiscal Agent fails to pay principal and interest due on any scheduled payment date for the Bonds, the Fiscal Agent shall notify the District and the Treasurer in writing of such failure, and the Treasurer shall notify the California Debt Advisory Commission of such failure within 10 days of the failure to make such payment, as required by Section 53359(c)(1) of the Act.

C. Investment. Moneys in the Bond Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from the investment and deposit of amounts in the Bond Fund shall be retained in the Bond Fund.

#### **Section 4.03. Reserve Fund.**

A. Establishment of Reserve Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the "Reserve Fund," to the credit of which a deposit shall be made as required by Section 3,02B. hereof. Moneys in the Reserve Fund shall be held by the Fiscal Agent for the benefit of the Bondowners and shall be disbursed as provided in Section 4.03B below.

B. Procedure for Disbursement. Moneys on deposit in the Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the Bonds as such amounts shall become due and payable in the event that the moneys in the Special Tax Fund and the Bond Fund for such purpose are insufficient therefor or redeeming Bonds as described below. The Fiscal Agent shall, when and to the extent necessary, withdraw money from the Reserve Fund and transfer such money to the Bond Fund or the Redemption Fund for such purpose.

On any date after either the transfers, if any, required by the preceding paragraph have been made for any Bond Year or the valuation of the Permitted Investments in the Reserve Fund pursuant to Section 6.01 below, if the amount on deposit in the Reserve Fund is less than the

Reserve Requirement, the Fiscal Agent shall transfer to the Reserve Fund from the first available monies in the Special Tax Fund an amount necessary to increase the balance therein to the Reserve Requirement. If at least ten (10) Business Days prior to each Interest Payment Date of each year, the amount on deposit in the Reserve Fund is in excess of the Reserve Requirement, the Fiscal Agent shall transfer such excess to the Bond Fund. In connection with any optional redemption of Bonds pursuant to Section 2.03A., amounts on deposit in the Reserve Fund which would be in excess of the Reserve Requirement following such redemption shall be transferred to the Redemption Fund or the Bond Fund, as applicable, prior to such redemption and applied to such redemption of Bonds pursuant to written instructions of the District contained in an Officer's Correspondence.

Upon receipt of an Officer's Correspondence instructing the Fiscal Agent to transfer certain moneys representing a Reserve Fund credit for a Prepayment pursuant to the RMA , the Fiscal Agent shall transfer the amount specified in such instructions from the Reserve Fund to the Redemption Fund for the purpose of redeeming Bonds pursuant to such instructions.

Whenever the balance in the Reserve Fund and the Bond Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Fiscal Agent shall transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding interest payment date, to the payment and redemption, in accordance with Section 2.03A of all of the Outstanding Bonds. In the event that the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund shall be transferred to the District to be used for any lawful purpose of the District as set forth in the Act.

C. Investment. Moneys in the Reserve Fund shall be invested and deposited by the Fiscal Agent in accordance with Section 6.01 hereof. Interest earnings and profits from such investment and deposit shall be retained in the Reserve Fund to be used for the purposes of such fund. All Authorized Investments in the Reserve Fund shall be valued at their cost at least semi-annually on February 1 and August 1 so long as at least 25% of the moneys in the Reserve Fund are invested for a period not to exceed two (2) years in length.

## ARTICLE V

### OTHER COVENANTS OF THE DISTRICT

Section 5.01. **Warranty.** The District shall preserve and protect the security pledged hereunder to the Bonds against all claims and demands of all persons.

Section 5.02. **Covenants.** So long as any of the Bonds issued hereunder are Outstanding and unpaid, the District makes the covenants set forth herein below in this Article V with the Bondowners under the provisions of the Act and this Fiscal Agent Agreement (to be performed by the District or the City, acting for and on behalf of the District, or its proper officers, agents and employees), which are covenants necessary and desirable to secure the Bonds and tend to make the Bonds more marketable; provided, however, that such covenants do not require the District to expend any funds or moneys other than the Net Special Tax Revenues.

Section 5.03. **Punctual Payment.** The District shall punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of this Agreement and any Supplemental Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement and all Supplemental Agreements and of the Bonds.

Section 5.04. **Limited Obligation.** The Bonds are limited obligations of the District and are payable solely from and secured solely by the Net Special Tax Revenues and the amounts in the Bond Fund and the Special Tax Fund created hereunder.

Section 5.05. **Payment of Claims.** The District will pay and discharge any and all lawful claims for labor, materials, or supplies which, if unpaid, might become a lien or charge upon the Special Tax Revenues or which might otherwise impair the security of the Bonds then Outstanding; provided that nothing herein contained shall require the District to make any such payments so long as the District in good faith shall contest the validity of any such claims.

Section 5.06. **Extension of Time for Payment.** In order to prevent any accumulation of claims for interest after maturity, the District shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the District, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have so extended or funded.

Section 5.07. **Against Encumbrances.** The District will not encumber, pledge or place any charge or lien upon any of the Net Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by this Agreement.

Section 5.08. **Books and Records.** The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Bond Fund and the Special Tax Fund and relating to the Special Tax Revenues.

Section 5.09. **Protection of Security and Rights of Owners.** The District will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the District, the Bonds shall be incontestable by the District.

Section 5.10. **Collection of Special Tax Revenues.** The District shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

On or about July 10 of each year, the Treasurer shall communicate with the Auditor to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The Treasurer shall effect the levy of the Special Taxes each Fiscal Year on the parcels within the District in accordance with the Ordinance, such that the computation of the levy is complete before the final date on which the Auditor will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next secured tax roll. Upon the completion of the computation of the amounts of the levy, the Treasurer shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next secured tax roll. The Special Taxes so levied shall be payable and be collected in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property, unless otherwise provided by the District.

In the event that the Treasurer determines to levy all or a portion of the Special Taxes by means of direct billing of the property owners of the parcels within the District, the Treasurer shall, not less than forty-five (45) days prior to each Interest Payment Date, send bills to the owners of such real property located within the District subject to the levy of the Special Taxes for Special Taxes in an aggregate amount necessary to meet the financial obligations of the District with respect to the District due on the next Interest Payment Date, said bills to specify that the amounts so levied shall be due and payable not less than thirty (30) days prior to such Interest Payment Date and shall be delinquent if not paid when due.

In any event, the Treasurer shall fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on any Outstanding Bonds becoming due and payable during the ensuing year, an amount necessary to replenish the Reserve Fund pursuant to Section 3.03B.3. and an amount estimated to be sufficient to pay the Administrative Expenses during such year, all in accordance with the RMA and the Ordinance. The Special Taxes so levied shall not exceed the authorized amounts as provided in the proceedings pursuant to the Resolution of Formation.

The Treasurer is hereby authorized to employ consultants to assist in computing the levy of the Special Taxes hereunder and any reconciliation of amounts levied to amounts received. The fees and expenses of such consultants and the costs and expenses of the Treasurer (including a charge for City or District staff time) in conducting its duties hereunder shall be an Administrative Expense hereunder.

Section 5.11. **Further Assurances.** The District shall adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Agreement.

Section 5.12. **Tax Covenants.** The District shall not take, or permit or suffer to be taken by the Fiscal Agent 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 any of the Authority Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code or to be "private activity bonds" within the meaning of Section 141 of the Tax Code.

The District agrees to furnish all information to, and cooperate fully with, the Authority, the Trustee and their respective officers, employees, agents and attorneys, in order to assure compliance with the provisions of Section 6.07 of the Authority Indenture. In the event that the Authority shall notify the District that the Authority has determined, pursuant to Section 6.07 of the Authority Indenture, that any amounts are due and payable to the United States of America thereunder and that neither the Authority nor the Authority Trustee has on deposit an amount of available moneys to make such payment, the District shall promptly direct the Fiscal Agent pay to the Authority Trustee from available Net Special Tax Revenues the Proportionate Share of the amounts determined by the Authority to be due and payable to the United States of America.

Section 5.13. **Covenant to Foreclose.** On or before June 1 of each Fiscal year, the District will review the public records of the County in connection with the Special Taxes levied in such Fiscal Year to determine the amount of Special Taxes actually collected in such Fiscal Year. If the District determines that any parcel subject to the Special Taxes is delinquent in the payment of two or more installments of Special Taxes and the aggregate amount of such delinquent Special Taxes exceeds \$5,000, the City shall, not later than forty-five (45) days of such determination, send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner. The City shall cause judicial foreclosure proceedings to be commenced and filed in the Superior Court not later than ninety (90) days of such determination against any parcel for which a notice of delinquency was given pursuant to this section and for which the Special Taxes remain delinquent.

The City Attorney is hereby authorized to employ counsel to conduct any such foreclosure proceedings. The fees and expenses of any such counsel and costs and expenses of the City Attorney (including a charge for City or District staff time) in conducting foreclosure proceedings shall be an Administrative Expense hereunder.

Notwithstanding any provision of the Act or other law of the State to the contrary, in connection with any foreclosure related to delinquent Special Taxes:

A. The City, is hereby expressly authorized to credit bid at any foreclosure sale, without any requirement that funds be placed in the Bond Fund or otherwise be set aside in the amount of such credit bid, in the amount specified in Section 53356.5 of the Act or such lesser amount as determined under B. below or otherwise under Section 53356.6 of the Act.

B. The City may permit property with delinquent Special Tax payments to be sold for less than the amount specified in Section 53356.5 of the Act, if it determines that such sale is in the interest of the Bond Owners. The Bond Owners, by their acceptance of the Bonds, hereby consent to such sale for such lesser amounts (as such consent is described in Section 53356.6 of

the Act), and hereby release the City, its officers and its agents from any liability in connection therewith.

C. The City is hereby expressly authorized to use amounts in the Administrative Expense Fund to pay costs of foreclosure of delinquent Special Taxes.

D. The City may forgive all or any portion of the Special Taxes levied or to be levied on any parcel in the District, so long as the City determines that such forgiveness is not expected to adversely affect its obligation to pay principal of and interest on the Bonds.

**Section 5.14. Annual Reports to CDIAC.** Not later than October 30 of each year, commencing October 30, 2016, and until the October 30 following the final maturity of the Bonds, the Treasurer shall supply the information required by Section 53359.5(b) or (c) of the Act to CDIAC (on such forms as CDIAC may specify) and the District.

**Section 5.15. Continuing Disclosure to Authority Original Purchaser.** On or before each March 31 of each year, the District shall provide to the Authority Original Purchaser copies of the audited financial statements, along with the following information: (a) the amount of Bonds outstanding (as of the prior [Bond Year/Fiscal Year]); (b) the balance in each fund administered by the Fiscal Agent Agreement (as of the prior [Bond Year/Fiscal Year]); (c) a summary of special taxes levied within the Community Facilities District and an update of the assessed value within the Community Facilities District (as of the prior Fiscal Year); (d) a summary of any changes to the RMA of special taxes approved or submitted to the electors for approval prior to the annual report; (e) the status of foreclosure action being pursued by the District with respect to special taxes; (f) the delinquency rate for the special taxes for the preceding fiscal year and the identity of any property owner whose delinquent special taxes represented more than 5% of the amount levied and assessed value to lien ratios of such delinquent properties; (g) any additional information provided to CDIAC pursuant to this Agreement and not otherwise provided to the Authority Original Purchaser. The District shall further provide to the Authority Original Purchaser: (a) within three (3) Business Days after the District obtains knowledge thereof, notice by telephone, promptly confirmed in writing, of any event that constitutes an Event of Default under the Indenture or this Agreement, as applicable, together with a statement by an Authorized Representative of the District of the steps being taken by the District to cure such Event of Default; (b) within ten (10) days after the District obtains knowledge thereof, written notice of any Material Adverse Effect; and (c) within ten (10) days after receipt of request therefor by the Authority Original Purchaser, updates, if any, of the information described in Section 5.14.

**Section 5.16. Public Access to Facilities.** The City and the District shall provide or cause to be provided access to members of the general public to all portions of the Project financed with the proceeds of the Prior Special Tax Bonds. Said access shall not grant priority to any one person over that of another person, and shall be subject to any applicable City ordinance, rule or regulation.

**Section 5.17. Modification of Maximum Authorized Special Tax.** The District, to the maximum extent that the law permits it to do so, covenants that no modification of the minimum or maximum authorized Special Tax shall be approved by the District nor shall the District take

any other action which would (i) prohibit the District from levying the Special Tax within the District in any Fiscal Year at such a rate as would generate Net Special Tax Revenues in such Fiscal Year at least equal to 110% of Annual Debt Service on all Bonds then Outstanding; (ii) discontinue or cause the discontinuance of such levy; or (iii) permit the prepayment of the Special Tax except as permitted pursuant to the RMA.

Section 5.18. **Covenant to Defend.** The District covenants, in the event that any initiative is adopted by the qualified electors in the District which purports to reduce the minimum or the maximum Special Tax below the levels specified in Section 5.17 above or to limit the power of the District to levy the Special Taxes within the District for the purposes set forth in Section 5.10 above, it will commence and pursue legal action in order to preserve its ability to comply with such covenants.

## ARTICLE VI

### INVESTMENTS; DISPOSITION OF INVESTMENT PROCEEDS; LIABILITY OF THE DISTRICT

Section 6.01. **Deposit and Investment of Moneys in Funds.** Moneys in any fund or account created or established by this Agreement and held by the Fiscal Agent shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Fiscal Agent shall invest any such moneys in Permitted Investments described in clause B(5) of the definition thereof, to the extent practicable which by their terms mature prior to the date on which such moneys are required to be paid out hereunder, or are held uninvested; provided however, that any such investment shall be made by the Fiscal Agent only if, prior to the date on which such investment is to be made, the Fiscal Agent shall have received a written direction from the District specifying a specific money market fund and, if no such written direction from the District is so received, the Fiscal Agent shall hold such moneys uninvested. The Treasurer shall make note of any investment of funds hereunder in excess of the yield on the Bonds, so that appropriate actions can be taken to assure compliance with Section 5.10.

In the event of any transfer by the Authority Trustee from the Residual Account thereof pursuant to Section 5.02(e) of the Authority Indenture for deposit in the Bond Fund pursuant to 4.02A., all moneys on deposit in the Special Tax Fund and the Bond Fund shall be held in cash or invested in Permitted Investments constituting cash equivalents until the payment of the principal of and interest on the Bonds on the September 1 Interest Payment Date following such transfer.

Moneys in any fund or account created or established by this Agreement and held by the Treasurer shall be invested by the Treasurer in Permitted Investments, which in any event by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of this Agreement for transfer of

interest earnings and profits resulting from investment of amounts in funds and accounts. Whenever in this Agreement any moneys are required to be transferred by the District to the Fiscal Agent, such transfer may be accomplished by transferring a like amount of Permitted Investments.

The Fiscal Agent or an affiliate or the Treasurer may act as principal or agent in the acquisition or disposition of any investment and shall be entitled to its customary fee therefor. Neither the Fiscal Agent nor the Treasurer shall incur any liability for losses arising from any investments made pursuant to this Section. For purposes of determining the amount on deposit in any fund or account held hereunder, all Permitted Investments or investments credited to such fund or account shall be valued as provided for in Exhibit B attached hereto.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Agreement, 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 Agreement or the Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under the applicable provisions of the Code shall be valued at their present value (within the meaning of section 148 of the Code). The Fiscal Agent shall not be liable for verification of the application of such sections of the Code.

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent or the Treasurer hereunder, provided that the Fiscal Agent or the Treasurer, as applicable, shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Agreement.

The Fiscal Agent or the Treasurer, as applicable, shall sell at the highest price reasonably obtainable, or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Fiscal Agent nor the Treasurer shall be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

**Section 6.02. Limited Obligation.** The District's obligations hereunder are limited obligations of the District and are payable solely from and secured solely by the Net Special Tax Revenues and the amounts in the Special Tax Fund and the Bond Fund.

**Section 6.03. Liability of District.** The District shall not incur any responsibility in respect of the Bonds or this Agreement other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The District shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The District shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements of the Fiscal Agent herein

or of any of the documents executed by the Fiscal Agent in connection with the Bonds, or as to the existence of a default or event of default thereunder.

In the absence of bad faith, the District, including the Treasurer, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the District and conforming to the requirements of this Agreement. The District, including the Treasurer, shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the District to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Net Special Tax Revenues) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The District may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The District may consult with counsel, who may be the City Attorney, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The District shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the District 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, in the absence of willful misconduct on the part of the District, be deemed to be conclusively proved and established by a certificate of the Fiscal Agent, and such certificate shall be full warrant to the District for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the District may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

**Section 6.04. Employment of Agents by District or the City.** In order to perform their respective duties and obligations hereunder, the City, the District and/or the Treasurer may employ such persons or entities as they deem necessary or advisable. The City, the District, and/or the Treasurer shall not be liable for any of the acts or omissions of such persons or entities employed by them in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

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

A. Failure to pay any installment of principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise.

B. Failure to pay any installment of interest on any Bonds when and as the same shall become due and payable.

C. Failure by the District to observe and perform any of the other covenants, agreements, or conditions on its part in this Agreement or in the Bonds contained, if such failure shall have continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the District by the Fiscal Agent or the Owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 60-day period, such failure shall not constitute an Event of Default if corrective action is instituted by the District within such 60-day period and the District shall thereafter diligently and in good faith cure such failure in a reasonable period of time.

D. Commencement by the District of a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Section 7.02. **Remedies of Bond Owners.** Subject to the provisions of Section 7.07, any Bond Owner shall have the right, for the equal benefit and protection of all Bond Owners similarly situated:

A. by mandamus, suit, action or proceeding, to compel the City and its officers, agents or employees to perform each and every term, provision and covenant contained in this Agreement and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the City and the fulfillment of all duties imposed upon it by the Act;

B. by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bond Owners' rights; or

C. upon the happening of any Event of Default, by suit, action or proceeding in any court of competent jurisdiction, to require the City and its officers and employees to account as if it and they were the trustees of an express trust.

Section 7.03. **Application of Special Taxes and Other Funds After Default.** If an Event of Default shall occur and be continuing, all Special Taxes, including any penalties, costs, fees and other charges accruing under the Act, and any other funds then held or thereafter received by the Fiscal Agent under any of the provisions of this Agreement shall be applied by the Fiscal Agent as follows and in the following order:

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

B. To the payment of the principal of and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Agreement, 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 call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption, 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.

C. Any remaining funds shall be transferred by the Fiscal Agent to the Bond Fund.

**Section 7.04. Absolute Obligation of the District.** Nothing in Section 7.08 or in any other provision of this Agreement or in the Bonds contained shall affect or impair the obligation of the District, 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 Net Special Tax Revenues and other moneys herein pledged therefor and received by the District or the Fiscal Agent, 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 7.05. Termination of Proceedings.** In case any proceedings taken by any one or more Bond 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 Bond Owners, then in every such case the District, and the Bond 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 City, and the Bond Owners shall continue as though no such proceedings had been taken.

**Section 7.06. Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Fiscal Agent 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 7.07. **No Waiver of Default.** No delay or omission of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Agreement to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

## ARTICLE VIII

### THE FISCAL AGENT

Section 8.01. **Appointment of Fiscal Agent.** MUFG Union Bank, N.A., is hereby appointed Fiscal Agent and paying agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Fiscal Agent.

Any company into which the Fiscal Agent 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 Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the following paragraph of this Section, shall be the successor to such Fiscal Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

The District may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Seventy-Five Million Dollars (\$75,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 8.01, combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Fiscal Agent may at any time resign by giving written notice to the District and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent.

If no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Fiscal Agent shall have given to the District written notice or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent or any Bondowner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

If, by reason of the judgment of any court, the Fiscal Agent is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Fiscal Agent hereunder shall be assumed by and vest in the Treasurer of the City in trust for the benefit of the Owners. The District covenants for the direct benefit of the Owners that the Treasurer in such case shall be vested with all of the rights and powers of the Fiscal Agent hereunder, and shall assume all of the responsibilities and perform all of the duties of the Fiscal Agent hereunder, in trust for the benefit of the Owners of the Bonds.

**Section 8.02. Liability of Fiscal Agent.** The recitals of facts, covenants, and agreements herein and in the Bonds contained shall be taken as statements, covenants, and agreements of the District, and the Fiscal Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Agreement or of the Bonds, nor shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement. Except as provided above in this paragraph, the Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of this Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements of the City or the District herein or of any of the documents executed by the City or the District in connection with the Bonds, or as to the existence of a default or event of default thereunder.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing

that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of any of the Owners pursuant to this Agreement unless such Owners shall have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Fiscal Agent may become the Owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

The Fiscal Agent will not incur liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Fiscal Agent (including but not limited to any act or provision of any present or future law or regulation or governmental authority, natural catastrophes, civil or military disturbances, loss or malfunction of utilities, any act of God or war, terrorism or the unavailability of the Federal Reserve Bank or other wire or communication facility).

The Fiscal Agent's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the Bonds. All indemnifications and releases from liability granted to the Fiscal Agent hereunder shall extend to the directors, officers, and employees of the Fiscal Agent.

In no event shall the Fiscal Agent be liable for any consequential, indirect, punitive or special damage relating to its performance of its duties under this Fiscal Agent Agreement except for damages caused by its own gross negligence or willful misconduct as finally determined in a non-appealable judgment by a court of competent jurisdiction.

**Section 8.03. Information.** The Fiscal Agent shall provide to the District such information relating to the Bonds and the funds and accounts maintained by the Fiscal Agent hereunder as the District shall reasonably request, including, but not limited to, quarterly statements reporting funds held and transactions by the Fiscal Agent. The Fiscal Agent shall furnish the District periodic cash transaction statements which include detail for all investment transactions effected by the Fiscal Agent or brokers selected by the District. Upon the District's election, such statements will be delivered via the Fiscal Agent's online service and upon electing such service, paper statements will be provided only upon request. The District waives the right to receive brokerage confirmations of security transactions effected by the Fiscal Agent as they occur, to the extent permitted by law. The District further understands that trade confirmations for securities transactions effected by the Fiscal Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker

**Section 8.04. Notice to Fiscal Agent.** The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, Bond or other paper or document believed by it to be genuine and to

have been signed or presented by the proper party or proper parties. The Fiscal Agent may consult with counsel, who may be counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Fiscal Agent shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the Fiscal Agent 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, in the absence of willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

**Section 8.05. Compensation, Indemnification.** The District shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under this Agreement, and also all reasonable expenses, charges, counsel fees, and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under this Agreement. The District further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct. The obligation of the District under this Section shall survive resignation or removal of the Fiscal Agent under this Agreement and payment of the Bonds and discharge of this Agreement, but any monetary obligation of the District arising under this Section shall be limited solely to amounts on deposit in the Local Refunding Obligation Administrative Expense Fund.

## ARTICLE IX

### MODIFICATION OR AMENDMENT OF THIS AGREEMENT

**Section 9.01. Amendments Permitted.** This Agreement and the rights and obligations of the District and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of the Owners, or with the written consent without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 9.04. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the District to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond; or (ii) permit the creation by the District of any pledge or lien upon the

Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or this Agreement), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Fiscal Agent without its written consent.

This Agreement and the rights and obligations of the District and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the District in this Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the District;
- (ii) to make modifications not adversely affecting any Outstanding Bonds of the District in any material respect;
- (iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting, or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the District and the Fiscal Agent may deem necessary or desirable and not inconsistent with this Agreement, and which shall not adversely affect the rights of the Owners of the Bonds;
- (iv) to make such additions, deletions, or modifications as may be necessary or desirable to assure the exclusion from gross income for federal income tax purposes of interest on the Bonds.

Section 9.02. **Owners' Meetings.** The District may at any time call a meeting of the Owners. In such event the District is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 9.03. **Procedure for Amendment with Written Consent of Owners.** The District and the Fiscal Agent may at any time adopt a Supplemental Agreement amending the provisions of the Bonds or of this Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by Section 9.01, to take effect when and as provided in this Section. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in this Section provided.

Such Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consent of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 9.04 and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for

which such consent is given, which proof shall be such as is permitted by Section 11.04. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the District shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required by this Section 9.03 to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the District and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 9.04. **Disqualified Bonds.** Bonds owned or held for the account of the City or the District, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in this Article IX, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Article IX.

Section 9.05. **Effect of Supplemental Agreement.** From and after the time any Supplemental Agreement becomes effective pursuant to this Article IX, this Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Agreement of the District and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and  
 1 signature up**Endorsement or Replacement of Bonds Issued After Amendments.** The

Section 9.06. **Endorsement or Replacement of Bonds Issued After Amendments.** The District may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article IX shall bear a notation, by endorsement or otherwise, in form approved by the District, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Principal Office of the Fiscal Agent or at such other office as the District may select and designate for that purpose, a suitable notation shall be made on such Bond. The District may determine that new Bonds, so modified as in the opinion of the District is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of

any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 9.07. **Amendatory Endorsement of Bonds.** The provisions of this Article IX shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 9.08. **Notice Requirement.** Not less than 15 days prior to the effective date of any amendment made pursuant to this Article IX, so long as any Bonds are owned by the Authority, the District shall mail notice of the proposed amendment and the text of the proposed amendment to the Authority and the Authority Trustee.

## ARTICLE X

### DEFEASANCE

Section 10.01. **Defeasance.** If the District shall pay or cause to be paid, or there shall otherwise be paid, to the Owner of an Outstanding Bond the interest due thereon and the principal thereof, at the times and in the manner stipulated in this Agreement, then the Owner of such Bond shall cease to be entitled to the pledge of Net Special Tax Revenues, and, other than as set forth below, all covenants, agreements and other obligations of the District to the Owner of such Bond under this Agreement shall thereupon cease, terminate and become void and be discharged and satisfied. In the event of a defeasance of all Outstanding Bonds pursuant to this Section, the Fiscal Agent shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiscal Agent shall pay over or deliver to the District's general fund all money or securities held by it pursuant to this Agreement which are not required for the payment of the principal of, premium, if any, and interest due on such Bonds.

Any Outstanding Bond shall be deemed to have been paid within the meaning expressed in the first paragraph of this Section if such Bond is paid in any one or more of the following ways:

(i) by paying or causing to be paid the principal of, premium, if any, and interest on such Bond, as and when the same become due and payable;

(ii) by depositing with the Fiscal Agent, in trust, at or before maturity, money which, together with the amounts then on deposit in the Special Tax Fund and available for such purpose, is fully sufficient to pay the principal of, premium, if any, and interest on such Bond, as and when the same shall become due and payable; or

(iii) by depositing with the Fiscal Agent or another escrow bank appointed by the District, in trust, direct, noncallable Defeasance Obligations, in which the District may lawfully invest its money, in such amount as an Independent Accountant shall determine will be sufficient, together with the interest to accrue thereon and moneys then on deposit in the Special Tax Fund and available for such purpose, together with the interest to accrue thereon, to pay and

discharge the principal of, premium, if any, and interest on such Bond, as and when the same shall become due and payable;

then, at the election of the District, and notwithstanding that any Outstanding Bonds shall not have been surrendered for payment, all obligations of the District under this Agreement with respect to such Bond shall cease and terminate, except for the obligation of the Fiscal Agent to pay or cause to be paid to the Owners of any such Bond not so surrendered and paid, all sums due thereon. Notice of such election shall be filed with the Fiscal Agent not less than ten (10) days prior to the proposed defeasance date, or such shorter period of time as may be acceptable to the Fiscal Agent. In connection with a defeasance under (ii) or (iii) above, there shall be provided to the District a verification report from an Independent Accountant stating its opinion as to the sufficiency of the moneys or securities deposited with the Fiscal Agent or the escrow bank to pay and discharge the principal of, premium, if any, and interest on all Outstanding Bonds to be defeased in accordance with this Section, as and when the same shall become due and payable, and an opinion of Bond Counsel (which may rely upon the opinion of the certified public accountant) to the effect that the Bonds being defeased have been legally defeased in accordance with this Agreement.

Upon a defeasance, the Fiscal Agent, upon request of the District, shall release the rights of the Owners of such Bonds which have been defeased under this Agreement and execute and deliver to the District all such instruments as may be desirable to evidence such release, discharge and satisfaction. In the case of a defeasance hereunder of all Outstanding Bonds, after payment of any amounts then owed to the Fiscal Agent, the Fiscal Agent shall pay over or deliver to the District any funds held by the Fiscal Agent at the time of a defeasance, which are not required for the purpose of paying and discharging the principal of or interest on the Bonds when due. The Fiscal Agent shall, at the written direction of the District, mail, first class, postage prepaid, a notice to the Bondowners whose Bonds have been defeased, in the form directed by the District, stating that the defeasance has occurred.

## ARTICLE XI

### MISCELLANEOUS

Section 11.01. **Benefits of Agreement Limited to Parties.** Nothing in this Agreement, expressed or implied, is intended to give to any person other than the District, the City, the Fiscal Agent, and the Owners, any right, remedy, claim under or by reason of this Agreement. Any covenants, stipulations, promises, or agreements in this Agreement contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owners and the Fiscal Agent.

Section 11.02. **Cancellation of Bonds.** All Bonds surrendered to the Fiscal Agent for payment upon maturity or for redemption shall be upon payment therefor, and any Bond purchased by the District as authorized herein and delivered to the Fiscal Agent for such purpose shall be, cancelled forthwith and shall not be reissued. The Fiscal Agent shall destroy such Bonds, as provided by law, and furnish to the District a certificate of such destruction.

Section 11.03. **Successor is Deemed Included in All References to Predecessor.** Whenever in this Agreement or any Supplemental Agreement either the District or the Fiscal

Agent 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 Agreement contained by or on behalf of the District or the Fiscal Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

**Section 11.04. Execution of Documents and Proof of Ownership by Owners.** Any request, declaration, or other instrument which this Agreement may require or permit to be executed by the Owners may be in one or more instruments of similar tenor, and shall be executed by the Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the District or the Fiscal Agent in good faith and in accordance therewith.

**Section 11.05. Waiver of Personal Liability.** No member, officer, agent or employee of the District or the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

**Section 11.06. Notices to and Demands on District and Fiscal Agent.** Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the Fiscal Agent to or on the District may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the District with the Fiscal Agent) as follows:

City of Rancho Cucamonga Community Facilities District No.  
2001-01  
c/o City of Rancho Cucamonga  
10500 Civic Center Drive  
Rancho Cucamonga, California 91730  
Attention: City Manager

Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the District to or on the Fiscal Agent may be given or served by being delivered or sent by facsimile, electronic transmission, overnight mail, courier or personal

delivery or by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the Fiscal Agent with the District) as follows:

MUFG Union Bank, N.A.  
 120 South Pedro Street, 4th Floor  
 Los Angeles, California 90012  
 Attention: Corporate Trust Department  
 Fax: (213) 972-5694  
 Email: AccountAdministration-CorporateTrust@unionbank.com  
 and CashControlGroup-LosAngeles@unionbank.com

**Section 11.07. Partial Invalidity.** If any Section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The District hereby declares that it would have adopted this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable.

**Section 11.08. Unclaimed Moneys.** Anything contained herein to the contrary notwithstanding, any moneys held by the Fiscal Agent for the payment and discharge of the principal of, and the interest and any premium on, the Bonds which remains unclaimed for two (2) years after the date when the payments of such principal, interest and premium have become payable, if such moneys were held by the Fiscal Agent at such date, shall be repaid by the Fiscal Agent to the District as its absolute property free from any trust, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the District for the payment of the principal of, and interest and any premium on, such Bonds.

**Section 11.09. Provisions Constitute Contract.** The provisions of this Agreement shall constitute a contract between the District and the Bondowners and the provisions hereof shall be construed in accordance with the laws of the State of California.

In case any suit, action, or proceeding to enforce any right or exercise any remedy shall be brought or taken and, should said suit, action, or proceeding be abandoned, or be determined adversely to the Bondowners or the Fiscal Agent, then the District, the Fiscal Agent, and the Bondowners shall be restored to their former positions rights and remedies as if such suit, action, or proceeding had not been brought or taken.

After the issuance and delivery of the Bonds this Agreement shall be irrevocable, but shall be subject to modifications to the extent and in the manner provided in this Agreement, but to no greater extent and in no other manner.

**Section 11.10. Future Contracts.** Nothing herein contained shall be deemed to restrict or prohibit the District from making contracts or creating bonded or other indebtedness payable from a pledge of the Net Special Tax Revenues which is subordinate to the pledge hereunder, or which is payable from taxes or any source other than the Net Special Tax Revenues and other amounts pledged hereunder.

Section 11.11. **Further Assurances.** The District will adopt, make, execute, and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Agreement.

Section 11.12. **Applicable Law.** This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 11.13. **Conflict with Act.** In the event of a conflict between any provision of this Agreement with any provision of the Act as in effect on the Closing Date, the provision of the Act shall prevail over the conflicting provision of this Agreement.

Section 11.14. **Conclusive Evidence of Regularity.** Bonds issued pursuant to this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 11.15. **Payment on Business Day.** In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Agreement is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period after such date.

Section 11.16. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the District has caused this Agreement pertaining to the Community Facilities District No. 2001-01 Special Tax Refunding Bonds, Series 2015 to be executed in its name and the Fiscal Agent has caused this Agreement to be executed in its name, all as July 1, 2015.

CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO.  
2001-01

By: \_\_\_\_\_  
City Manager

MUFG UNION BANK, N.A., as Fiscal Agent

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A  
FORM OF BOND**

\_\_\_\_\_ \$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF CALIFORNIA  
COUNTY OF SAN BERNARDINO  
CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2001-01  
IMPROVEMENT AREA NO. 1 AND IMPROVEMENT AREA NO. 2  
SPECIAL TAX REFUNDING BONDS, SERIES 2015

**INTEREST RATE**

**MATURITY DATE**

**DATED DATE**

September 1, \_\_\_\_

July \_\_, 2015

**REGISTERED OWNER:**

MUFG UNION BANK, N.A.,  
on behalf of the Rancho Cucamonga Public Finance  
Authority

**PRINCIPAL AMOUNT:**

**DOLLARS**

The City of Rancho Cucamonga (the "City") for and on behalf of the City of Rancho Cucamonga Community Facilities District No. 2001-01 (the "District"), for value received, hereby promises to pay solely from Net Special Tax Revenues (as defined in the Agreement) to be collected within the District or amounts in the funds and accounts held under the Agreement (as hereinafter defined), to the registered owner (the "Owner") named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount from the Dated Date, or from the most recent interest payment date to which interest has been paid or duly provided for, semiannually five (5) days prior to each September 1 and March 1, commencing March 1, 2016 (each an "Interest Payment Date"), at the interest rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the registered Owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the office of MUFG Union Bank, N.A. (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed five (5) days preceding each Interest Payment Date to the registered Owner hereof as of the close of business on the 15th day of the month preceding the month in which the interest payment date occurs (the "Record Date") at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent.

This Bond is one of a duly authorized issue of bonds in the aggregate principal amount of \$\_\_\_\_\_ pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Sections 63311, et seq., of the California Government Code (the "Mello-Roos Act") and designated the City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 1 and Improvement Area No. 2 Special Tax Refunding Bonds, Series 2015. The Bonds have been issued for the purpose of refunding the City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 1 and Improvement Area No. 2 Special Tax Bonds, Series 2012 (the "Prior Special Tax Refunding Bonds"). The issuance of the Bonds and the terms and conditions thereof are provided for by the Fiscal Agent Agreement, dated as of July 1, 2015 (the "Agreement"), by and between the City of Rancho Cucamonga Community Facilities District No. 2001-01 and the Fiscal Agent and this reference incorporates the Agreement herein, and by acceptance hereof the Owner of this Bond assents to said terms and conditions.

Pursuant to the Mello-Roos Act and the Agreement, the principal of and interest on this Bond are payable solely from Net Special Tax Revenues of the annual special tax authorized under the Mello-Roos Act to be collected within the District (the "Special Tax") and certain funds held under the Agreement.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication; or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the City, as may be permitted by law. The Bonds do not constitute obligations of the City of Rancho Cucamonga for which said City is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described hereinabove. The District has covenanted for the benefit of the Owners of the Bonds that it will order, and cause to be commenced as provided in the Agreement, and thereafter diligently prosecute to judgment, an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due.

The Bonds may be redeemed at the option of the District from any source of funds other than prepayment of Special Taxes, prior to their stated maturity, as a whole or in part (in the principal amount of \$100,000 or any integral multiples of \$5,000 in excess thereof) on any date on or after March 1, 20\_\_, from such maturities as are selected by the District, and by lot within a maturity, by paying the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

Notwithstanding the above, any such optional redemption of the Bonds shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such optional redemption of the Bonds.

The Bonds shall be subject to redemption on any Interest Payment Date, prior to maturity, as a whole or in part from such maturities, as are selected by the District, from Prepayments of Special Taxes, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date of redemption; provided, however, that the Bonds that remain Outstanding after any such redemption pursuant to this Section 4.01(b) shall be in authorized denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof.

Notwithstanding the above, such mandatory redemption of the Bonds in whole or in part shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such mandatory redemption of the Bonds.

[MANDATORY SINKING FUND REDEMPTION?]

In lieu of redemption under the Fiscal Agent Agreement, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase, unless a greater purchase price is permitted under the Act and the District determines that it will have sufficient amounts in the Bond Fund, following such purchase, to pay Debt Service on the Bonds.

Notice of redemption with respect to the Bonds to be redeemed shall be given to the registered Owners thereof, in the manner, to the extent and subject to the provisions of the Agreement.

This Bond shall be registered in the name of the Owner hereof, as to both principal and interest.

Each registration and transfer of registration of this Bond shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

Except as provided in the Agreement, any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of the Agreement 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 duly written instrument of transfer in a form approved by the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

No transfers of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

The Fiscal Agent Agreement and the rights and obligations of the Agency thereunder may be modified or amended as set forth therein.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Fiscal Agent.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the City of Rancho Cucamonga Community Facilities District 2001-01 has caused this Bond to be dated July \_\_, 2015, to be signed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the City Clerk, each acting for and on behalf of such community facilities district.

CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO.  
2001-01

BY: \_\_\_\_\_  
Mayor

BY: \_\_\_\_\_  
City Clerk

***FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION***

This is one of the Bonds described in the Resolution and the Agreement which has been authenticated on \_\_\_\_\_.

MUFG UNION BANK, N.A., as Fiscal Agent

By: \_\_\_\_\_  
Authorized Officer

**ASSIGNMENT**

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

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

the within Bond and do(es) hereby irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer the same on the registration books of the Fiscal Agent, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature(s) on this assignment must correspond with the name(3) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

---

**FISCAL AGENT AGREEMENT**

**by and between**

**CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2001-01**

**and**

**MUFG UNION BANK, N.A.  
as Fiscal Agent**

**Dated as of July 1, 2015**

**Relating to:**

**\$ \_\_\_\_\_**

**City of Rancho Cucamonga  
Community Facilities District No. 2001-01  
Improvement Area No. 3  
Special Tax Refunding Bonds, Series 2015**

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## FISCAL AGENT AGREEMENT

**THIS FISCAL AGENT AGREEMENT** (the “Agreement”) is made and entered into as of July 1, 2015, by and between the City of Rancho Cucamonga Community Facilities District No. 2001-01 (the “District”), a community facilities district, organized and existing under and by virtue of the laws of the State of California, and MUFG Union Bank, N.A., a national banking association organized and existing under the laws of the United States of America, as fiscal agent (the “Fiscal Agent”).

### WITNESSETH:

**WHEREAS**, the City Council of the City of Rancho Cucamonga (the “City”) has formed the District under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 et seq. of the California Government Code) (the “Act”) and Resolution No. 01-162 of the City Council adopted on June 20, 2001;

**WHEREAS**, the City Council is authorized under the Act and pursuant to Ordinance No. 645 to levy special taxes to pay for the costs of facilities provided by the District;

**WHEREAS**, under the provisions of the Act, on June 20, 2001, the City Council, acting as the legislative body of the District, adopted Resolution No. 00-236 which resolution, among other matters, expressed the determination of the City Council of the necessity to issue special tax bonds in the maximum aggregate principal amount of \$12,000,000 for the District secured by the special taxes authorized to be levied in Improvement Area No.3;

**WHEREAS**, on August 15, 2001, the City Council adopted Resolution No. 01-190 (the “Resolution”) authorizing the issuance and sale of bonds for the District pursuant to the Bond Indenture, dated as of November 1, 2000 (the “Prior Bond Indenture”), by and between the District and Wells Fargo Bank, National Association, as fiscal agent, designated the “City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 3 Special Tax Bonds, Series 2001-B” (the “Prior Special Tax Bonds”), for the purpose of funding the acquisition, rehabilitation and construction of certain public improvements (defined in the Prior Bond Indenture as the “Project”);

**WHEREAS**, on September 18, 2001 the Prior Special Tax Bonds in the principal amount of \$935,000 were issued;

**WHEREAS**, on December 7, 2011, the City Council adopted Resolution No. 11-179 (the “Prior Resolution of Issuance”) authorizing the issuance and sale of bonds of the District pursuant to the Fiscal Agent Agreement, dated as of December 1, 2011, (the “Prior Fiscal Agent Agreement”) by and between the District and Wells Fargo Bank, National Association, as fiscal agent, designated “City of Rancho Cucamonga Community Facilities District No. 2001-01 (Rancho Cucamonga Corporate Park) Special Tax Refunding Bonds, Series 2012” (the “Prior Special Tax Refunding Bonds”), for the purpose of financing the defeasance and refunding of the Prior Special Tax Bonds;

**WHEREAS**, on July 1, 2015, the City Council adopted Resolution No. 15-\_\_\_ (the “Resolution of Issuance”) authorizing the issuance and sale of bonds of the District pursuant to this Agreement, designated “City of Rancho Cucamonga Community Facilities District No. 2000-1 Improvement Area No. 3 Special Tax Refunding Bonds, Series 2015 (the “Special Tax Refunding Bonds”), for the purpose of financing the defeasance and refunding of the Prior Special Tax Refunding Bonds.

**WHEREAS**, it is in the public interest and for the benefit of the City, the District, the persons responsible for the payment of special taxes and the owners of the Bonds that the District enter into this Agreement to provide for the issuance of the Bonds, the disbursement of proceeds of the Bonds, the disposition of the special taxes securing the Bonds, and the administration and payment of the Bonds;

**WHEREAS**, all things necessary to cause the Bonds, when authenticated by the Fiscal Agent and issued as provided in the Act, the Resolution and this Agreement, to be legal, valid and binding and limited obligations in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Agreement and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

**NOW, THEREFORE**, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Agreement, according to their tenor, 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 received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the District does hereby covenant and agree with the Fiscal Agent, for the benefit of the respective holders from time to time of the Bonds, as follows:

## **ARTICLE I**

### **STATUTORY AUTHORITY AND DEFINITIONS**

Section 1.01. **Authority for this Agreement.** This Agreement is entered into pursuant to the provisions of the Act and the Resolution.

Section 1.02. **Agreement for Benefit of Bondowners.** The provisions, covenants and agreements herein set forth to be performed by or on behalf of the City and the District shall be for the equal benefit, protection, and security of the Owners from time to time. In consideration of the acceptance of the Bonds by the Owners thereof, this Agreement shall be deemed to be and shall constitute a contract between the District and the Owners; and the covenants and agreements herein set forth to be performed by the District 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. All of the

Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Agreement.

The Fiscal Agent may become the Owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Fiscal Agent.

Section 1.03. **Definitions.** Unless the context otherwise requires, the terms defined in this Section 1.03 shall, for all purposes of this Agreement, of any Supplemental Agreement, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Authority Indenture. All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311 et seq. of the California Government Code.

“Administrative Expense Fund” means the fund by that name established by Section 3.04A hereof.

“Administrative Expenses” means any or all of the following: the fees and expenses of the Fiscal Agent (including the fees and expenses of its counsel), the expenses of the City or the District in carrying out its duties hereunder (including, but not limited to, the levying and collection of the Special Taxes, complying with the disclosure provisions of the Act and this Agreement, including those related to public inquiries regarding the Special Tax and disclosures to Bondowners and the Original Purchaser); the costs of the City and the District or their designees related to an appeal of the Special Tax; any costs of the City and the District (including fees and expenses of counsel) to defend the first lien on and pledge of the Special Taxes to the payment of the Bonds or otherwise in respect of litigation relating to the District or the Bonds or with respect to any other obligations of the District; the Proportionate Share of the Authority Administrative Expenses allocable to the Bonds, the Proportionate Share of the salaries of City staff directly related to the carrying out by the City of its obligations hereunder or under the Authority Indenture and a proportionate amount of City general administrative overhead related thereto allocable to the Bonds; and all other costs and expenses of the City, the District, and the Fiscal Agent incurred in connection with the discharge of their respective duties hereunder, and in the case of the City, in any way related to the administration of the District and all actual costs and expenses incurred in connection with the administration of the Bonds.

“Agreement” means this Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement adopted pursuant to the provisions hereof.

“Annual Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, and (ii) the principal amount of the Outstanding Bonds scheduled to be paid in such Bond Year.

“Auditor” means the auditor/tax collector of the County of San Bernardino.

“Authority” means the Rancho Cucamonga Public Finance Authority and any successor thereto.

“Authority Bonds” means any bonds outstanding under the Authority Indenture, which are secured by payments to be made on the Bonds.

“Authority Indenture” means that certain Indenture of Trust, dated as of July 1, 2015, by and between the Authority and the Authority Trustee, pursuant to which the Authority Bonds are issued.

“Authority Original Purchaser” means City National Bank, a national banking association, and its successors and assigns.

“Authority Trustee” means MUFG Union Bank, N.A., or any successor thereto appointed under the Authority Indenture.

“Authorized Officer” means the City Manager, Assistant City Manager, Director of Finance, or City Clerk of the City, or any other officer or employee authorized by the City Council of the City or by an Authorized Officer to undertake the action referenced in this Agreement as required to be undertaken by an Authorized Officer.

“Bond Counsel” means (i) Best Best & Krieger LLP; or (ii) any attorney or firm of attorneys acceptable to the District and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Fund” means the fund by that name established by Section 4.02A hereof.

“Bond Year” means the one-year period beginning on September 2 in each year and ending on September 1 in the following year except that the first Bond Year shall begin on the Closing Date and end on September 1, 2015.

“Bonds” means the City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 3 Special Tax Refunding Bonds, Series 2015, authorized by, and at any time Outstanding pursuant hereto.

“Business Day” means a day which is not a Saturday, Sunday, or legal holiday on which banking institutions in the State of California, or in any state in which the Principal Office of the Trustee is located, or the New York Stock Exchange are closed. If any payment hereunder is due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such previous day.

“CDIAC” means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

“City” means the City of Rancho Cucamonga, California.

“City Council” means the City Council of the City, acting in its capacity as the legislative body of the District.

“Closing Date” means the date upon which there is a physical delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser.

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

“County” means the County of San Bernardino, California.

“Debt Service” means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“Defeasance Obligations” means those obligations described in paragraph A. of the definition of Permitted Investments.

“District” means the City of Rancho Cucamonga Community Facilities District No. 2001-01, formed pursuant to the Resolution of Formation.

“DTC” means the Depository Trust Company.

“Escrow Agent” means Wells Fargo Bank, National Association, acting as escrow agent under the Escrow Agreement.

“Escrow Agreement” means that Escrow Agreement Deposit and Trust Agreement dated as of July 1, 2015 by and between the Authority and the Escrow Agent relating to defeasance of the Prior Authority Bonds and the Prior Special Tax Refunding Bonds.

“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) any commingled investment fund in which the City and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

“Fiscal Agent” means the Fiscal Agent appointed by the District and acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 8.01.

“Fiscal Year” means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

“Independent Accountant” means any nationally recognized firm of certified public accountants or firm of such accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State, appointed by the City, and who, or each of whom:

- (1) is in fact independent and not under domination of the Authority, the City or the District;
- (2) does not have any substantial interest, direct or indirect, with the Authority, the City or the District; and
- (3) is not connected with the Authority, the City or the District as an officer or employee of the Authority, the City or the District, but who may be regularly retained to make reports to the Authority, the City or the District.

“Independent Financial Consultant” means any financial consultant or firm of such financial consultants appointed by the Authority and who, or each of whom:

- (1) is judged by the City to have experience with respect to the financing of public capital improvement projects;
- (2) is in fact independent and not under the domination of the Authority, the City, or the District;
- (3) does not have any substantial interest, direct or indirect, with the Authority, the City, or the District; and
- (4) is not connected with the Authority, the City, or the District as an officer or employee of the Authority, the City, or the District, but who may be regularly retained to make reports to the Authority, the City, or the District.

“Interest Payment Dates” means September 1 and March 1 of each year, commencing March 1, 2016.

“Investment Earnings” means all interest earned and any gains and losses on the investment of moneys in any fund or account created by this Agreement.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the District or the business, facilities, or operations of the District, (b) the ability of the District to meet or perform its obligations under this Agreement on a timely basis, (c) the validity or enforceability of this Agreement.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

“Net Special Tax Revenues” means, for each Fiscal Year, all Special Tax Revenues received by the District less an amount equal to the Priority Administrative Expenses Amount.

“Officer’s Certificate” means a written certificate of the District or the City signed by an Authorized Officer of the City.

“Ordinance” means an ordinance of the City levying the Special Taxes, including Ordinance No. 658, adopted by the City Council on July 18, 2001.

“Original Purchaser” means the Authority.

“Outstanding,” means (subject to the provisions of Section 9.04), when used as of any particular time with reference to Bonds, all Bonds except: (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of Section 10.01; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued, and delivered by the District pursuant to this Agreement or any Supplemental Agreement.

“Owner” or “Bondowner” means any person who shall be the registered owner of any Outstanding Bond.

“Penalties and Interest” means any penalties or interest in excess of the interest payable on the Bonds collected in connection with delinquent Special Taxes.

“Penalties and Interest Account” means the account by that name within the Special Tax Fund pursuant to Section 3.03D hereof.

“Permitted Investments” shall have the meaning given such term in the Authority Indenture.

“Person” means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Prepayments” means Special Tax Revenues identified to the Fiscal Agent by an Authorized Officer as representing a prepayment of the Special Tax pursuant to the RMA.

“Principal Office” means the principal corporate trust office of the Fiscal Agent as may be designated from time to time by the Fiscal Agent in writing to the District initially set forth in Section 11.06 hereof.

“Prior Authority Bonds” means the \$15,970,000 Rancho Cucamonga Public Financing Authority Special Tax Refunding Revenue Bonds, Series 2012.

“Prior Bond Indenture” means the Bond Indenture, dated as of November 1, 2000, by and between the District and Wells Fargo Bank, National Association, as fiscal agent, pertaining to the Prior Special Tax Bonds.

“Prior Fiscal Agent Agreement” means the Fiscal Agent Agreement, dated as of December 1, 2011, by and between the District and Wells Fargo Bank, National Association, as fiscal agent, pertaining to the Prior Special Tax Refunding Bonds.

“Prior Special Tax Refunding Bonds” means the outstanding City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 3 Special Tax Refunding Bonds, Series 2012.

“Priority Administrative Expense Amount” means an annual amount equal to \$0.00, or such lesser amount as may be designated by written instruction from an Authorized Officer of the District to be allocated as the first priority of Special Taxes received each Fiscal Year for the payment of Administrative Expenses allocated to the Bonds.

“Project” shall have the meaning given such term in the Prior Bond Indenture.

“Proportionate Share” shall have the meaning given such term in the Authority Indenture.

“Record Date” means the fifteenth day of the month next preceding the month of the applicable Interest Payment Date.

“Reserve Fund” means the fund by that name established by Section 4.03 hereof.

“Reserve Requirement” means an amount equal to \$[50% of MADs].

“Resolution of Formation” means Resolution No. 01-162, adopted by the City Council on June 20, 2001.

“Resolution of Issuance” shall have the meaning given such term in the recitals hereto.

“RMA” means the Rate and Method of Apportionment of the Special Tax for the District approved by the qualified electors within the District at a special election held on June 20, 2001.

“Special Tax Refunding Bonds” shall have the meaning given such term in the Authority Indenture.

“Special Tax Fund” means the fund by that name established by Section 3.03A hereof.

“Special Tax Revenues” means the proceeds of the Special Taxes received by the District including any scheduled payments and any prepayments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest and penalties thereon. Notwithstanding the foregoing, “Special Tax Revenues” does not include Penalties and Interest.

“Special Taxes” means the special taxes levied within the District pursuant to the Act, the RMA, the Ordinance, and this Agreement.

“Supplemental Agreement” means an agreement the execution of which is authorized by a resolution which has been duly adopted by the City Council under the Act and which agreement is amendatory of or supplemental to this Agreement, but only if and to the extent that such agreement is specifically authorized hereunder.

“Treasurer” means the person who is acting in the capacity as treasurer or finance director to the City or the designee of either such officer.

**ARTICLE II**

**THE BONDS**

Section 2.01. **Principal Amounts; Designations.** Bonds in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_.00) are hereby authorized to be issued by the District under and subject to the terms of the Resolution of Issuance and this Agreement, the Act and other applicable laws of the State of California. The Bonds shall be designated “City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 3 Special Tax Refunding Bonds, Series 2015.” This Agreement constitutes a continuing agreement of the District with the Owners from time to time of the Bonds to secure the full payment of the principal of, premium, if any, and interest on all such Bonds subject to the covenants, provisions, and conditions herein contained.

Section 2.02. **Terms of Bonds.**

A. **Form; Denominations.** The Bonds shall be issued as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof; provided, however, one Bond from each maturity may be in an amount other than \$5,000 or an integral multiple thereof. The Bonds shall be lettered and numbered in a customary manner as determined by the Fiscal Agent.

B. **Date of the Bonds.** The Bonds shall be dated the Closing Date.

C. **Maturities, Interest Rates.** The Bonds shall mature on the dates and shall bear interest at the rates as follows:

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal Maturity</u>	<u>Interest Rate</u>
	\$	%

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§ \_\_\_\_\_

D. Interest. The Bonds shall bear interest at the rates set forth above payable five (5) days preceding the Interest Payment Dates in each year. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication; or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

E. Method of Payment. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check or draft of the Fiscal Agent mailed at least five (5) days preceding the Interest Payment Dates by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Fiscal Agent.

All Bonds paid by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Bonds and issue a certificate of destruction thereof to the District.

### Section 2.03. **Redemption.**

A. Optional Redemption. The Bonds may be redeemed at the option of the District from any source of funds other than prepayment of Special Taxes, prior to their stated maturity, as a whole or in part (in the principal amount of \$100,000 or any integral multiples of \$5,000 in excess thereof) on any date on or after March 1, 20\_\_, from such maturities as are selected by the

District, and by lot within a maturity, by paying the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

Notwithstanding the above, any such optional redemption of the Bonds shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such optional redemption of the Bonds.

B. **Mandatory Redemption from the Prepayment of Special Taxes.** The Bonds shall be subject to redemption on any Interest Payment Date, prior to maturity, as a whole or in part from such maturities, as are selected by the District, from Prepayments of Special Taxes, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date of redemption; provided, however, that the Bonds that remain Outstanding after any such redemption pursuant to this Section 4.01(b) shall be in authorized denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof.

Notwithstanding the above, such mandatory redemption of the Bonds in whole or in part shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such mandatory redemption of the Bonds.

C. [Mandatory Sinking Fund Redemption?]

C. **Purchase In Lieu of Redemption.** In lieu of redemption under Section 2.03A or 2.03B, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase, unless a greater purchase price is permitted under the Act and the District determines that it will have sufficient amounts in the Bond Fund, following such purchase, to pay Debt Service on the Bonds.

D. **Notice to Fiscal Agent.** The District shall give the Fiscal Agent written notice of its intention to redeem Bonds pursuant to Section 2.03A or 2.03B not less than sixty (60) days prior to the applicable redemption date, unless such notice shall be waived by the Fiscal Agent, unless the Fiscal Agent agrees to a shorter period.

E. Redemption Procedure by Fiscal Agent. The Fiscal Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, shall designate the Bond numbers of the Bonds to be redeemed by giving the individual Bond number of each Bond to be redeemed or shall state that all Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption, shall state as to any Bond called in part the principal amount thereof to be redeemed, and shall require that such Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such Bonds will not accrue from and after the redemption date. The cost of mailing any such redemption notice and any expenses incurred by the Fiscal Agent in connection therewith shall be paid by the District.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the Bond number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Whenever provision is made in this Agreement for the redemption of less than all of the Bonds or any given portion thereof, the Fiscal Agent shall select the Bonds to be redeemed, from all Bonds or such given portion thereof not previously called for redemption, among maturities as specified by the District in a written certificate delivered to the Fiscal Agent, and by lot within a maturity in any manner which the District in its sole discretion shall deem appropriate and fair. In providing such certificate, the District shall provide for the redemption of Bonds such that the remaining Debt Service payable on the Bonds shall remain level as possible.

Upon surrender of Bonds redeemed in part only, the District shall execute and the Fiscal Agent shall authenticate and deliver to the registered Owner, at the expense of the District, a new Bond or Bonds, of the same Series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

F. Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds so called for redemption shall have been deposited in the Bond Fund, such Bonds so called shall cease to be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice.

All Bonds redeemed and purchased by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Bonds and, upon written request of the District, issue a certificate of destruction thereof to the District.

**Section 2.04. Form of Bonds.** The Bonds, the form of Fiscal Agent's certificate of authentication and the form of assignment, to appear thereon, shall be substantially in the forms, respectively, set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, the Resolution, and the Act. The Bonds of any other Series and the form of the certificate of authentication and assignment to appear thereon shall be in such form or forms as may be specified in the Supplemental Agreement creating such Series of Bonds.

**Section 2.05.** The Bonds shall be executed on District by the manual or facsimile signatures of the Mayor and City Clerk, who are in office on the date of adoption of this Agreement or at any time thereafter. The Bonds shall then be delivered to the Trustee for authentication. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Owner. Any Bond may be signed and attested on behalf of the District by such persons as at the actual date of the execution of such Bond shall be the proper officers of the District although at the nominal date of such Bond any such person shall not have been such officer of the District.

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

**Section 2.06. Transfer of Bonds.** Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

No transfers of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

Section 2.07. **Exchange of Bonds.** Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

Section 2.08. **Bond Register.** The Fiscal Agent will keep or cause to be kept, at its Principal Office sufficient books for the registration and transfer of the Bonds which books shall show the number, date, amount, rate of interest and last known Owner of each Bond and shall at all times be open to inspection by the District or the City during regular business hours upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided.

The District and the Fiscal Agent will treat the Owner of any Bond whose name appears on the Bond register as the absolute Owner of such Bond for any and all purposes, and the District and the Fiscal Agent shall not be affected by any notice to the contrary. The District and the Fiscal Agent may rely on the address of the Bond Owner as it appears in the Bond register for any and all purposes.

Section 2.09. **Temporary Bonds.** The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such authorized denominations as may be determined by the District, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the District upon the same conditions and in substantially the same manner as the definitive Bonds. If the District issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Fiscal Agent or at such other location as the Fiscal Agent shall designate, and the Fiscal Agent 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 Agreement as definitive Bonds authenticated and delivered hereunder.

Section 2.10. **Bonds Mutilated, Lost, Destroyed or Stolen.** If any Bond shall become mutilated, the District, at the expense of the Owner of said Bond, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent shall be canceled by it and destroyed by the Fiscal Agent, who shall deliver a certificate of destruction thereof to the District. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or

theft may be submitted to the Fiscal Agent and, if such evidence be satisfactory to it and indemnity for the District and the Fiscal Agent satisfactory to the Fiscal Agent shall be given, the District, at the expense of the Owner, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The District may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section and of the expenses which may be incurred by the District and the Fiscal Agent for the preparation, execution, authentication and delivery. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Agreement with all other Bonds issued pursuant to this Agreement.

**Section 2.11. Type and Nature of the Bonds; Limited Obligation.** Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof other than the District is pledged to the payment of the Bonds. Except for the Special Taxes, no other taxes are pledged to the payment of the Bonds. The Bonds are not general or special obligations of the City nor general obligations of the District but are limited obligations of the District payable solely from Net Special Tax Revenues. The District's limited obligation to pay the principal of, premium, if any, and interest on the Bonds from the Net Special Tax Revenues is absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever. No Owner of the Bonds may compel the exercise of the taxing power by the District (except as it pertains to the Special Taxes) or the City or the forfeiture of any of their property. The principal of and interest on the Bonds and premiums upon the redemption thereof, if any, are not a debt of the City, the State of California or any of its political subdivisions except the District within the meaning of any constitutional or statutory limitation or restriction. The Bonds are not a legal or equitable pledge, charge, lien, or encumbrance upon any of the District's property, or upon any of its income, receipts or revenues, except the Net Special Tax Revenues and amounts on deposit in the Special Tax Fund and the Bond Fund to the extent pledged hereunder which are, under the terms of this Agreement and the Act, set aside for the payment of the Bonds and interest thereon and neither the members of the legislative body of the District nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

**Section 2.12. Equality of Bonds and Pledge of Net Special Tax Revenues.** Pursuant to the Act and this Agreement, the Bonds shall be equally payable from the Net Special Tax Revenues and other amounts in the Special Tax Fund without priority for number, date of the Bonds, date of sale, date of execution, or date of delivery, and the payment of the interest on and principal of the Bonds and any premiums upon the redemption thereof, shall be exclusively paid from the Net Special Tax Revenues and other certain other amounts in the Special Tax Fund, which are hereby set aside for the payment of the Bonds. Amounts in the Special Tax Fund shall constitute a trust fund held for the benefit of the Owners to be applied to the payment of the interest on and principal of the Bonds and so long as any of the Bonds or interest thereon remain Outstanding shall not be used for any other purpose, except as permitted by this Agreement.

Nothing in this Fiscal Agent Agreement shall preclude, subject to the limitations contained hereunder, the redemption prior to maturity of any Bonds subject to call and

redemption and payment of said Bonds from proceeds of refunding bonds issued under the Act as the same now exists or as hereafter amended, or under any other law of the State of California, which shall be payable from Net Special Tax Revenues.

Section 2.13. **Description of Bonds; Interest Rates.** The Bonds and any Parity Bonds shall be issued in fully registered form in any denomination. The Bonds and any Parity Bonds of each issue shall be numbered as desired by the Fiscal Agent.

Section 2.14. **No Acceleration.** The principal of the Bonds shall not be subject to acceleration hereunder. Nothing in this Section shall in any way prohibit the prepayment or redemption of Bonds under Section 2.03 hereof, or the defeasance of the Bonds and discharge of this Agreement under Section 10.01 hereof.

Section 2.15. **Additional Bonds.** Other than for the purpose of refunding the Bonds, no additional Bonds entitled to a lien on the Net Special Tax Revenues shall be issued hereunder.

Section 2.16. **Validity of the Bonds.** The validity of the authorization and issuance of the Bonds shall not be affected in any way by any defect in any proceedings taken by the District for the issuance and sale of the Bonds and the recital contained in the Bonds that the same are issued pursuant to the Act and other applicable laws of the State shall be conclusive evidence of their validity and the regularity of their issuance.

### ARTICLE III

#### ISSUANCE OF BONDS

Section 3.01. **Issuance and Delivery of the Bonds.** At any time after the execution of this Agreement, the District may issue the Bonds in the aggregate principal amount set forth in Section 2.01 and deliver the Bonds to the Original Purchaser. The Authorized Officers of the District are hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the Bonds in accordance with the provisions of the Act, the Resolution of Issuance and this Agreement and to do and cause to be done any and all acts and things necessary or convenient for delivery of the Bonds to the Original Purchaser, upon payment of the purchase price for the Bonds.

Section 3.02. **Application of Proceeds of Sale of the Bonds and Transfers from the Prior Special Tax Refunding Bonds.** The proceeds of the purchase of the Bonds by the Original Purchaser (equal to the par amount of \$\_\_\_\_\_.00) shall be paid to the Fiscal Agent, who shall forthwith set aside, pay over and transfer such proceeds on the Closing Date as follows:

A. \$\_\_\_\_\_ shall be transferred to the Escrow Agent for deposit into the Escrow Fund held by the Escrow Agent under the Escrow Agreement;

B. \$\_\_\_\_\_ shall be deposited into the Reserve Fund, equal to the Reserve Requirement; and

C. \$ \_\_\_\_\_ shall be transferred to the Authority Trustee for deposit into the Costs of Issuance Fund held under the Authority Indenture.

**Section 3.03. Special Tax Fund.**

A. Establishment of Special Tax Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the "Special Tax Fund," to the credit of which the District or the City, on behalf of the District, shall deposit, immediately upon receipt, all Special Tax Revenue received by the District or the City, on behalf of the District. Moneys in the Special Tax Fund, other than Penalties and Interest, shall be held by the Fiscal Agent for the benefit of the District and the Owners of the Bonds, shall be disbursed as provided below and, pending any disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

B. Disbursements of Special Tax Revenues. The Special Tax Revenues deposited in the Special Tax Fund shall be held and, other than Special Tax Revenues representing Prepayments, subsequently transferred to the following funds and accounts not later than the dates and in the amounts set forth in the following paragraphs and in the following order of priority:

1. to the District for deposit in Administrative Expense Fund an amount equal to the Priority Administrative Expense Amount estimated to be due and payable during the Fiscal Year;

2. not later than ten (10) Business Days prior to each Interest Payment Date, to the Bond Fund:

a. the amount representing past due installments of principal, interest and premium on the Bonds (including any interest thereon pursuant to the second sentence of the second paragraph of Section 4.02B), if any, resulting from the delinquency in the payment of such Special Taxes; and

b. an amount, taking into account any amounts then on deposit in the Bond Fund (other than by reason of the preceding paragraph a.) such that the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds on the next Interest Payment Date;

3. no later than ten (10) Business Days prior to each Interest Payment Date, to the Reserve Fund that amount, in addition to the amount transferred to the Bond Fund pursuant to paragraph 2. above, necessary to replenish any draw on the Reserve Fund resulting from the delinquency in the payment of scheduled debt service on the Bonds ;

4. on September 2 of each year after making the deposits and transfers required under paragraphs 1 and 2 above and the transfer, if any, authorized under paragraph 3 above, upon receipt of written instructions from an Authorized Officer on or before the preceding June 30, to the Authority Trustee the amount specified in such written instructions necessary for the payment of the Proportionate Share of any rebate amount due and owing to the United States of America by the Authority on the Authority Bonds;

5. on September 2 of each year after making the deposits and transfers required under paragraphs 1 through 4 above, upon receipt of written instructions from an Authorized Officer, to the District for deposit in the Administrative Expense Fund the amount specified in such written instructions necessary for payment of the estimated Administrative Expenses projected to be due and payable in the next Fiscal Year, reimbursement of any Administrative Expenses incurred during the Fiscal Year ending on such June 30 or the establishment or replenishment of a reasonable operating reserve within the Administrative Expense Fund and not included in any prior transfer made pursuant to paragraph 1 and 4 above; and

6. after September 2 of each year, after making the deposits and transfers made pursuant to paragraphs 1 through 5 above, monies then on deposit in the Special Tax Fund shall remain therein and shall be subsequently deposited or transferred pursuant to the provisions of paragraphs 1 through 5 above.

C. Transfer of Prepayments. Amounts constituting Prepayments shall be transferred by the Treasurer to the Fiscal Agent, and placed by the Fiscal Agent in a segregated account within the Bond Fund designated as "Prepayment Account" and used to redeem Bonds pursuant to paragraph 2 of Section 2.03B. Any such transfer of Prepayments shall be accompanied by written instructions executed by the Treasurer or an Authorized Officer directing the Fiscal Agent to place such Prepayments in the Prepayment Account.

D. Penalties and Interest. Amounts constituting Penalties and Interest shall be transferred by the Treasurer to the Fiscal Agent, and placed by the Fiscal Agent in a segregated account within the Special Tax Fund designated as "Penalties and Interest Account." The moneys on deposit in the Penalties and Interest Account shall be held and subsequently transferred, upon receipt of written instructions contained in an Officer's Certificate, to the following funds and accounts not later than the dates and in the amounts set forth in the following paragraphs and in the following order of priority:

1. to the Administrative Expense Fund that amount as specified in such written instructions necessary for payment of the estimated Administrative Expenses projected to be due and payable in the next Fiscal Year, reimbursement of any Administrative Expenses incurred during the Fiscal Year ending on such June 30 or establishment or replenishment of a reasonable operating reserve within the Administrative Expense Fund not included in any prior transfer made pursuant to paragraphs 3 or 6 of subsection B above;

2. to the Bond Fund that amount as specified in such Officer's Certificate for the payment of debt service on the Bonds; or

3. to such other fund or account as specified in such Officer's Certificate for any authorized purpose of the District.

E. Investment. Moneys in the Special Tax Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit shall be retained in the Special Tax Fund to be used for the purposes thereof.

**Section 3.04. Administrative Expense Fund.**

A. Establishment of Administrative Expense Fund. There is hereby established, as a separate account to be held by the District, the “Administrative Expense Fund” to the credit of which transfers from the Fiscal Agent shall be made to the District as required by Sections 3.02D, 3.03B or 3.03D hereof. Moneys in the Administrative Expense Fund shall be held in trust by the District for the benefit of the City, the District and the Authority, and shall be disbursed as provided below.

B. Disbursement. Amounts in the Administrative Expense Fund shall be withdrawn by the District and paid to the payee specified in an Officer’s Certificate stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense and the nature of such expense. Amounts on deposit in the Administrative Expense Fund at the end of any Fiscal Year shall be retained in such fund as an operating reserve and shall be disbursed as provided for in this paragraph B.

C. Investment. Moneys in the Administrative Expense Fund shall be invested and deposited in accordance with Section 6.01 hereof. Investment Earnings shall be retained by the District in the Administrative Expense Fund to be used for the purposes of such fund.

**ARTICLE IV**

**NET SPECIAL TAX REVENUES; BOND FUND**

Section 4.01. **Pledge of Net Special Tax Revenues.** The Bonds shall be secured by a first pledge (which pledge shall be effected in the manner and to the extent herein provided) of all of the Net Special Tax Revenues and all moneys deposited in the Bond Fund and, until disbursed as provided herein, in the Special Tax Fund, except for moneys on deposit in the the Penalties and Interest Account. The Net Special Tax Revenues and all moneys deposited into said funds (except as otherwise provided herein) are hereby dedicated to the payment of the principal of, and interest and any premium on, the Bonds as provided herein and in the Act until all of the Bonds have been paid and retired or until moneys or Defeasance Obligations have been set aside irrevocably for that purpose in accordance with Section 10.01.

**Section 4.02. Bond Fund.**

A. Establishment of Bond Fund. There is hereby established as a separate fund to be held by the Fiscal Agent for the “Bond Fund” and, within the Bond Fund, the “Prepayment Account” to the credit of which deposits shall be made as required by paragraph 2 of Section 3.03B. and by Section 3.03C., and any other amounts required to be deposited therein by this Agreement or the Act. In addition to the foregoing deposits, the Fiscal Agent shall also deposit amount received from the Authority Trustee transferred to the Fiscal Agent pursuant to Section 5.05 of the Authority Indenture. Moneys in the Bond Fund shall be held by the Fiscal Agent for the benefit of the Owners of the Bonds, shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

B. Disbursements. On each Interest Payment Date, the Fiscal Agent shall withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, then due and payable on the Bonds, including any amounts due under Section 2.03A. hereof; provided, however, that available amounts in the Bond Fund shall first be used to pay to the Owners of the Bonds any past due installments of interest, principal (including mandatory sinking payments) of and premium, if any, on the Bonds, in that order. Amounts transferred to the Bond Fund from the Special Tax Fund pursuant to paragraph 2.a. of Section 3.03B. shall immediately be paid to the Owners of the Bonds in respect of past due payments on the Bonds, and amounts transferred to the Prepayment Account pursuant to Section 3.03C. shall be used to redeem Bonds pursuant to Section 2.03B.

If after the foregoing transfers, there are insufficient funds in the Bond Fund to make the payments provided for in the first sentence of this Section 4.02B., the Fiscal Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal and any mandatory sinking payments due on the Bonds. Any installment of principal (including mandatory sinking payments), premium, if any, or interest on the Bonds which is not paid when due shall accrue interest at the rate of interest on the Bonds until paid, and shall be paid whenever funds in the Bond Fund are sufficient therefor.

If at any time the Fiscal Agent fails to pay principal and interest due on any scheduled payment date for the Bonds, the Fiscal Agent shall notify the District and the Treasurer in writing of such failure, and the Treasurer shall notify the California Debt Advisory Commission of such failure within 10 days of the failure to make such payment, as required by Section 53359(c)(1) of the Act.

C. Investment. Moneys in the Bond Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from the investment and deposit of amounts in the Bond Fund shall be retained in the Bond Fund.

#### Section 4.03. **Reserve Fund.**

A. Establishment of Reserve Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the "Reserve Fund," to the credit of which a deposit shall be made as required by Section 3,02B. hereof. Moneys in the Reserve Fund shall be held by the Fiscal Agent for the benefit of the Bondowners and shall be disbursed as provided in Section 4.03B below.

B. Procedure for Disbursement. Moneys on deposit in the Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the Bonds as such amounts shall become due and payable in the event that the moneys in the Special Tax Fund and the Bond Fund for such purpose are insufficient therefor or redeeming Bonds as described below. The Fiscal Agent shall, when and to the extent necessary, withdraw money from the Reserve Fund and transfer such money to the Bond Fund or the Redemption Fund for such purpose.

On any date after either the transfers, if any, required by the preceding paragraph have been made for any Bond Year or the valuation of the Permitted Investments in the Reserve Fund pursuant to Section 6.01 below, if the amount on deposit in the Reserve Fund is less than the

Reserve Requirement, the Fiscal Agent shall transfer to the Reserve Fund from the first available monies in the Special Tax Fund an amount necessary to increase the balance therein to the Reserve Requirement. If at least ten (10) Business Days prior to each Interest Payment Date of each year, the amount on deposit in the Reserve Fund is in excess of the Reserve Requirement, the Fiscal Agent shall transfer such excess to the Bond Fund. In connection with any optional redemption of Bonds pursuant to Section 2.03A., amounts on deposit in the Reserve Fund which would be in excess of the Reserve Requirement following such redemption shall be transferred to the Redemption Fund or the Bond Fund, as applicable, prior to such redemption and applied to such redemption of Bonds pursuant to written instructions of the District contained in an Officer's Correspondence.

Upon receipt of an Officer's Correspondence instructing the Fiscal Agent to transfer certain moneys representing a Reserve Fund credit for a Prepayment pursuant to the RMA , the Fiscal Agent shall transfer the amount specified in such instructions from the Reserve Fund to the Redemption Fund for the purpose of redeeming Bonds pursuant to such instructions.

Whenever the balance in the Reserve Fund and the Bond Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Fiscal Agent shall transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding interest payment date, to the payment and redemption, in accordance with Section 2.03A of all of the Outstanding Bonds. In the event that the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund shall be transferred to the District to be used for any lawful purpose of the District as set forth in the Act.

C. Investment. Moneys in the Reserve Fund shall be invested and deposited by the Fiscal Agent in accordance with Section 6.01 hereof. Interest earnings and profits from such investment and deposit shall be retained in the Reserve Fund to be used for the purposes of such fund. All Authorized Investments in the Reserve Fund shall be valued at their cost at least semi-annually on February 1 and August 1 so long as at least 25% of the moneys in the Reserve Fund are invested for a period not to exceed two (2) years in length.

## ARTICLE V

### OTHER COVENANTS OF THE DISTRICT

Section 5.01. **Warranty.** The District shall preserve and protect the security pledged hereunder to the Bonds against all claims and demands of all persons.

Section 5.02. **Covenants.** So long as any of the Bonds issued hereunder are Outstanding and unpaid, the District makes the covenants set forth herein below in this Article V with the Bondowners under the provisions of the Act and this Fiscal Agent Agreement (to be performed by the District or the City, acting for and on behalf of the District, or its proper officers, agents and employees), which are covenants necessary and desirable to secure the Bonds and tend to make the Bonds more marketable; provided, however, that such covenants do not require the District to expend any funds or moneys other than the Net Special Tax Revenues.

Section 5.03. **Punctual Payment.** The District shall punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of this Agreement and any Supplemental Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement and all Supplemental Agreements and of the Bonds.

Section 5.04. **Limited Obligation.** The Bonds are limited obligations of the District and are payable solely from and secured solely by the Net Special Tax Revenues and the amounts in the Bond Fund and the Special Tax Fund created hereunder.

Section 5.05. **Payment of Claims.** The District will pay and discharge any and all lawful claims for labor, materials, or supplies which, if unpaid, might become a lien or charge upon the Special Tax Revenues or which might otherwise impair the security of the Bonds then Outstanding; provided that nothing herein contained shall require the District to make any such payments so long as the District in good faith shall contest the validity of any such claims.

Section 5.06. **Extension of Time for Payment.** In order to prevent any accumulation of claims for interest after maturity, the District shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the District, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have so extended or funded.

Section 5.07. **Against Encumbrances.** The District will not encumber, pledge or place any charge or lien upon any of the Net Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by this Agreement.

Section 5.08. **Books and Records.** The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Bond Fund and the Special Tax Fund and relating to the Special Tax Revenues.

Section 5.09. **Protection of Security and Rights of Owners.** The District will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the District, the Bonds shall be incontestable by the District.

Section 5.10. **Collection of Special Tax Revenues.** The District shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

On or about July 10 of each year, the Treasurer shall communicate with the Auditor to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The Treasurer shall effect the levy of the Special Taxes each Fiscal Year on the parcels within the District in accordance with the Ordinance, such that the computation of the levy is complete before the final date on which the Auditor will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next secured tax roll. Upon the completion of the computation of the amounts of the levy, the Treasurer shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next secured tax roll. The Special Taxes so levied shall be payable and be collected in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property, unless otherwise provided by the District.

In the event that the Treasurer determines to levy all or a portion of the Special Taxes by means of direct billing of the property owners of the parcels within the District, the Treasurer shall, not less than forty-five (45) days prior to each Interest Payment Date, send bills to the owners of such real property located within the District subject to the levy of the Special Taxes for Special Taxes in an aggregate amount necessary to meet the financial obligations of the District with respect to the District due on the next Interest Payment Date, said bills to specify that the amounts so levied shall be due and payable not less than thirty (30) days prior to such Interest Payment Date and shall be delinquent if not paid when due.

In any event, the Treasurer shall fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on any Outstanding Bonds becoming due and payable during the ensuing year, an amount necessary to replenish the Reserve Fund pursuant to Section 3.03B.3. and an amount estimated to be sufficient to pay the Administrative Expenses during such year, all in accordance with the RMA and the Ordinance. The Special Taxes so levied shall not exceed the authorized amounts as provided in the proceedings pursuant to the Resolution of Formation.

The Treasurer is hereby authorized to employ consultants to assist in computing the levy of the Special Taxes hereunder and any reconciliation of amounts levied to amounts received. The fees and expenses of such consultants and the costs and expenses of the Treasurer (including a charge for City or District staff time) in conducting its duties hereunder shall be an Administrative Expense hereunder.

Section 5.11. **Further Assurances.** The District shall adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Agreement.

Section 5.12. **Tax Covenants.** The District shall not take, or permit or suffer to be taken by the Fiscal Agent 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 any of the Authority Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code or to be "private activity bonds" within the meaning of Section 141 of the Tax Code.

The District agrees to furnish all information to, and cooperate fully with, the Authority, the Trustee and their respective officers, employees, agents and attorneys, in order to assure compliance with the provisions of Section 6.07 of the Authority Indenture. In the event that the Authority shall notify the District that the Authority has determined, pursuant to Section 6.07 of the Authority Indenture, that any amounts are due and payable to the United States of America thereunder and that neither the Authority nor the Authority Trustee has on deposit an amount of available moneys to make such payment, the District shall promptly direct the Fiscal Agent pay to the Authority Trustee from available Net Special Tax Revenues the Proportionate Share of the amounts determined by the Authority to be due and payable to the United States of America.

Section 5.13. **Covenant to Foreclose.** On or before June 1 of each Fiscal year, the District will review the public records of the County in connection with the Special Taxes levied in such Fiscal Year to determine the amount of Special Taxes actually collected in such Fiscal Year. If the District determines that any parcel subject to the Special Taxes is delinquent in the payment of two or more installments of Special Taxes and the aggregate amount of such delinquent Special Taxes exceeds \$5,000, the City shall, not later than forty-five (45) days of such determination, send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner. The City shall cause judicial foreclosure proceedings to be commenced and filed in the Superior Court not later than ninety (90) days of such determination against any parcel for which a notice of delinquency was given pursuant to this section and for which the Special Taxes remain delinquent.

The City Attorney is hereby authorized to employ counsel to conduct any such foreclosure proceedings. The fees and expenses of any such counsel and costs and expenses of the City Attorney (including a charge for City or District staff time) in conducting foreclosure proceedings shall be an Administrative Expense hereunder.

Notwithstanding any provision of the Act or other law of the State to the contrary, in connection with any foreclosure related to delinquent Special Taxes:

A. The City, is hereby expressly authorized to credit bid at any foreclosure sale, without any requirement that funds be placed in the Bond Fund or otherwise be set aside in the amount of such credit bid, in the amount specified in Section 53356.5 of the Act or such lesser amount as determined under B. below or otherwise under Section 53356.6 of the Act.

B. The City may permit property with delinquent Special Tax payments to be sold for less than the amount specified in Section 53356.5 of the Act, if it determines that such sale is in the interest of the Bond Owners. The Bond Owners, by their acceptance of the Bonds, hereby consent to such sale for such lesser amounts (as such consent is described in Section 53356.6 of

the Act), and hereby release the City, its officers and its agents from any liability in connection therewith.

C. The City is hereby expressly authorized to use amounts in the Administrative Expense Fund to pay costs of foreclosure of delinquent Special Taxes.

D. The City may forgive all or any portion of the Special Taxes levied or to be levied on any parcel in the District, so long as the City determines that such forgiveness is not expected to adversely affect its obligation to pay principal of and interest on the Bonds.

**Section 5.14. Annual Reports to CDIAC.** Not later than October 30 of each year, commencing October 30, 2016, and until the October 30 following the final maturity of the Bonds, the Treasurer shall supply the information required by Section 53359.5(b) or (c) of the Act to CDIAC (on such forms as CDIAC may specify) and the District.

**Section 5.15. Continuing Disclosure to Authority Original Purchaser.** On or before each March 31 of each year, the District shall provide to the Authority Original Purchaser copies of the audited financial statements, along with the following information: (a) the amount of Bonds outstanding (as of the prior [Bond Year/Fiscal Year]); (b) the balance in each fund administered by the Fiscal Agent Agreement (as of the prior [Bond Year/Fiscal Year]); (c) a summary of special taxes levied within the Community Facilities District and an update of the assessed value within the Community Facilities District (as of the prior Fiscal Year); (d) a summary of any changes to the RMA of special taxes approved or submitted to the electors for approval prior to the annual report; (e) the status of foreclosure action being pursued by the District with respect to special taxes; (f) the delinquency rate for the special taxes for the preceding fiscal year and the identity of any property owner whose delinquent special taxes represented more than 5% of the amount levied and assessed value to lien ratios of such delinquent properties; (g) any additional information provided to CDIAC pursuant to this Agreement and not otherwise provided to the Authority Original Purchaser. The District shall further provide to the Authority Original Purchaser: (a) within three (3) Business Days after the District obtains knowledge thereof, notice by telephone, promptly confirmed in writing, of any event that constitutes an Event of Default under the Indenture or this Agreement, as applicable, together with a statement by an Authorized Representative of the District of the steps being taken by the District to cure such Event of Default; (b) within ten (10) days after the District obtains knowledge thereof, written notice of any Material Adverse Effect; and (c) within ten (10) days after receipt of request therefor by the Authority Original Purchaser, updates, if any, of the information described in Section 5.14.

**Section 5.16. Public Access to Facilities.** The City and the District shall provide or cause to be provided access to members of the general public to all portions of the Project financed with the proceeds of the Prior Special Tax Bonds. Said access shall not grant priority to any one person over that of another person, and shall be subject to any applicable City ordinance, rule or regulation.

**Section 5.17. Modification of Maximum Authorized Special Tax.** The District, to the maximum extent that the law permits it to do so, covenants that no modification of the minimum or maximum authorized Special Tax shall be approved by the District nor shall the District take

any other action which would (i) prohibit the District from levying the Special Tax within the District in any Fiscal Year at such a rate as would generate Net Special Tax Revenues in such Fiscal Year at least equal to 110% of Annual Debt Service on all Bonds then Outstanding; (ii) discontinue or cause the discontinuance of such levy; or (iii) permit the prepayment of the Special Tax except as permitted pursuant to the RMA.

Section 5.18. **Covenant to Defend.** The District covenants, in the event that any initiative is adopted by the qualified electors in the District which purports to reduce the minimum or the maximum Special Tax below the levels specified in Section 5.17 above or to limit the power of the District to levy the Special Taxes within the District for the purposes set forth in Section 5.10 above, it will commence and pursue legal action in order to preserve its ability to comply with such covenants.

## ARTICLE VI

### INVESTMENTS; DISPOSITION OF INVESTMENT PROCEEDS; LIABILITY OF THE DISTRICT

Section 6.01. **Deposit and Investment of Moneys in Funds.** Moneys in any fund or account created or established by this Agreement and held by the Fiscal Agent shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Fiscal Agent shall invest any such moneys in Permitted Investments described in clause B(5) of the definition thereof, to the extent practicable which by their terms mature prior to the date on which such moneys are required to be paid out hereunder, or are held uninvested; provided however, that any such investment shall be made by the Fiscal Agent only if, prior to the date on which such investment is to be made, the Fiscal Agent shall have received a written direction from the District specifying a specific money market fund and, if no such written direction from the District is so received, the Fiscal Agent shall hold such moneys uninvested. The Treasurer shall make note of any investment of funds hereunder in excess of the yield on the Bonds, so that appropriate actions can be taken to assure compliance with Section 5.10.

In the event of any transfer by the Authority Trustee from the Residual Account thereof pursuant to Section 5.02(e) of the Authority Indenture for deposit in the Bond Fund pursuant to 4.02A., all moneys on deposit in the Special Tax Fund and the Bond Fund shall be held in cash or invested in Permitted Investments constituting cash equivalents until the payment of the principal of and interest on the Bonds on the September 1 Interest Payment Date following such transfer.

Moneys in any fund or account created or established by this Agreement and held by the Treasurer shall be invested by the Treasurer in Permitted Investments, which in any event by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of this Agreement for transfer of

interest earnings and profits resulting from investment of amounts in funds and accounts. Whenever in this Agreement any moneys are required to be transferred by the District to the Fiscal Agent, such transfer may be accomplished by transferring a like amount of Permitted Investments.

The Fiscal Agent or an affiliate or the Treasurer may act as principal or agent in the acquisition or disposition of any investment and shall be entitled to its customary fee therefor. Neither the Fiscal Agent nor the Treasurer shall incur any liability for losses arising from any investments made pursuant to this Section. For purposes of determining the amount on deposit in any fund or account held hereunder, all Permitted Investments or investments credited to such fund or account shall be valued as provided for in Exhibit B attached hereto.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Agreement, 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 Agreement or the Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under the applicable provisions of the Code shall be valued at their present value (within the meaning of section 148 of the Code). The Fiscal Agent shall not be liable for verification of the application of such sections of the Code.

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent or the Treasurer hereunder, provided that the Fiscal Agent or the Treasurer, as applicable, shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Agreement.

The Fiscal Agent or the Treasurer, as applicable, shall sell at the highest price reasonably obtainable, or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Fiscal Agent nor the Treasurer shall be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

**Section 6.02. Limited Obligation.** The District's obligations hereunder are limited obligations of the District and are payable solely from and secured solely by the Net Special Tax Revenues and the amounts in the Special Tax Fund and the Bond Fund.

**Section 6.03. Liability of District.** The District shall not incur any responsibility in respect of the Bonds or this Agreement other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The District shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The District shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements of the Fiscal Agent herein

or of any of the documents executed by the Fiscal Agent in connection with the Bonds, or as to the existence of a default or event of default thereunder.

In the absence of bad faith, the District, including the Treasurer, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the District and conforming to the requirements of this Agreement. The District, including the Treasurer, shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the District to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Net Special Tax Revenues) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The District may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The District may consult with counsel, who may be the City Attorney, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The District shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the District 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, in the absence of willful misconduct on the part of the District, be deemed to be conclusively proved and established by a certificate of the Fiscal Agent, and such certificate shall be full warrant to the District for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the District may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

**Section 6.04. Employment of Agents by District or the City.** In order to perform their respective duties and obligations hereunder, the City, the District and/or the Treasurer may employ such persons or entities as they deem necessary or advisable. The City, the District, and/or the Treasurer shall not be liable for any of the acts or omissions of such persons or entities employed by them in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

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

A. Failure to pay any installment of principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise.

B. Failure to pay any installment of interest on any Bonds when and as the same shall become due and payable.

C. Failure by the District to observe and perform any of the other covenants, agreements, or conditions on its part in this Agreement or in the Bonds contained, if such failure shall have continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the District by the Fiscal Agent or the Owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 60-day period, such failure shall not constitute an Event of Default if corrective action is instituted by the District within such 60-day period and the District shall thereafter diligently and in good faith cure such failure in a reasonable period of time.

D. Commencement by the District of a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Section 7.02. **Remedies of Bond Owners.** Subject to the provisions of Section 7.07, any Bond Owner shall have the right, for the equal benefit and protection of all Bond Owners similarly situated:

A. by mandamus, suit, action or proceeding, to compel the City and its officers, agents or employees to perform each and every term, provision and covenant contained in this Agreement and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the City and the fulfillment of all duties imposed upon it by the Act;

B. by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bond Owners' rights; or

C. upon the happening of any Event of Default, by suit, action or proceeding in any court of competent jurisdiction, to require the City and its officers and employees to account as if it and they were the trustees of an express trust.

Section 7.03. **Application of Special Taxes and Other Funds After Default.** If an Event of Default shall occur and be continuing, all Special Taxes, including any penalties, costs, fees and other charges accruing under the Act, and any other funds then held or thereafter received by the Fiscal Agent under any of the provisions of this Agreement shall be applied by the Fiscal Agent as follows and in the following order:

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

B. To the payment of the principal of and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Agreement, 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 call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption, 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.

C. Any remaining funds shall be transferred by the Fiscal Agent to the Bond Fund.

**Section 7.04. Absolute Obligation of the District.** Nothing in Section 7.08 or in any other provision of this Agreement or in the Bonds contained shall affect or impair the obligation of the District, 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 Net Special Tax Revenues and other moneys herein pledged therefor and received by the District or the Fiscal Agent, 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 7.05. Termination of Proceedings.** In case any proceedings taken by any one or more Bond 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 Bond Owners, then in every such case the District, and the Bond 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 City, and the Bond Owners shall continue as though no such proceedings had been taken.

**Section 7.06. Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Fiscal Agent 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 7.07. No Waiver of Default.** No delay or omission of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Agreement to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

## ARTICLE VIII

### THE FISCAL AGENT

**Section 8.01. Appointment of Fiscal Agent.** MUFG Union Bank, N.A., is hereby appointed Fiscal Agent and paying agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Fiscal Agent.

Any company into which the Fiscal Agent 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 Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the following paragraph of this Section, shall be the successor to such Fiscal Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

The District may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Seventy-Five Million Dollars (\$75,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 8.01, combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Fiscal Agent may at any time resign by giving written notice to the District and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent.

ST no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Fiscal Agent shall have given to the District written notice or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent or any Bondowner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

If, by reason of the judgment of any court, the Fiscal Agent is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Fiscal Agent hereunder shall be assumed by and vest in the Treasurer of the City in trust for the benefit of the Owners. The District covenants for the direct benefit of the Owners that the Treasurer in such case shall be vested with all of the rights and powers of the Fiscal Agent hereunder, and shall assume all of the responsibilities and perform all of the duties of the Fiscal Agent hereunder, in trust for the benefit of the Owners of the Bonds.

**Section 8.02. Liability of Fiscal Agent.** The recitals of facts, covenants, and agreements herein and in the Bonds contained shall be taken as statements, covenants, and agreements of the District, and the Fiscal Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Agreement or of the Bonds, nor shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement. Except as provided above in this paragraph, the Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of this Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements of the City or the District herein or of any of the documents executed by the City or the District in connection with the Bonds, or as to the existence of a default or event of default thereunder.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing

that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of any of the Owners pursuant to this Agreement unless such Owners shall have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Fiscal Agent may become the Owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

The Fiscal Agent will not incur liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Fiscal Agent (including but not limited to any act or provision of any present or future law or regulation or governmental authority, natural catastrophes, civil or military disturbances, loss or malfunction of utilities, any act of God or war, terrorism or the unavailability of the Federal Reserve Bank or other wire or communication facility).

The Fiscal Agent's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the Bonds. All indemnifications and releases from liability granted to the Fiscal Agent hereunder shall extend to the directors, officers, and employees of the Fiscal Agent.

In no event shall the Fiscal Agent be liable for any consequential, indirect, punitive or special damage relating to its performance of its duties under this Fiscal Agent Agreement except for damages caused by its own gross negligence or willful misconduct as finally determined in a non-appealable judgment by a court of competent jurisdiction.

**Section 8.03. Information.** The Fiscal Agent shall provide to the District such information relating to the Bonds and the funds and accounts maintained by the Fiscal Agent hereunder as the District shall reasonably request, including, but not limited to, quarterly statements reporting funds held and transactions by the Fiscal Agent. The Fiscal Agent shall furnish the District periodic cash transaction statements which include detail for all investment transactions effected by the Fiscal Agent or brokers selected by the District. Upon the District's election, such statements will be delivered via the Fiscal Agent's online service and upon electing such service, paper statements will be provided only upon request. The District waives the right to receive brokerage confirmations of security transactions effected by the Fiscal Agent as they occur, to the extent permitted by law. The District further understands that trade confirmations for securities transactions effected by the Fiscal Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker

**Section 8.04. Notice to Fiscal Agent.** The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, Bond or other paper or document believed by it to be genuine and to

have been signed or presented by the proper party or proper parties. The Fiscal Agent may consult with counsel, who may be counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Fiscal Agent shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the Fiscal Agent 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, in the absence of willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

**Section 8.05. Compensation, Indemnification.** The District shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under this Agreement, and also all reasonable expenses, charges, counsel fees, and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under this Agreement. The District further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct. The obligation of the District under this Section shall survive resignation or removal of the Fiscal Agent under this Agreement and payment of the Bonds and discharge of this Agreement, but any monetary obligation of the District arising under this Section shall be limited solely to amounts on deposit in the Local Refunding Obligation Administrative Expense Fund.

## ARTICLE IX

### MODIFICATION OR AMENDMENT OF THIS AGREEMENT

**Section 9.01. Amendments Permitted.** This Agreement and the rights and obligations of the District and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of the Owners, or with the written consent without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 9.04. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the District to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond; or (ii) permit the creation by the District of any pledge or lien upon the

Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or this Agreement), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Fiscal Agent without its written consent.

This Agreement and the rights and obligations of the District and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the District in this Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the District;
- (ii) to make modifications not adversely affecting any Outstanding Bonds of the District in any material respect;
- (iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting, or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the District and the Fiscal Agent may deem necessary or desirable and not inconsistent with this Agreement, and which shall not adversely affect the rights of the Owners of the Bonds;
- (iv) to make such additions, deletions, or modifications as may be necessary or desirable to assure the exclusion from gross income for federal income tax purposes of interest on the Bonds.

**Section 9.02. Owners' Meetings.** The District may at any time call a meeting of the Owners. In such event the District is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

**Section 9.03. Procedure for Amendment with Written Consent of Owners.** The District and the Fiscal Agent may at any time adopt a Supplemental Agreement amending the provisions of the Bonds or of this Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by Section 9.01, to take effect when and as provided in this Section. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in this Section provided.

Such Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consent of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 9.04 and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for

which such consent is given, which proof shall be such as is permitted by Section 11.04. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the District shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required by this Section 9.03 to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the District and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 9.04. **Disqualified Bonds.** Bonds owned or held for the account of the City or the District, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in this Article IX, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Article IX.

Section 9.05. **Effect of Supplemental Agreement.** From and after the time any Supplemental Agreement becomes effective pursuant to this Article IX, this Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Agreement of the District and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

Section 9.06. **Endorsement or Replacement of Bonds Issued After Amendments.** The District may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article IX shall bear a notation, by endorsement or otherwise, in form approved by the District, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Principal Office of the Fiscal Agent or at such other office as the District may select and designate for that purpose, a suitable notation shall be made on such Bond. The District may determine that new Bonds, so modified as in the opinion of the District is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of

any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

**Section 9.07. Amendatory Endorsement of Bonds.** The provisions of this Article IX shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

**Section 9.08. Notice Requirement.** Not less than 15 days prior to the effective date of any amendment made pursuant to this Article IX, so long as any Bonds are owned by the Authority, the District shall mail notice of the proposed amendment and the text of the proposed amendment to the Authority and the Authority Trustee.

## ARTICLE X

### DEFEASANCE

**Section 10.01. Defeasance.** If the District shall pay or cause to be paid, or there shall otherwise be paid, to the Owner of an Outstanding Bond the interest due thereon and the principal thereof, at the times and in the manner stipulated in this Agreement, then the Owner of such Bond shall cease to be entitled to the pledge of Net Special Tax Revenues, and, other than as set forth below, all covenants, agreements and other obligations of the District to the Owner of such Bond under this Agreement shall thereupon cease, terminate and become void and be discharged and satisfied. In the event of a defeasance of all Outstanding Bonds pursuant to this Section, the Fiscal Agent shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiscal Agent shall pay over or deliver to the District's general fund all money or securities held by it pursuant to this Agreement which are not required for the payment of the principal of, premium, if any, and interest due on such Bonds.

Any Outstanding Bond shall be deemed to have been paid within the meaning expressed in the first paragraph of this Section if such Bond is paid in any one or more of the following ways:

(i) by paying or causing to be paid the principal of, premium, if any, and interest on such Bond, as and when the same become due and payable;

(ii) by depositing with the Fiscal Agent, in trust, at or before maturity, money which, together with the amounts then on deposit in the Special Tax Fund and available for such purpose, is fully sufficient to pay the principal of, premium, if any, and interest on such Bond, as and when the same shall become due and payable; or

(iii) by depositing with the Fiscal Agent or another escrow bank appointed by the District, in trust, direct, noncallable Defeasance Obligations, in which the District may lawfully invest its money, in such amount as an Independent Accountant shall determine will be sufficient, together with the interest to accrue thereon and moneys then on deposit in the Special Tax Fund and available for such purpose, together with the interest to accrue thereon, to pay and

discharge the principal of, premium, if any, and interest on such Bond, as and when the same shall become due and payable;

then, at the election of the District, and notwithstanding that any Outstanding Bonds shall not have been surrendered for payment, all obligations of the District under this Agreement with respect to such Bond shall cease and terminate, except for the obligation of the Fiscal Agent to pay or cause to be paid to the Owners of any such Bond not so surrendered and paid, all sums due thereon. Notice of such election shall be filed with the Fiscal Agent not less than ten (10) days prior to the proposed defeasance date, or such shorter period of time as may be acceptable to the Fiscal Agent. In connection with a defeasance under (ii) or (iii) above, there shall be provided to the District a verification report from an Independent Accountant stating its opinion as to the sufficiency of the moneys or securities deposited with the Fiscal Agent or the escrow bank to pay and discharge the principal of, premium, if any, and interest on all Outstanding Bonds to be defeased in accordance with this Section, as and when the same shall become due and payable, and an opinion of Bond Counsel (which may rely upon the opinion of the certified public accountant) to the effect that the Bonds being defeased have been legally defeased in accordance with this Agreement.

Upon a defeasance, the Fiscal Agent, upon request of the District, shall release the rights of the Owners of such Bonds which have been defeased under this Agreement and execute and deliver to the District all such instruments as may be desirable to evidence such release, discharge and satisfaction. In the case of a defeasance hereunder of all Outstanding Bonds, after payment of any amounts then owed to the Fiscal Agent, the Fiscal Agent shall pay over or deliver to the District any funds held by the Fiscal Agent at the time of a defeasance, which are not required for the purpose of paying and discharging the principal of or interest on the Bonds when due. The Fiscal Agent shall, at the written direction of the District, mail, first class, postage prepaid, a notice to the Bondowners whose Bonds have been defeased, in the form directed by the District, stating that the defeasance has occurred.

## ARTICLE XI

### MISCELLANEOUS

Section 11.01. **Benefits of Agreement Limited to Parties.** Nothing in this Agreement, expressed or implied, is intended to give to any person other than the District, the City, the Fiscal Agent, and the Owners, any right, remedy, claim under or by reason of this Agreement. Any covenants, stipulations, promises, or agreements in this Agreement contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owners and the Fiscal Agent.

Section 11.02. **Cancellation of Bonds.** All Bonds surrendered to the Fiscal Agent for payment upon maturity or for redemption shall be upon payment therefor, and any Bond purchased by the District as authorized herein and delivered to the Fiscal Agent for such purpose shall be, cancelled forthwith and shall not be reissued. The Fiscal Agent shall destroy such Bonds, as provided by law, and furnish to the District a certificate of such destruction.

Section 11.03. **Successor is Deemed Included in All References to Predecessor.** Whenever in this Agreement or any Supplemental Agreement either the District or the Fiscal

Agent 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 Agreement contained by or on behalf of the District or the Fiscal Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

**Section 11.04. Execution of Documents and Proof of Ownership by Owners.** Any request, declaration, or other instrument which this Agreement may require or permit to be executed by the Owners may be in one or more instruments of similar tenor, and shall be executed by the Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the District or the Fiscal Agent in good faith and in accordance therewith.

**Section 11.05. Waiver of Personal Liability.** No member, officer, agent or employee of the District or the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

**Section 11.06. Notices to and Demands on District and Fiscal Agent.** Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the Fiscal Agent to or on the District may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the District with the Fiscal Agent) as follows:

City of Rancho Cucamonga Community Facilities District No.  
2001-01  
c/o City of Rancho Cucamonga  
10500 Civic Center Drive  
Rancho Cucamonga, California 91730  
Attention: City Manager

Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the District to or on the Fiscal Agent may be given or served by being delivered or sent by facsimile, electronic transmission, overnight mail, courier or personal

delivery or by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the Fiscal Agent with the District) as follows:

MUFG Union Bank, N.A.  
 120 South Pedro Street, 4th Floor  
 Los Angeles, California 90012  
 Attention: Corporate Trust Department  
 Fax: (213) 972-5694  
 Email: AccountAdministration-CorporateTrust@unionbank.com  
 and CashControlGroup-LosAngeles@unionbank.com

Section 11.07. **Partial Invalidity.** If any Section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The District hereby declares that it would have adopted this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable.

Section 11.08. **Unclaimed Moneys.** Anything contained herein to the contrary notwithstanding, any moneys held by the Fiscal Agent for the payment and discharge of the principal of, and the interest and any premium on, the Bonds which remains unclaimed for two (2) years after the date when the payments of such principal, interest and premium have become payable, if such moneys were held by the Fiscal Agent at such date, shall be repaid by the Fiscal Agent to the District as its absolute property free from any trust, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the District for the payment of the principal of, and interest and any premium on, such Bonds.

Section 11.09. **Provisions Constitute Contract.** The provisions of this Agreement shall constitute a contract between the District and the Bondowners and the provisions hereof shall be construed in accordance with the laws of the State of California.

In case any suit, action, or proceeding to enforce any right or exercise any remedy shall be brought or taken and, should said suit, action, or proceeding be abandoned, or be determined adversely to the Bondowners or the Fiscal Agent, then the District, the Fiscal Agent, and the Bondowners shall be restored to their former positions rights and remedies as if such suit, action, or proceeding had not been brought or taken.

After the issuance and delivery of the Bonds this Agreement shall be irrevocable, but shall be subject to modifications to the extent and in the manner provided in this Agreement, but to no greater extent and in no other manner.

Section 11.10. **Future Contracts.** Nothing herein contained shall be deemed to restrict or prohibit the District from making contracts or creating bonded or other indebtedness payable from a pledge of the Net Special Tax Revenues which is subordinate to the pledge hereunder, or which is payable from taxes or any source other than the Net Special Tax Revenues and other amounts pledged hereunder.

Section 11.11. **Further Assurances.** The District will adopt, make, execute, and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Agreement.

Section 11.12. **Applicable Law.** This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 11.13. **Conflict with Act.** In the event of a conflict between any provision of this Agreement with any provision of the Act as in effect on the Closing Date, the provision of the Act shall prevail over the conflicting provision of this Agreement.

Section 11.14. **Conclusive Evidence of Regularity.** Bonds issued pursuant to this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 11.15. **Payment on Business Day.** In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Agreement is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period after such date.

Section 11.16. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the District has caused this Agreement pertaining to the Community Facilities District No. 2001-01 Special Tax Refunding Bonds, Series 2015 to be executed in its name and the Fiscal Agent has caused this Agreement to be executed in its name, all as July 1, 2015.

CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO.  
2001-01

By: \_\_\_\_\_  
City Manager

MUFG UNION BANK, N.A., as Fiscal Agent

By: \_\_\_\_\_  
Authorized Officer



This Bond is one of a duly authorized issue of bonds in the aggregate principal amount of \$\_\_\_\_\_ pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Sections 63311, et seq., of the California Government Code (the "Mello-Roos Act") and designated the City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 3 Special Tax Refunding Bonds, Series 2015. The Bonds have been issued for the purpose of refunding the City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 3 Special Tax Bonds, Series 2012 (the "Prior Special Tax Refunding Bonds"). The issuance of the Bonds and the terms and conditions thereof are provided for by the Fiscal Agent Agreement, dated as of July 1, 2015 (the "Agreement"), by and between the City of Rancho Cucamonga Community Facilities District No. 2001-01 and the Fiscal Agent and this reference incorporates the Agreement herein, and by acceptance hereof the Owner of this Bond assents to said terms and conditions.

Pursuant to the Mello-Roos Act and the Agreement, the principal of and interest on this Bond are payable solely from Net Special Tax Revenues of the annual special tax authorized under the Mello-Roos Act to be collected within the District (the "Special Tax") and certain funds held under the Agreement.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication; or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the City, as may be permitted by law. The Bonds do not constitute obligations of the City of Rancho Cucamonga for which said City is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described hereinabove. The District has covenanted for the benefit of the Owners of the Bonds that it will order, and cause to be commenced as provided in the Agreement, and thereafter diligently prosecute to judgment, an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due.

The Bonds may be redeemed at the option of the District from any source of funds other than prepayment of Special Taxes, prior to their stated maturity, as a whole or in part (in the principal amount of \$100,000 or any integral multiples of \$5,000 in excess thereof) on any date on or after March 1, 20\_\_, from such maturities as are selected by the District, and by lot within a maturity, by paying the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

Notwithstanding the above, any such optional redemption of the Bonds shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such optional redemption of the Bonds.

The Bonds shall be subject to redemption on any Interest Payment Date, prior to maturity, as a whole or in part from such maturities, as are selected by the District, from Prepayments of Special Taxes, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date of redemption; provided, however, that the Bonds that remain Outstanding after any such redemption pursuant to this Section 4.01(b) shall be in authorized denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof.

Notwithstanding the above, such mandatory redemption of the Bonds in whole or in part shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such mandatory redemption of the Bonds.

[MANDATORY SINKING FUND REDEMPTION?]

In lieu of redemption under the Fiscal Agent Agreement, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase, unless a greater purchase price is permitted under the Act and the District determines that it will have sufficient amounts in the Bond Fund, following such purchase, to pay Debt Service on the Bonds.

Notice of redemption with respect to the Bonds to be redeemed shall be given to the registered Owners thereof, in the manner, to the extent and subject to the provisions of the Agreement.

This Bond shall be registered in the name of the Owner hereof, as to both principal and interest.

Each registration and transfer of registration of this Bond shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

Except as provided in the Agreement, any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of the Agreement 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 duly written instrument of transfer in a form approved by the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

No transfers of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

The Fiscal Agent Agreement and the rights and obligations of the Agency thereunder may be modified or amended as set forth therein.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Fiscal Agent.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the City of Rancho Cucamonga Community Facilities District 2001-01 has caused this Bond to be dated July \_\_, 2015, to be signed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the City Clerk, each acting for and on behalf of such community facilities district.

CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO.  
2001-01

BY: \_\_\_\_\_  
Mayor

BY: \_\_\_\_\_  
City Clerk

***FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION***

This is one of the Bonds described in the Resolution and the Agreement which has been authenticated on \_\_\_\_\_, \_\_\_\_\_.

MUFG UNION BANK, N.A., as Fiscal Agent

By: \_\_\_\_\_  
Authorized Officer

**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 and appoint \_\_\_\_\_, attorney, to transfer the same on the registration books of the Fiscal Agent, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature(s) on this assignment must correspond with the name(3) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

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**FISCAL AGENT AGREEMENT**

**by and between**

**CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2006-01  
(VINTNER'S GROVE)**

**and**

**MUFG UNION BANK, N.A.  
as Fiscal Agent**

**Dated as of July 1, 2015**

**Relating to:**

**\$ \_\_\_\_\_**

**City of Rancho Cucamonga  
Community Facilities District No. 2006-01 (Vintner's Grove)  
Special Tax Refunding Bonds, Series 2015**

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## FISCAL AGENT AGREEMENT

**THIS FISCAL AGENT AGREEMENT** (the “Agreement”) is made and entered into as of July 1, 2015, by and between the City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner’s Grove) (the “District”), a community facilities district, organized and existing under and by virtue of the laws of the State of California, and MUFG Union Bank, N.A., a national banking association organized and existing under the laws of the United States of America, as fiscal agent (the “Fiscal Agent”).

### W I T N E S S E T H:

**WHEREAS**, the City Council of the City of Rancho Cucamonga (the “City”) has formed the District under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 et seq. of the California Government Code) (the “Act”) and Resolution No. 06-322 of the City Council adopted on October 18, 2006;

**WHEREAS**, the City Council, as the legislative body with respect to the District, is authorized under the Act to levy special taxes to pay for the costs of acquisition or construction of public facilities within the District;

**WHEREAS**, on December 6, 2006, the City Council adopted Resolution No. 06-401 (the “Resolution”) authorizing the issuance and sale of bonds for the District pursuant to the Bond Indenture, dated as of January 1, 2007 (the “Prior Bond Indenture”), by and between the District and Wells Fargo Bank, National Association, as fiscal agent, designated the “City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner’s Grove) 2007 Special Tax Bonds” (the “Prior Special Tax Bonds”), for the purpose of funding the acquisition, rehabilitation and construction of certain public improvements (defined in the Prior Bond Indenture as the “Project”);

**WHEREAS**, on January 25, 2007 the Prior Special Tax Bonds in the principal amount of \$5,800,000 were issued;

**WHEREAS**, on July 1, 2015, the City Council adopted Resolution No. 15-\_\_\_ (the “Resolution of Issuance”) authorizing the issuance and sale of bonds of the District pursuant to this Agreement, designated “City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner’s Grove) Special Tax Refunding Bonds, Series 2015 (the “Special Tax Refunding Bonds”), for the purpose of financing the defeasance and refunding of the Prior Special Tax Bonds.

**WHEREAS**, it is in the public interest and for the benefit of the City, the District, the persons responsible for the payment of special taxes and the owners of the Bonds that the District enter into this Agreement to provide for the issuance of the Bonds, the disbursement of proceeds of the Bonds, the disposition of the special taxes securing the Bonds, and the administration and payment of the Bonds;

**WHEREAS**, all things necessary to cause the Bonds, when authenticated by the Fiscal Agent and issued as provided in the Act, the Resolution and this Agreement, to be legal, valid and binding and limited obligations in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Agreement and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

**NOW, THEREFORE**, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Agreement, according to their tenor, 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 received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the District does hereby covenant and agree with the Fiscal Agent, for the benefit of the respective holders from time to time of the Bonds, as follows:

## **ARTICLE I**

### **STATUTORY AUTHORITY AND DEFINITIONS**

Section 1.01. **Authority for this Agreement.** This Agreement is entered into pursuant to the provisions of the Act and the Resolution.

Section 1.02. **Agreement for Benefit of Bondowners.** The provisions, covenants and agreements herein set forth to be performed by or on behalf of the City and the District shall be for the equal benefit, protection, and security of the Owners from time to time. In consideration of the acceptance of the Bonds by the Owners thereof, this Agreement shall be deemed to be and shall constitute a contract between the District and the Owners; and the covenants and agreements herein set forth to be performed by the District 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. All of the Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Agreement.

The Fiscal Agent may become the Owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Fiscal Agent.

Section 1.03. **Definitions.** Unless the context otherwise requires, the terms defined in this Section 1.03 shall, for all purposes of this Agreement, of any Supplemental Agreement, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Authority Indenture. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement, and

the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311 et seq. of the California Government Code.

“Administrative Expense Fund” means the fund by that name established by Section 3.04A hereof.

“Administrative Expenses” means any or all of the following: the fees and expenses of the Fiscal Agent (including the fees and expenses of its counsel), the expenses of the City or the District in carrying out its duties hereunder (including, but not limited to, the levying and collection of the Special Taxes, complying with the disclosure provisions of the Act and this Agreement, including those related to public inquiries regarding the Special Tax and disclosures to Bondowners and the Original Purchaser); the costs of the City and the District or their designees related to an appeal of the Special Tax; any costs of the City and the District (including fees and expenses of counsel) to defend the first lien on and pledge of the Special Taxes to the payment of the Bonds or otherwise in respect of litigation relating to the District or the Bonds or with respect to any other obligations of the District; the Proportionate Share of the Authority Administrative Expenses allocable to the Bonds, the Proportionate Share of the salaries of City staff directly related to the carrying out by the City of its obligations hereunder or under the Authority Indenture and a proportionate amount of City general administrative overhead related thereto allocable to the Bonds; and all other costs and expenses of the City, the District, and the Fiscal Agent incurred in connection with the discharge of their respective duties hereunder, and in the case of the City, in any way related to the administration of the District and all actual costs and expenses incurred in connection with the administration of the Bonds.

“Agreement” means this Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement adopted pursuant to the provisions hereof.

“Annual Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, and (ii) the principal amount of the Outstanding Bonds scheduled to be paid in such Bond Year.

“Auditor” means the auditor/tax collector of the County of San Bernardino.

“Authority” means the Rancho Cucamonga Public Finance Authority and any successor thereto.

“Authority Bonds” means any bonds outstanding under the Authority Indenture, which are secured by payments to be made on the Bonds.

“Authority Indenture” means that certain Indenture of Trust, dated as of July 1, 2015, by and between the Authority and the Authority Trustee, pursuant to which the Authority Bonds are issued.

“Authority Original Purchaser” means City National Bank, a national banking association, and its successors and assigns.

“Authority Trustee” means MUFG Union Bank, N.A., or any successor thereto appointed under the Authority Indenture.

“Authorized Officer” means the City Manager, Assistant City Manager, Director of Finance, or City Clerk of the City, or any other officer or employee authorized by the City Council of the City or by an Authorized Officer to undertake the action referenced in this Agreement as required to be undertaken by an Authorized Officer.

“Bond Counsel” means (i) Best Best & Krieger LLP; or (ii) any attorney or firm of attorneys acceptable to the District and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Fund” means the fund by that name established by Section 4.02A hereof.

“Bond Year” means the one-year period beginning on September 2 in each year and ending on September 1 in the following year except that the first Bond Year shall begin on the Closing Date and end on September 1, 2015.

“Bonds” means the City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner’s Grove) Special Tax Refunding Bonds, Series 2015, authorized by, and at any time Outstanding pursuant hereto.

“Business Day” means a day which is not a Saturday, Sunday, or legal holiday on which banking institutions in the State of California, or in any state in which the Principal Office of the Trustee is located, or the New York Stock Exchange are closed. If any payment hereunder is due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such previous day.

“CDIAC” means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

“City” means the City of Rancho Cucamonga, California.

“City Council” means the City Council of the City, acting in its capacity as the legislative body of the District.

“Closing Date” means the date upon which there is a physical delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser.

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

“County” means the County of San Bernardino, California.

“Debt Service” means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“Defeasance Obligations” means those obligations described in paragraph A. of the definition of Permitted Investments.

“District” means the City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner’s Grove), formed pursuant to the Resolution of Formation.

“DTC” means the Depository Trust Company.

“Escrow Agent” means Wells Fargo Bank, National Association, acting as escrow agent under the Escrow Agreement.

“Escrow Agreement” means that Escrow Agreement Deposit and Trust Agreement dated as of July 1, 2015 by and between the District and the Escrow Agent relating to defeasance of the Prior Special Tax Bonds.

“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) any commingled investment fund in which the City and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

“Fiscal Agent” means the Fiscal Agent appointed by the District and acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 8.01.

“Fiscal Year” means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

“Independent Accountant” means any nationally recognized firm of certified public accountants or firm of such accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State, appointed by the City, and who, or each of whom:

(1) is in fact independent and not under domination of the Authority, the City or the District;

(2) does not have any substantial interest, direct or indirect, with the Authority, the City or the District; and

(3) is not connected with the Authority, the City or the District as an officer or employee of the Authority, the City or the District, but who may be regularly retained to make reports to the Authority, the City or the District.

“Independent Financial Consultant” means any financial consultant or firm of such financial consultants appointed by the Authority and who, or each of whom:

(1) is judged by the City to have experience with respect to the financing of public capital improvement projects;

(2) is in fact independent and not under the domination of the Authority, the City, or the District;

(3) does not have any substantial interest, direct or indirect, with the Authority, the City, or the District; and

(4) is not connected with the Authority, the City, or the District as an officer or employee of the Authority, the City, or the District, but who may be regularly retained to make reports to the Authority, the City, or the District.

“Interest Payment Dates” means September 1 and March 1 of each year, commencing March 1, 2016.

“Investment Earnings” means all interest earned and any gains and losses on the investment of moneys in any fund or account created by this Agreement.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the District or the business, facilities, or operations of the District, (b) the ability of the District to meet or perform its obligations under this Agreement on a timely basis, (c) the validity or enforceability of this Agreement.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

“Net Special Tax Revenues” means, for each Fiscal Year, all Special Tax Revenues received by the District less an amount equal to the Priority Administrative Expenses Amount.

“Officer’s Certificate” means a written certificate of the District or the City signed by an Authorized Officer of the City.

“Ordinance” means Ordinance No. 769 of the City.

“Original Purchaser” means the Authority.

“Outstanding,” means (subject to the provisions of Section 9.04), when used as of any particular time with reference to Bonds, all Bonds except: (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of Section 10.01; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued, and delivered by the District pursuant to this Agreement or any Supplemental Agreement.

“Owner” or “Bondowner” means any person who shall be the registered owner of any Outstanding Bond.

“Penalties and Interest” means any penalties or interest in excess of the interest payable on the Bonds collected in connection with delinquent Special Taxes.

“Penalties and Interest Account” means the account by that name within the Special Tax Fund pursuant to Section 3.03D hereof.

“Permitted Investments” shall have the meaning given such term in the Authority Indenture.

“Person” means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Prepayments” means Special Tax Revenues identified to the Fiscal Agent by an Authorized Officer as representing a prepayment of the Special Tax pursuant to the RMA.

“Principal Office” means the principal corporate trust office of the Fiscal Agent as may be designated from time to time by the Fiscal Agent in writing to the District initially set forth in Section 11.06 hereof.

“Prior Fiscal Agent Agreement” means the Fiscal Agent Agreement, dated as of January 1, 2006, by and between the District and Wells Fargo Bank, National Association, as fiscal agent, pertaining to the Prior Special Tax Bonds.

“Prior Special Tax Bonds” means the outstanding City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner’s Grove) 2007 Special Tax Bonds.

“Priority Administrative Expense Amount” means an annual amount equal to \$\_\_\_\_\_, or such lesser amount as may be designated by written instruction from an Authorized Officer of the District to be allocated as the first priority of Special Taxes received each Fiscal Year for the payment of Administrative Expenses allocated to the Bonds.

“Project” shall have the meaning given such term in the Prior Bond Indenture.

“Proportionate Share” shall have the meaning given such term in the Authority Indenture.

“Record Date” means the fifteenth day of the month next preceding the month of the applicable Interest Payment Date.

“Reserve Fund” means the fund by that name established by Section 4.03 hereof.

“Reserve Requirement” means an amount equal to \$[50% of MADs].

“Resolution of Formation” means Resolution No. 06-322, adopted by the City Council on October 18, 2006.

“Resolution of Issuance” shall have the meaning given such term in the recitals hereto.

“RMA” means the Rate and Method of Apportionment of the Special Taxes set forth in the Ordinance.

“Special Tax Refunding Bonds” shall have the meaning given such term in the Authority Indenture.

“Special Tax Fund” means the fund by that name established by Section 3.03A hereof.

“Special Tax Revenues” means the proceeds of the Special Taxes received by the District including any scheduled payments and any prepayments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest and penalties thereon. Notwithstanding the foregoing, “Special Tax Revenues” does not include Penalties and Interest.

“Special Taxes” means the special taxes levied within the District pursuant to the Act, the RMA, the Ordinance, and this Agreement.

“Supplemental Agreement” means an agreement the execution of which is authorized by a resolution which has been duly adopted by the City Council under the Act and which agreement is amendatory of or supplemental to this Agreement, but only if and to the extent that such agreement is specifically authorized hereunder.

“Treasurer” means the person who is acting in the capacity as treasurer or finance director to the City or the designee of either such officer.

## ARTICLE II

### THE BONDS

Section 2.01. **Principal Amounts; Designations.** Bonds in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_.00) are hereby authorized to be issued by the District under and subject to the terms of the Resolution of Issuance and this Agreement, the Act and other applicable laws of the State of California. The Bonds shall be designated “City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner’s Grove) Special Tax Refunding Bonds, Series 2015.” This Agreement constitutes a continuing agreement of the District with the Owners from time to time of the Bonds to secure the full payment of the

principal of, premium, if any, and interest on all such Bonds subject to the covenants, provisions, and conditions herein contained.

**Section 2.02. Terms of Bonds.**

A. Form; Denominations. The Bonds shall be issued as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof; provided, however, one Bond from each maturity may be in an amount other than \$5,000 or an integral multiple thereof. The Bonds shall be lettered and numbered in a customary manner as determined by the Fiscal Agent.

B. Date of the Bonds. The Bonds shall be dated the Closing Date.

C. Maturities, Interest Rates. The Bonds shall mature on the dates and shall bear interest at the rates as follows:

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal Maturity</u>	<u>Interest Rate</u>
	\$	%

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\$ \_\_\_\_\_

D. Interest. The Bonds shall bear interest at the rates set forth above payable five (5) days preceding the Interest Payment Dates in each year. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication; or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of a Bond, interest is in default

thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

E. Method of Payment. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check or draft of the Fiscal Agent mailed at least five (5) days preceding the Interest Payment Dates by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Fiscal Agent.

All Bonds paid by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Bonds and issue a certificate of destruction thereof to the District.

#### Section 2.03. **Redemption.**

A. Optional Redemption. The Bonds may be redeemed at the option of the District from any source of funds other than prepayment of Special Taxes, prior to their stated maturity, as a whole or in part (in the principal amount of \$100,000 or any integral multiples of \$5,000 in excess thereof) on any date on or after March 1, 20\_\_, from such maturities as are selected by the District, and by lot within a maturity, by paying the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

Notwithstanding the above, any such optional redemption of the Bonds shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such optional redemption of the Bonds.

B. Mandatory Redemption from the Prepayment of Special Taxes. The Bonds shall be subject to redemption on any Interest Payment Date, prior to maturity, as a whole or in part from such maturities, as are selected by the District, from Prepayments of Special Taxes, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date of redemption; provided, however, that the Bonds that remain Outstanding after any such redemption pursuant to this Section 4.01(b) shall be in authorized denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof.

Notwithstanding the above, such mandatory redemption of the Bonds in whole or in part shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a

certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such mandatory redemption of the Bonds.

C. [Mandatory Sinking Fund Redemption?]

C. Purchase In Lieu of Redemption. In lieu of redemption under Section 2.03A or 2.03B, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase, unless a greater purchase price is permitted under the Act and the District determines that it will have sufficient amounts in the Bond Fund, following such purchase, to pay Debt Service on the Bonds.

D. Notice to Fiscal Agent. The District shall give the Fiscal Agent written notice of its intention to redeem Bonds pursuant to Section 2.03A or 2.03B not less than sixty (60) days prior to the applicable redemption date, unless such notice shall be waived by the Fiscal Agent, unless the Fiscal Agent agrees to a shorter period.

E. Redemption Procedure by Fiscal Agent. The Fiscal Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, shall designate the Bond numbers of the Bonds to be redeemed by giving the individual Bond number of each Bond to be redeemed or shall state that all Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption, shall state as to any Bond called in part the principal amount thereof to be redeemed, and shall require that such Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such Bonds will not accrue from and after the redemption date. The cost of mailing any such redemption notice and any expenses incurred by the Fiscal Agent in connection therewith shall be paid by the District.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the Bond number

identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Whenever provision is made in this Agreement for the redemption of less than all of the Bonds or any given portion thereof, the Fiscal Agent shall select the Bonds to be redeemed, from all Bonds or such given portion thereof not previously called for redemption, among maturities as specified by the District in a written certificate delivered to the Fiscal Agent, and by lot within a maturity in any manner which the District in its sole discretion shall deem appropriate and fair. In providing such certificate, the District shall provide for the redemption of Bonds such that the remaining Debt Service payable on the Bonds shall remain level as possible.

Upon surrender of Bonds redeemed in part only, the District shall execute and the Fiscal Agent shall authenticate and deliver to the registered Owner, at the expense of the District, a new Bond or Bonds, of the same Series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

F. Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds so called for redemption shall have been deposited in the Bond Fund, such Bonds so called shall cease to be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice.

All Bonds redeemed and purchased by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Bonds and, upon written request of the District, issue a certificate of destruction thereof to the District.

**Section 2.04. Form of Bonds.** The Bonds, the form of Fiscal Agent's certificate of authentication and the form of assignment, to appear thereon, shall be substantially in the forms, respectively, set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, the Resolution, and the Act. The Bonds of any other Series and the form of the certificate of authentication and assignment to appear thereon shall be in such form or forms as may be specified in the Supplemental Agreement creating such Series of Bonds.

**Section 2.05. Execution of Bonds.** The Bonds shall be executed on behalf of the District by the manual or facsimile signatures of the Mayor and City Clerk, who are in office on the date of adoption of this Agreement or at any time thereafter. The Bonds shall then be delivered to the Trustee for authentication. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Owner. Any Bond may be signed and attested on behalf of the District by such persons as at the actual date of the execution of such Bond shall be the proper officers of the District although at the nominal date of such Bond any such person shall not have been such officer of the District.

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

**Section 2.06. Transfer of Bonds.** Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

No transfers of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

**Section 2.07. Exchange of Bonds.** Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

**Section 2.08. Bond Register.** The Fiscal Agent will keep or cause to be kept, at its Principal Office sufficient books for the registration and transfer of the Bonds which books shall show the number, date, amount, rate of interest and last known Owner of each Bond and shall at all times be open to inspection by the District or the City during regular business hours upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided.

The District and the Fiscal Agent will treat the Owner of any Bond whose name appears on the Bond register as the absolute Owner of such Bond for any and all purposes, and the

District and the Fiscal Agent shall not be affected by any notice to the contrary. The District and the Fiscal Agent may rely on the address of the Bond Owner as it appears in the Bond register for any and all purposes.

**Section 2.09. Temporary Bonds.** The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such authorized denominations as may be determined by the District, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the District upon the same conditions and in substantially the same manner as the definitive Bonds. If the District issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Fiscal Agent or at such other location as the Fiscal Agent shall designate, and the Fiscal Agent 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 Agreement as definitive Bonds authenticated and delivered hereunder.

**Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen.** If any Bond shall become mutilated, the District, at the expense of the Owner of said Bond, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent shall be canceled by it and destroyed by the Fiscal Agent, who shall deliver a certificate of destruction thereof to the District. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Fiscal Agent and, if such evidence be satisfactory to it and indemnity for the District and the Fiscal Agent satisfactory to the Fiscal Agent shall be given, the District, at the expense of the Owner, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The District may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section and of the expenses which may be incurred by the District and the Fiscal Agent for the preparation, execution, authentication and delivery. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Agreement with all other Bonds issued pursuant to this Agreement.

**Section 2.11. Type and Nature of the Bonds; Limited Obligation.** Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof other than the District is pledged to the payment of the Bonds. Except for the Special Taxes, no other taxes are pledged to the payment of the Bonds. The Bonds are not general or special obligations of the City nor general obligations of the District but are limited obligations of the District payable solely from Net Special Tax Revenues. The District's limited obligation to pay the principal of, premium, if any, and interest on the Bonds from the Net Special Tax Revenues is absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever. No Owner of the Bonds may compel the exercise

of the taxing power by the District (except as it pertains to the Special Taxes) or the City or the forfeiture of any of their property. The principal of and interest on the Bonds and premiums upon the redemption thereof, if any, are not a debt of the City, the State of California or any of its political subdivisions except the District within the meaning of any constitutional or statutory limitation or restriction. The Bonds are not a legal or equitable pledge, charge, lien, or encumbrance upon any of the District's property, or upon any of its income, receipts or revenues, except the Net Special Tax Revenues and amounts on deposit in the Special Tax Fund and the Bond Fund to the extent pledged hereunder which are, under the terms of this Agreement and the Act, set aside for the payment of the Bonds and interest thereon and neither the members of the legislative body of the District nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

**Section 2.12. Equality of Bonds and Pledge of Net Special Tax Revenues.** Pursuant to the Act and this Agreement, the Bonds shall be equally payable from the Net Special Tax Revenues and other amounts in the Special Tax Fund without priority for number, date of the Bonds, date of sale, date of execution, or date of delivery, and the payment of the interest on and principal of the Bonds and any premiums upon the redemption thereof, shall be exclusively paid from the Net Special Tax Revenues and other certain other amounts in the Special Tax Fund, which are hereby set aside for the payment of the Bonds. Amounts in the Special Tax Fund shall constitute a trust fund held for the benefit of the Owners to be applied to the payment of the interest on and principal of the Bonds and so long as any of the Bonds or interest thereon remain Outstanding shall not be used for any other purpose, except as permitted by this Agreement.

Nothing in this Fiscal Agent Agreement shall preclude, subject to the limitations contained hereunder, the redemption prior to maturity of any Bonds subject to call and redemption and payment of said Bonds from proceeds of refunding bonds issued under the Act as the same now exists or as hereafter amended, or under any other law of the State of California, which shall be payable from Net Special Tax Revenues.

**Section 2.13. Description of Bonds; Interest Rates.** The Bonds and any Parity Bonds shall be issued in fully registered form in any denomination. The Bonds and any Parity Bonds of each issue shall be numbered as desired by the Fiscal Agent.

**Section 2.14. No Acceleration.** The principal of the Bonds shall not be subject to acceleration hereunder. Nothing in this Section shall in any way prohibit the prepayment or redemption of Bonds under Section 2.03 hereof, or the defeasance of the Bonds and discharge of this Agreement under Section 10.01 hereof.

**Section 2.15. Additional Bonds.** Other than for the purpose of refunding the Bonds, no additional Bonds entitled to a lien on the Net Special Tax Revenues shall be issued hereunder.

**Section 2.16. Validity of the Bonds.** The validity of the authorization and issuance of the Bonds shall not be affected in any way by any defect in any proceedings taken by the District for the issuance and sale of the Bonds and the recital contained in the Bonds that the same are issued pursuant to the Act and other applicable laws of the State shall be conclusive evidence of their validity and the regularity of their issuance.

### ARTICLE III

#### ISSUANCE OF BONDS

Section 3.01. **Issuance and Delivery of the Bonds.** At any time after the execution of this Agreement, the District may issue the Bonds in the aggregate principal amount set forth in Section 2.01 and deliver the Bonds to the Original Purchaser. The Authorized Officers of the District are hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the Bonds in accordance with the provisions of the Act, the Resolution of Issuance and this Agreement and to do and cause to be done any and all acts and things necessary or convenient for delivery of the Bonds to the Original Purchaser, upon payment of the purchase price for the Bonds.

Section 3.02. **Application of Proceeds of Sale of the Bonds and Transfers from the Prior Special Tax Bonds.** The proceeds of the purchase of the Bonds by the Original Purchaser (equal to the par amount of \$\_\_\_\_\_.00) shall be paid to the Fiscal Agent, who shall forthwith set aside, pay over and transfer such proceeds on the Closing Date as follows:

A. \$\_\_\_\_\_ shall be transferred to the Escrow Agent for deposit into the Escrow Fund held by the Escrow Agent under the Escrow Agreement;

B. \$\_\_\_\_\_ shall be deposited into the Reserve Fund, equal to the Reserve Requirement; and

C. \$\_\_\_\_\_ shall be transferred to the Authority Trustee for deposit into the Costs of Issuance Fund held under the Authority Indenture.

**Section 3.03. Special Tax Fund.**

A. Establishment of Special Tax Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the "Special Tax Fund," to the credit of which the District or the City, on behalf of the District, shall deposit, immediately upon receipt, all Special Tax Revenue received by the District or the City, on behalf of the District. Moneys in the Special Tax Fund, other than Penalties and Interest, shall be held by the Fiscal Agent for the benefit of the District and the Owners of the Bonds, shall be disbursed as provided below and, pending any disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

B. Disbursements of Special Tax Revenues. The Special Tax Revenues deposited in the Special Tax Fund shall be held and, other than Special Tax Revenues representing Prepayments, subsequently transferred to the following funds and accounts not later than the dates and in the amounts set forth in the following paragraphs and in the following order of priority:

1. to the District for deposit in Administrative Expense Fund an amount equal to the Priority Administrative Expense Amount estimated to be due and payable during the Fiscal Year;

2. not later than ten (10) Business Days prior to each Interest Payment Date, to the Bond Fund:

a. the amount representing past due installments of principal, interest and premium on the Bonds (including any interest thereon pursuant to the second sentence of the second paragraph of Section 4.02B), if any, resulting from the delinquency in the payment of such Special Taxes; and

b. an amount, taking into account any amounts then on deposit in the Bond Fund (other than by reason of the preceding paragraph a.) such that the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds on the next Interest Payment Date;

3. no later than ten (10) Business Days prior to each Interest Payment Date, to the Reserve Fund that amount, in addition to the amount transferred to the Bond Fund pursuant to paragraph 2. above, necessary to replenish any draw on the Reserve Fund resulting from the delinquency in the payment of scheduled debt service on the Bonds ;

4. on September 2 of each year after making the deposits and transfers required under paragraphs 1 and 2 above and the transfer, if any, authorized under paragraph 3 above, upon receipt of written instructions from an Authorized Officer on or before the preceding June 30, to the Authority Trustee the amount specified in such written instructions necessary for the payment of the Proportionate Share of any rebate amount due and owing to the United States of America by the Authority on the Authority Bonds;

5. on September 2 of each year after making the deposits and transfers required under paragraphs 1 through 4 above, upon receipt of written instructions from an Authorized Officer, to the District for deposit in the Administrative Expense Fund the amount specified in such written instructions necessary for payment of the estimated Administrative Expenses projected to be due and payable in the next Fiscal Year, reimbursement of any Administrative Expenses incurred during the Fiscal Year ending on such June 30 or the establishment or replenishment of a reasonable operating reserve within the Administrative Expense Fund and not included in any prior transfer made pursuant to paragraph 1 and 4 above; and

6. after September 2 of each year, after making the deposits and transfers made pursuant to paragraphs 1 through 5 above, monies then on deposit in the Special Tax Fund shall remain therein and shall be subsequently deposited or transferred pursuant to the provisions of paragraphs 1 through 5 above.

C. Transfer of Prepayments. Amounts constituting Prepayments shall be transferred by the Treasurer to the Fiscal Agent, and placed by the Fiscal Agent in a segregated account within the Bond Fund designated as "Prepayment Account" and used to redeem Bonds pursuant to paragraph 2 of Section 2.03B. Any such transfer of Prepayments shall be accompanied by written instructions executed by the Treasurer or an Authorized Officer directing the Fiscal Agent to place such Prepayments in the Prepayment Account.

D. Penalties and Interest. Amounts constituting Penalties and Interest shall be transferred by the Treasurer to the Fiscal Agent, and placed by the Fiscal Agent in a segregated account within the Special Tax Fund designated as "Penalties and Interest Account." The moneys on deposit in the Penalties and Interest Account shall be held and subsequently transferred, upon receipt of written instructions contained in an Officer's Certificate, to the following funds and accounts not later than the dates and in the amounts set forth in the following paragraphs and in the following order of priority:

1. to the Administrative Expense Fund that amount as specified in such written instructions necessary for payment of the estimated Administrative Expenses projected to be due and payable in the next Fiscal Year, reimbursement of any Administrative Expenses incurred during the Fiscal Year ending on such June 30 or establishment or replenishment of a reasonable operating reserve within the Administrative Expense Fund not included in any prior transfer made pursuant to paragraphs 3 or 6 of subsection B above;

2. to the Bond Fund that amount as specified in such Officer's Certificate for the payment of debt service on the Bonds; or

3. to such other fund or account as specified in such Officer's Certificate for any authorized purpose of the District.

E. Investment. Moneys in the Special Tax Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit shall be retained in the Special Tax Fund to be used for the purposes thereof.

**Section 3.04. Administrative Expense Fund.**

A. Establishment of Administrative Expense Fund. There is hereby established, as a separate account to be held by the District, the “Administrative Expense Fund” to the credit of which transfers from the Fiscal Agent shall be made to the District as required by Sections 3.02D, 3.03B or 3.03D hereof. Moneys in the Administrative Expense Fund shall be held in trust by the District for the benefit of the City, the District and the Authority, and shall be disbursed as provided below.

B. Disbursement. Amounts in the Administrative Expense Fund shall be withdrawn by the District and paid to the payee specified in an Officer’s Certificate stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense and the nature of such expense. Amounts on deposit in the Administrative Expense Fund at the end of any Fiscal Year shall be retained in such fund as an operating reserve and shall be disbursed as provided for in this paragraph B.

C. Investment. Moneys in the Administrative Expense Fund shall be invested and deposited in accordance with Section 6.01 hereof. Investment Earnings shall be retained by the District in the Administrative Expense Fund to be used for the purposes of such fund.

**ARTICLE IV**

**NET SPECIAL TAX REVENUES; BOND FUND**

Section 4.01. **Pledge of Net Special Tax Revenues.** The Bonds shall be secured by a first pledge (which pledge shall be effected in the manner and to the extent herein provided) of all of the Net Special Tax Revenues and all moneys deposited in the Bond Fund and, until disbursed as provided herein, in the Special Tax Fund, except for moneys on deposit in the Penalties and Interest Account. The Net Special Tax Revenues and all moneys deposited into said funds (except as otherwise provided herein) are hereby dedicated to the payment of the principal of, and interest and any premium on, the Bonds as provided herein and in the Act until all of the Bonds have been paid and retired or until moneys or Defeasance Obligations have been set aside irrevocably for that purpose in accordance with Section 10.01.

**Section 4.02. Bond Fund.**

A. Establishment of Bond Fund. There is hereby established as a separate fund to be held by the Fiscal Agent for the “Bond Fund” and, within the Bond Fund, the “Prepayment Account” to the credit of which deposits shall be made as required by paragraph 2 of Section 3.03B. and by Section 3.03C., and any other amounts required to be deposited therein by this Agreement or the Act. In addition to the foregoing deposits, the Fiscal Agent shall also deposit amount received from the Authority Trustee transferred to the Fiscal Agent pursuant to Section 5.05 of the Authority Indenture. Moneys in the Bond Fund shall be held by the Fiscal Agent for the benefit of the Owners of the Bonds, shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

B. Disbursements. On each Interest Payment Date, the Fiscal Agent shall withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, then due and payable on the Bonds, including any amounts due under Section 2.03A. hereof; provided, however, that available amounts in the Bond Fund shall first be used to pay to the Owners of the Bonds any past due installments of interest, principal (including mandatory sinking payments) of and premium, if any, on the Bonds, in that order. Amounts transferred to the Bond Fund from the Special Tax Fund pursuant to paragraph 2.a. of Section 3.03B. shall immediately be paid to the Owners of the Bonds in respect of past due payments on the Bonds, and amounts transferred to the Prepayment Account pursuant to Section 3.03C. shall be used to redeem Bonds pursuant to Section 2.03B.

If after the foregoing transfers, there are insufficient funds in the Bond Fund to make the payments provided for in the first sentence of this Section 4.02B., the Fiscal Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal and any mandatory sinking payments due on the Bonds. Any installment of principal (including mandatory sinking payments), premium, if any, or interest on the Bonds which is not paid when due shall accrue interest at the rate of interest on the Bonds until paid, and shall be paid whenever funds in the Bond Fund are sufficient therefor.

If at any time the Fiscal Agent fails to pay principal and interest due on any scheduled payment date for the Bonds, the Fiscal Agent shall notify the District and the Treasurer in writing of such failure, and the Treasurer shall notify the California Debt Advisory Commission of such failure within 10 days of the failure to make such payment, as required by Section 53359(c)(1) of the Act.

C. Investment. Moneys in the Bond Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from the investment and deposit of amounts in the Bond Fund shall be retained in the Bond Fund.

#### Section 4.03. **Reserve Fund.**

A. Establishment of Reserve Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the "Reserve Fund," to the credit of which a deposit shall be made as required by Section 3,02B. hereof. Moneys in the Reserve Fund shall be held by the Fiscal Agent for the benefit of the Bondowners and shall be disbursed as provided in Section 4.03B below.

B. Procedure for Disbursement. Moneys on deposit in the Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the Bonds as such amounts shall become due and payable in the event that the moneys in the Special Tax Fund and the Bond Fund for such purpose are insufficient therefor or redeeming Bonds as described below. The Fiscal Agent shall, when and to the extent necessary, withdraw money from the Reserve Fund and transfer such money to the Bond Fund or the Redemption Fund for such purpose.

On any date after either the transfers, if any, required by the preceding paragraph have been made for any Bond Year or the valuation of the Permitted Investments in the Reserve Fund pursuant to Section 6.01 below, if the amount on deposit in the Reserve Fund is less than the

Reserve Requirement, the Fiscal Agent shall transfer to the Reserve Fund from the first available monies in the Special Tax Fund an amount necessary to increase the balance therein to the Reserve Requirement. If at least ten (10) Business Days prior to each Interest Payment Date of each year, the amount on deposit in the Reserve Fund is in excess of the Reserve Requirement, the Fiscal Agent shall transfer such excess to the Bond Fund. In connection with any optional redemption of Bonds pursuant to Section 2.03A., amounts on deposit in the Reserve Fund which would be in excess of the Reserve Requirement following such redemption shall be transferred to the Redemption Fund or the Bond Fund, as applicable, prior to such redemption and applied to such redemption of Bonds pursuant to written instructions of the District contained in an Officer's Correspondence.

Upon receipt of an Officer's Correspondence instructing the Fiscal Agent to transfer certain moneys representing a Reserve Fund credit for a Prepayment pursuant to the RMA , the Fiscal Agent shall transfer the amount specified in such instructions from the Reserve Fund to the Redemption Fund for the purpose of redeeming Bonds pursuant to such instructions.

Whenever the balance in the Reserve Fund and the Bond Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Fiscal Agent shall transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding interest payment date, to the payment and redemption, in accordance with Section 2.03A of all of the Outstanding Bonds. In the event that the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund shall be transferred to the District to be used for any lawful purpose of the District as set forth in the Act.

C. Investment. Moneys in the Reserve Fund shall be invested and deposited by the Fiscal Agent in accordance with Section 6.01 hereof. Interest earnings and profits from such investment and deposit shall be retained in the Reserve Fund to be used for the purposes of such fund. All Authorized Investments in the Reserve Fund shall be valued at their cost at least semi-annually on February 1 and August 1 so long as at least 25% of the moneys in the Reserve Fund are invested for a period not to exceed two (2) years in length.

## ARTICLE V

### OTHER COVENANTS OF THE DISTRICT

Section 5.01. **Warranty.** The District shall preserve and protect the security pledged hereunder to the Bonds against all claims and demands of all persons.

Section 5.02. **Covenants.** So long as any of the Bonds issued hereunder are Outstanding and unpaid, the District makes the covenants set forth herein below in this Article V with the Bondowners under the provisions of the Act and this Fiscal Agent Agreement (to be performed by the District or the City, acting for and on behalf of the District, or its proper officers, agents and employees), which are covenants necessary and desirable to secure the Bonds and tend to make the Bonds more marketable; provided, however, that such covenants do not require the District to expend any funds or moneys other than the Net Special Tax Revenues.

Section 5.03. **Punctual Payment.** The District shall punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of this Agreement and any Supplemental Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement and all Supplemental Agreements and of the Bonds.

Section 5.04. **Limited Obligation.** The Bonds are limited obligations of the District and are payable solely from and secured solely by the Net Special Tax Revenues and the amounts in the Bond Fund and the Special Tax Fund created hereunder.

Section 5.05. **Payment of Claims.** The District will pay and discharge any and all lawful claims for labor, materials, or supplies which, if unpaid, might become a lien or charge upon the Special Tax Revenues or which might otherwise impair the security of the Bonds then Outstanding; provided that nothing herein contained shall require the District to make any such payments so long as the District in good faith shall contest the validity of any such claims.

Section 5.06. **Extension of Time for Payment.** In order to prevent any accumulation of claims for interest after maturity, the District shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the District, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have so extended or funded.

Section 5.07. **Against Encumbrances.** The District will not encumber, pledge or place any charge or lien upon any of the Net Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by this Agreement.

Section 5.08. **Books and Records.** The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Bond Fund and the Special Tax Fund and relating to the Special Tax Revenues.

Section 5.09. **Protection of Security and Rights of Owners.** The District will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the District, the Bonds shall be incontestable by the District.

Section 5.10. **Collection of Special Tax Revenues.** The District shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

On or about July 10 of each year, the Treasurer shall communicate with the Auditor to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The Treasurer shall effect the levy of the Special Taxes each Fiscal Year on the parcels within the District in accordance with the Ordinance, such that the computation of the levy is complete before the final date on which the Auditor will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next secured tax roll. Upon the completion of the computation of the amounts of the levy, the Treasurer shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next secured tax roll. The Special Taxes so levied shall be payable and be collected in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property, unless otherwise provided by the District.

In the event that the Treasurer determines to levy all or a portion of the Special Taxes by means of direct billing of the property owners of the parcels within the District, the Treasurer shall, not less than forty-five (45) days prior to each Interest Payment Date, send bills to the owners of such real property located within the District subject to the levy of the Special Taxes for Special Taxes in an aggregate amount necessary to meet the financial obligations of the District with respect to the District due on the next Interest Payment Date, said bills to specify that the amounts so levied shall be due and payable not less than thirty (30) days prior to such Interest Payment Date and shall be delinquent if not paid when due.

In any event, the Treasurer shall fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on any Outstanding Bonds becoming due and payable during the ensuing year, an amount necessary to replenish the Reserve Fund pursuant to Section 3.03B.3. and an amount estimated to be sufficient to pay the Administrative Expenses during such year, all in accordance with the RMA and the Ordinance. The Special Taxes so levied shall not exceed the authorized amounts as provided in the proceedings pursuant to the Resolution of Formation.

The Treasurer is hereby authorized to employ consultants to assist in computing the levy of the Special Taxes hereunder and any reconciliation of amounts levied to amounts received. The fees and expenses of such consultants and the costs and expenses of the Treasurer (including a charge for City or District staff time) in conducting its duties hereunder shall be an Administrative Expense hereunder.

Section 5.11. **Further Assurances.** The District shall adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Agreement.

Section 5.12. **Tax Covenants.** The District shall not take, or permit or suffer to be taken by the Fiscal Agent 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 any of the Authority Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code or to be "private activity bonds" within the meaning of Section 141 of the Tax Code.

The District agrees to furnish all information to, and cooperate fully with, the Authority, the Trustee and their respective officers, employees, agents and attorneys, in order to assure compliance with the provisions of Section 6.07 of the Authority Indenture. In the event that the Authority shall notify the District that the Authority has determined, pursuant to Section 6.07 of the Authority Indenture, that any amounts are due and payable to the United States of America thereunder and that neither the Authority nor the Authority Trustee has on deposit an amount of available moneys to make such payment, the District shall promptly direct the Fiscal Agent pay to the Authority Trustee from available Net Special Tax Revenues the Proportionate Share of the amounts determined by the Authority to be due and payable to the United States of America.

Section 5.13. **Covenant to Foreclose.** On or before June 1 of each Fiscal year, the District will review the public records of the County in connection with the Special Taxes levied in such Fiscal Year to determine the amount of Special Taxes actually collected in such Fiscal Year. If the District determines that any parcel subject to the Special Taxes is delinquent in the payment of two or more installments of Special Taxes and the aggregate amount of such delinquent Special Taxes exceeds \$5,000, the City shall, not later than forty-five (45) days of such determination, send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner. The City shall cause judicial foreclosure proceedings to be commenced and filed in the Superior Court not later than ninety (90) days of such determination against any parcel for which a notice of delinquency was given pursuant to this section and for which the Special Taxes remain delinquent.

The City Attorney is hereby authorized to employ counsel to conduct any such foreclosure proceedings. The fees and expenses of any such counsel and costs and expenses of the City Attorney (including a charge for City or District staff time) in conducting foreclosure proceedings shall be an Administrative Expense hereunder.

Notwithstanding any provision of the Act or other law of the State to the contrary, in connection with any foreclosure related to delinquent Special Taxes:

A. The City, is hereby expressly authorized to credit bid at any foreclosure sale, without any requirement that funds be placed in the Bond Fund or otherwise be set aside in the amount of such credit bid, in the amount specified in Section 53356.5 of the Act or such lesser amount as determined under B. below or otherwise under Section 53356.6 of the Act.

B. The City may permit property with delinquent Special Tax payments to be sold for less than the amount specified in Section 53356.5 of the Act, if it determines that such sale is in the interest of the Bond Owners. The Bond Owners, by their acceptance of the Bonds, hereby consent to such sale for such lesser amounts (as such consent is described in Section 53356.6 of

the Act), and hereby release the City, its officers and its agents from any liability in connection therewith.

C. The City is hereby expressly authorized to use amounts in the Administrative Expense Fund to pay costs of foreclosure of delinquent Special Taxes.

D. The City may forgive all or any portion of the Special Taxes levied or to be levied on any parcel in the District, so long as the City determines that such forgiveness is not expected to adversely affect its obligation to pay principal of and interest on the Bonds.

**Section 5.14. Annual Reports to CDIAC.** Not later than October 30 of each year, commencing October 30, 2016, and until the October 30 following the final maturity of the Bonds, the Treasurer shall supply the information required by Section 53359.5(b) or (c) of the Act to CDIAC (on such forms as CDIAC may specify) and the District.

**Section 5.15. Continuing Disclosure to Authority Original Purchaser.** On or before each March 31 of each year, the District shall provide to the Authority Original Purchaser copies of the audited financial statements, along with the following information: (a) the amount of Bonds outstanding (as of the prior [Bond Year/Fiscal Year]); (b) the balance in each fund administered by the Fiscal Agent Agreement (as of the prior [Bond Year/Fiscal Year]); (c) a summary of special taxes levied within the Community Facilities District and an update of the assessed value within the Community Facilities District (as of the prior Fiscal Year); (d) a summary of any changes to the RMA of special taxes approved or submitted to the electors for approval prior to the annual report; (e) the status of foreclosure action being pursued by the District with respect to special taxes; (f) the delinquency rate for the special taxes for the preceding fiscal year and the identity of any property owner whose delinquent special taxes represented more than 5% of the amount levied and assessed value to lien ratios of such delinquent properties; (g) any additional information provided to CDIAC pursuant to this Agreement and not otherwise provided to the Authority Original Purchaser. The District shall further provide to the Authority Original Purchaser: (a) within three (3) Business Days after the District obtains knowledge thereof, notice by telephone, promptly confirmed in writing, of any event that constitutes an Event of Default under the Indenture or this Agreement, as applicable, together with a statement by an Authorized Representative of the District of the steps being taken by the District to cure such Event of Default; (b) within ten (10) days after the District obtains knowledge thereof, written notice of any Material Adverse Effect; and (c) within ten (10) days after receipt of request therefor by the Authority Original Purchaser, updates, if any, of the information described in Section 5.14.

**Section 5.16. Public Access to Facilities.** The City and the District shall provide or cause to be provided access to members of the general public to all portions of the Project financed with the proceeds of the Prior Special Tax Bonds. Said access shall not grant priority to any one person over that of another person, and shall be subject to any applicable City ordinance, rule or regulation.

**Section 5.17. Modification of Maximum Authorized Special Tax.** The District, to the maximum extent that the law permits it to do so, covenants that no modification of the minimum or maximum authorized Special Tax shall be approved by the District nor shall the District take

any other action which would (i) prohibit the District from levying the Special Tax within the District in any Fiscal Year at such a rate as would generate Net Special Tax Revenues in such Fiscal Year at least equal to 110% of Annual Debt Service on all Bonds then Outstanding; (ii) discontinue or cause the discontinuance of such levy; or (iii) permit the prepayment of the Special Tax except as permitted pursuant to the RMA.

Section 5.18. **Covenant to Defend.** The District covenants, in the event that any initiative is adopted by the qualified electors in the District which purports to reduce the minimum or the maximum Special Tax below the levels specified in Section 5.17 above or to limit the power of the District to levy the Special Taxes within the District for the purposes set forth in Section 5.10 above, it will commence and pursue legal action in order to preserve its ability to comply with such covenants.

## ARTICLE VI

### INVESTMENTS; DISPOSITION OF INVESTMENT PROCEEDS; LIABILITY OF THE DISTRICT

Section 6.01. **Deposit and Investment of Moneys in Funds.** Moneys in any fund or account created or established by this Agreement and held by the Fiscal Agent shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Fiscal Agent shall invest any such moneys in Permitted Investments described in clause B(5) of the definition thereof, to the extent practicable which by their terms mature prior to the date on which such moneys are required to be paid out hereunder, or are held uninvested; provided however, that any such investment shall be made by the Fiscal Agent only if, prior to the date on which such investment is to be made, the Fiscal Agent shall have received a written direction from the District specifying a specific money market fund and, if no such written direction from the District is so received, the Fiscal Agent shall hold such moneys uninvested. The Treasurer shall make note of any investment of funds hereunder in excess of the yield on the Bonds, so that appropriate actions can be taken to assure compliance with Section 5.10.

In the event of any transfer by the Authority Trustee from the Residual Account thereof pursuant to Section 5.02(e) of the Authority Indenture for deposit in the Bond Fund pursuant to 4.02A., all moneys on deposit in the Special Tax Fund and the Bond Fund shall be held in cash or invested in Permitted Investments constituting cash equivalents until the payment of the principal of and interest on the Bonds on the September 1 Interest Payment Date following such transfer.

Moneys in any fund or account created or established by this Agreement and held by the Treasurer shall be invested by the Treasurer in Permitted Investments, which in any event by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of this Agreement for transfer of

interest earnings and profits resulting from investment of amounts in funds and accounts. Whenever in this Agreement any moneys are required to be transferred by the District to the Fiscal Agent, such transfer may be accomplished by transferring a like amount of Permitted Investments.

The Fiscal Agent or an affiliate or the Treasurer may act as principal or agent in the acquisition or disposition of any investment and shall be entitled to its customary fee therefor. Neither the Fiscal Agent nor the Treasurer shall incur any liability for losses arising from any investments made pursuant to this Section. For purposes of determining the amount on deposit in any fund or account held hereunder, all Permitted Investments or investments credited to such fund or account shall be valued as provided for in Exhibit B attached hereto.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Agreement, 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 Agreement or the Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under the applicable provisions of the Code shall be valued at their present value (within the meaning of section 148 of the Code). The Fiscal Agent shall not be liable for verification of the application of such sections of the Code.

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent or the Treasurer hereunder, provided that the Fiscal Agent or the Treasurer, as applicable, shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Agreement.

The Fiscal Agent or the Treasurer, as applicable, shall sell at the highest price reasonably obtainable, or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Fiscal Agent nor the Treasurer shall be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

**Section 6.02. Limited Obligation.** The District's obligations hereunder are limited obligations of the District and are payable solely from and secured solely by the Net Special Tax Revenues and the amounts in the Special Tax Fund and the Bond Fund.

**Section 6.03. Liability of District.** The District shall not incur any responsibility in respect of the Bonds or this Agreement other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The District shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The District shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements of the Fiscal Agent herein

or of any of the documents executed by the Fiscal Agent in connection with the Bonds, or as to the existence of a default or event of default thereunder.

In the absence of bad faith, the District, including the Treasurer, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the District and conforming to the requirements of this Agreement. The District, including the Treasurer, shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the District to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Net Special Tax Revenues) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The District may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The District may consult with counsel, who may be the City Attorney, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The District shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the District 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, in the absence of willful misconduct on the part of the District, be deemed to be conclusively proved and established by a certificate of the Fiscal Agent, and such certificate shall be full warrant to the District for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the District may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

**Section 6.04. Employment of Agents by District or the City.** In order to perform their respective duties and obligations hereunder, the City, the District and/or the Treasurer may employ such persons or entities as they deem necessary or advisable. The City, the District, and/or the Treasurer shall not be liable for any of the acts or omissions of such persons or entities employed by them in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

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

A. Failure to pay any installment of principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise.

B. Failure to pay any installment of interest on any Bonds when and as the same shall become due and payable.

C. Failure by the District to observe and perform any of the other covenants, agreements, or conditions on its part in this Agreement or in the Bonds contained, if such failure shall have continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the District by the Fiscal Agent or the Owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 60-day period, such failure shall not constitute an Event of Default if corrective action is instituted by the District within such 60-day period and the District shall thereafter diligently and in good faith cure such failure in a reasonable period of time.

D. Commencement by the District of a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Section 7.02. **Remedies of Bond Owners.** Subject to the provisions of Section 7.07, any Bond Owner shall have the right, for the equal benefit and protection of all Bond Owners similarly situated:

A. by mandamus, suit, action or proceeding, to compel the City and its officers, agents or employees to perform each and every term, provision and covenant contained in this Agreement and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the City and the fulfillment of all duties imposed upon it by the Act;

B. by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bond Owners' rights; or

C. upon the happening of any Event of Default, by suit, action or proceeding in any court of competent jurisdiction, to require the City and its officers and employees to account as if it and they were the trustees of an express trust.

Section 7.03. **Application of Special Taxes and Other Funds After Default.** If an Event of Default shall occur and be continuing, all Special Taxes, including any penalties, costs, fees and other charges accruing under the Act, and any other funds then held or thereafter received by the Fiscal Agent under any of the provisions of this Agreement shall be applied by the Fiscal Agent as follows and in the following order:

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

B. To the payment of the principal of and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Agreement, 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 call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption, 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.

C. Any remaining funds shall be transferred by the Fiscal Agent to the Bond Fund.

**Section 7.04. Absolute Obligation of the District.** Nothing in Section 7.08 or in any other provision of this Agreement or in the Bonds contained shall affect or impair the obligation of the District, 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 Net Special Tax Revenues and other moneys herein pledged therefor and received by the District or the Fiscal Agent, 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 7.05. Termination of Proceedings.** In case any proceedings taken by any one or more Bond 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 Bond Owners, then in every such case the District, and the Bond 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 City, and the Bond Owners shall continue as though no such proceedings had been taken.

**Section 7.06. Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Fiscal Agent 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 7.07. **No Waiver of Default.** No delay or omission of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Agreement to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

## ARTICLE VIII

### THE FISCAL AGENT

Section 8.01. **Appointment of Fiscal Agent.** MUFG Union Bank, N.A., is hereby appointed Fiscal Agent and paying agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Fiscal Agent.

Any company into which the Fiscal Agent 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 Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the following paragraph of this Section, shall be the successor to such Fiscal Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

The District may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Seventy-Five Million Dollars (\$75,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 8.01, combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Fiscal Agent may at any time resign by giving written notice to the District and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent.

If no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Fiscal Agent shall have given to the District written notice or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent or any Bondowner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

If, by reason of the judgment of any court, the Fiscal Agent is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Fiscal Agent hereunder shall be assumed by and vest in the Treasurer of the City in trust for the benefit of the Owners. The District covenants for the direct benefit of the Owners that the Treasurer in such case shall be vested with all of the rights and powers of the Fiscal Agent hereunder, and shall assume all of the responsibilities and perform all of the duties of the Fiscal Agent hereunder, in trust for the benefit of the Owners of the Bonds.

**Section 8.02. Liability of Fiscal Agent.** The recitals of facts, covenants, and agreements herein and in the Bonds contained shall be taken as statements, covenants, and agreements of the District, and the Fiscal Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Agreement or of the Bonds, nor shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement. Except as provided above in this paragraph, the Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of this Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements of the City or the District herein or of any of the documents executed by the City or the District in connection with the Bonds, or as to the existence of a default or event of default thereunder.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing

that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of any of the Owners pursuant to this Agreement unless such Owners shall have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Fiscal Agent may become the Owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

The Fiscal Agent will not incur liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Fiscal Agent (including but not limited to any act or provision of any present or future law or regulation or governmental authority, natural catastrophes, civil or military disturbances, loss or malfunction of utilities, any act of God or war, terrorism or the unavailability of the Federal Reserve Bank or other wire or communication facility).

The Fiscal Agent's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the Bonds. All indemnifications and releases from liability granted to the Fiscal Agent hereunder shall extend to the directors, officers, and employees of the Fiscal Agent.

In no event shall the Fiscal Agent be liable for any consequential, indirect, punitive or special damage relating to its performance of its duties under this Fiscal Agent Agreement except for damages caused by its own gross negligence or willful misconduct as finally determined in a non-appealable judgment by a court of competent jurisdiction.

**Section 8.03. Information.** The Fiscal Agent shall provide to the District such information relating to the Bonds and the funds and accounts maintained by the Fiscal Agent hereunder as the District shall reasonably request, including, but not limited to, quarterly statements reporting funds held and transactions by the Fiscal Agent. The Fiscal Agent shall furnish the District periodic cash transaction statements which include detail for all investment transactions effected by the Fiscal Agent or brokers selected by the District. Upon the District's election, such statements will be delivered via the Fiscal Agent's online service and upon electing such service, paper statements will be provided only upon request. The District waives the right to receive brokerage confirmations of security transactions effected by the Fiscal Agent as they occur, to the extent permitted by law. The District further understands that trade confirmations for securities transactions effected by the Fiscal Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker

**Section 8.04. Notice to Fiscal Agent.** The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, Bond or other paper or document believed by it to be genuine and to

have been signed or presented by the proper party or proper parties. The Fiscal Agent may consult with counsel, who may be counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Fiscal Agent shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the Fiscal Agent 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, in the absence of willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

**Section 8.05. Compensation, Indemnification.** The District shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under this Agreement, and also all reasonable expenses, charges, counsel fees, and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under this Agreement. The District further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct. The obligation of the District under this Section shall survive resignation or removal of the Fiscal Agent under this Agreement and payment of the Bonds and discharge of this Agreement, but any monetary obligation of the District arising under this Section shall be limited solely to amounts on deposit in the Local Refunding Obligation Administrative Expense Fund.

## ARTICLE IX

### MODIFICATION OR AMENDMENT OF THIS AGREEMENT

**Section 9.01. Amendments Permitted.** This Agreement and the rights and obligations of the District and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of the Owners, or with the written consent without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 9.04. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the District to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond; or (ii) permit the creation by the District of any pledge or lien upon the

Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or this Agreement), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Fiscal Agent without its written consent.

This Agreement and the rights and obligations of the District and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the District in this Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the District;
- (ii) to make modifications not adversely affecting any Outstanding Bonds of the District in any material respect;
- (iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting, or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the District and the Fiscal Agent may deem necessary or desirable and not inconsistent with this Agreement, and which shall not adversely affect the rights of the Owners of the Bonds;
- (iv) to make such additions, deletions, or modifications as may be necessary or desirable to assure the exclusion from gross income for federal income tax purposes of interest on the Bonds.

**Section 9.02. Owners' Meetings.** The District may at any time call a meeting of the Owners. In such event the District is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

**Section 9.03. Procedure for Amendment with Written Consent of Owners.** The District and the Fiscal Agent may at any time adopt a Supplemental Agreement amending the provisions of the Bonds or of this Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by Section 9.01, to take effect when and as provided in this Section. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in this Section provided.

Such Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consent of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 9.04 and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for

which such consent is given, which proof shall be such as is permitted by Section 11.04. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the District shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required by this Section 9.03 to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the District and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

**Section 9.04. Disqualified Bonds.** Bonds owned or held for the account of the City or the District, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in this Article IX, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Article IX.

**Section 9.05. Effect of Supplemental Agreement.** From and after the time any Supplemental Agreement becomes effective pursuant to this Article IX, this Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Agreement of the District and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

**Section 9.06. Endorsement or Replacement of Bonds Issued After Amendments.** The District may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article IX shall bear a notation, by endorsement or otherwise, in form approved by the District, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Principal Office of the Fiscal Agent or at such other office as the District may select and designate for that purpose, a suitable notation shall be made on such Bond. The District may determine that new Bonds, so modified as in the opinion of the District is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of

any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 9.07. **Amendatory Endorsement of Bonds.** The provisions of this Article IX shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 9.08. **Notice Requirement.** Not less than 15 days prior to the effective date of any amendment made pursuant to this Article IX, so long as any Bonds are owned by the Authority, the District shall mail notice of the proposed amendment and the text of the proposed amendment to the Authority and the Authority Trustee.

## ARTICLE X

### DEFEASANCE

Section 10.01. **Defeasance.** If the District shall pay or cause to be paid, or there shall otherwise be paid, to the Owner of an Outstanding Bond the interest due thereon and the principal thereof, at the times and in the manner stipulated in this Agreement, then the Owner of such Bond shall cease to be entitled to the pledge of Net Special Tax Revenues, and, other than as set forth below, all covenants, agreements and other obligations of the District to the Owner of such Bond under this Agreement shall thereupon cease, terminate and become void and be discharged and satisfied. In the event of a defeasance of all Outstanding Bonds pursuant to this Section, the Fiscal Agent shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiscal Agent shall pay over or deliver to the District's general fund all money or securities held by it pursuant to this Agreement which are not required for the payment of the principal of, premium, if any, and interest due on such Bonds.

Any Outstanding Bond shall be deemed to have been paid within the meaning expressed in the first paragraph of this Section if such Bond is paid in any one or more of the following ways:

(i) by paying or causing to be paid the principal of, premium, if any, and interest on such Bond, as and when the same become due and payable;

(ii) by depositing with the Fiscal Agent, in trust, at or before maturity, money which, together with the amounts then on deposit in the Special Tax Fund and available for such purpose, is fully sufficient to pay the principal of, premium, if any, and interest on such Bond, as and when the same shall become due and payable; or

(iii) by depositing with the Fiscal Agent or another escrow bank appointed by the District, in trust, direct, noncallable Defeasance Obligations, in which the District may lawfully invest its money, in such amount as an Independent Accountant shall determine will be sufficient, together with the interest to accrue thereon and moneys then on deposit in the Special Tax Fund and available for such purpose, together with the interest to accrue thereon, to pay and

discharge the principal of, premium, if any, and interest on such Bond, as and when the same shall become due and payable;

then, at the election of the District, and notwithstanding that any Outstanding Bonds shall not have been surrendered for payment, all obligations of the District under this Agreement with respect to such Bond shall cease and terminate, except for the obligation of the Fiscal Agent to pay or cause to be paid to the Owners of any such Bond not so surrendered and paid, all sums due thereon. Notice of such election shall be filed with the Fiscal Agent not less than ten (10) days prior to the proposed defeasance date, or such shorter period of time as may be acceptable to the Fiscal Agent. In connection with a defeasance under (ii) or (iii) above, there shall be provided to the District a verification report from an Independent Accountant stating its opinion as to the sufficiency of the moneys or securities deposited with the Fiscal Agent or the escrow bank to pay and discharge the principal of, premium, if any, and interest on all Outstanding Bonds to be defeased in accordance with this Section, as and when the same shall become due and payable, and an opinion of Bond Counsel (which may rely upon the opinion of the certified public accountant) to the effect that the Bonds being defeased have been legally defeased in accordance with this Agreement.

Upon a defeasance, the Fiscal Agent, upon request of the District, shall release the rights of the Owners of such Bonds which have been defeased under this Agreement and execute and deliver to the District all such instruments as may be desirable to evidence such release, discharge and satisfaction. In the case of a defeasance hereunder of all Outstanding Bonds, after payment of any amounts then owed to the Fiscal Agent, the Fiscal Agent shall pay over or deliver to the District any funds held by the Fiscal Agent at the time of a defeasance, which are not required for the purpose of paying and discharging the principal of or interest on the Bonds when due. The Fiscal Agent shall, at the written direction of the District, mail, first class, postage prepaid, a notice to the Bondowners whose Bonds have been defeased, in the form directed by the District, stating that the defeasance has occurred.

## ARTICLE XI

### MISCELLANEOUS

Section 11.01. **Benefits of Agreement Limited to Parties.** Nothing in this Agreement, expressed or implied, is intended to give to any person other than the District, the City, the Fiscal Agent, and the Owners, any right, remedy, claim under or by reason of this Agreement. Any covenants, stipulations, promises, or agreements in this Agreement contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owners and the Fiscal Agent.

Section 11.02. **Cancellation of Bonds.** All Bonds surrendered to the Fiscal Agent for payment upon maturity or for redemption shall be upon payment therefor, and any Bond purchased by the District as authorized herein and delivered to the Fiscal Agent for such purpose shall be, cancelled forthwith and shall not be reissued. The Fiscal Agent shall destroy such Bonds, as provided by law, and furnish to the District a certificate of such destruction.

Section 11.03. **Successor is Deemed Included in All References to Predecessor.** Whenever in this Agreement or any Supplemental Agreement either the District or the Fiscal

Agent 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 Agreement contained by or on behalf of the District or the Fiscal Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

**Section 11.04. Execution of Documents and Proof of Ownership by Owners.** Any request, declaration, or other instrument which this Agreement may require or permit to be executed by the Owners may be in one or more instruments of similar tenor, and shall be executed by the Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the District or the Fiscal Agent in good faith and in accordance therewith.

**Section 11.05. Waiver of Personal Liability.** No member, officer, agent or employee of the District or the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

**Section 11.06. Notices to and Demands on District and Fiscal Agent.** Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the Fiscal Agent to or on the District may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the District with the Fiscal Agent) as follows:

City of Rancho Cucamonga Community Facilities District No.  
2006-01 (Vintner's Grove)  
c/o City of Rancho Cucamonga  
10500 Civic Center Drive  
Rancho Cucamonga, California 91730  
Attention: City Manager

Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the District to or on the Fiscal Agent may be given or served by being delivered or sent by facsimile, electronic transmission, overnight mail, courier or personal

delivery or by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the Fiscal Agent with the District) as follows:

MUFG Union Bank, N.A.  
 120 South Pedro Street, 4th Floor  
 Los Angeles, California 90012  
 Attention: Corporate Trust Department  
 Fax: (213) 972-5694  
 Email: AccountAdministration-CorporateTrust@unionbank.com  
 and CashControlGroup-LosAngeles@unionbank.com

Section 11.07. **Partial Invalidity.** If any Section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The District hereby declares that it would have adopted this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable.

Section 11.08. **Unclaimed Moneys.** Anything contained herein to the contrary notwithstanding, any moneys held by the Fiscal Agent for the payment and discharge of the principal of, and the interest and any premium on, the Bonds which remains unclaimed for two (2) years after the date when the payments of such principal, interest and premium have become payable, if such moneys were held by the Fiscal Agent at such date, shall be repaid by the Fiscal Agent to the District as its absolute property free from any trust, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the District for the payment of the principal of, and interest and any premium on, such Bonds.

Section 11.09. **Provisions Constitute Contract.** The provisions of this Agreement shall constitute a contract between the District and the Bondowners and the provisions hereof shall be construed in accordance with the laws of the State of California.

In case any suit, action, or proceeding to enforce any right or exercise any remedy shall be brought or taken and, should said suit, action, or proceeding be abandoned, or be determined adversely to the Bondowners or the Fiscal Agent, then the District, the Fiscal Agent, and the Bondowners shall be restored to their former positions rights and remedies as if such suit, action, or proceeding had not been brought or taken.

After the issuance and delivery of the Bonds this Agreement shall be irrevocable, but shall be subject to modifications to the extent and in the manner provided in this Agreement, but to no greater extent and in no other manner.

Section 11.10. **Future Contracts.** Nothing herein contained shall be deemed to restrict or prohibit the District from making contracts or creating bonded or other indebtedness payable from a pledge of the Net Special Tax Revenues which is subordinate to the pledge hereunder, or which is payable from taxes or any source other than the Net Special Tax Revenues and other amounts pledged hereunder.

Section 11.11. **Further Assurances.** The District will adopt, make, execute, and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Agreement.

Section 11.12. **Applicable Law.** This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 11.13. **Conflict with Act.** In the event of a conflict between any provision of this Agreement with any provision of the Act as in effect on the Closing Date, the provision of the Act shall prevail over the conflicting provision of this Agreement.

Section 11.14. **Conclusive Evidence of Regularity.** Bonds issued pursuant to this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 11.15. **Payment on Business Day.** In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Agreement is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period after such date.

Section 11.16. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the District has caused this Agreement pertaining to the Community Facilities District No. 2006-01 (Vintner's Grove) Special Tax Refunding Bonds, Series 2015 to be executed in its name and the Fiscal Agent has caused this Agreement to be executed in its name, all as July 1, 2015.

CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO.  
2006-01 (VINTNER'S GROVE)

By: \_\_\_\_\_  
City Manager

MUFG UNION BANK, N.A., as Fiscal Agent

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**  
**FORM OF BOND**

\_\_\_\_\_ \$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF CALIFORNIA  
COUNTY OF SAN BERNARDINO  
CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2006-01  
(VINTNER'S GROVE)  
SPECIAL TAX REFUNDING BONDS, SERIES 2015

**INTEREST RATE**

**MATURITY DATE**

**DATED DATE**

September 1, \_\_\_\_\_

July \_\_, 2015

**REGISTERED OWNER:**

MUFG UNION BANK, N.A.,  
on behalf of the Rancho Cucamonga Public Finance  
Authority

**PRINCIPAL AMOUNT:**

**DOLLARS**

The City of Rancho Cucamonga (the "City") for and on behalf of the City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner's Grove) (the "District"), for value received, hereby promises to pay solely from Net Special Tax Revenues (as defined in the Agreement) to be collected within the District or amounts in the funds and accounts held under the Agreement (as hereinafter defined), to the registered owner (the "Owner") named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount from the Dated Date, or from the most recent interest payment date to which interest has been paid or duly provided for, semiannually five (5) days prior to each September 1 and March 1, commencing March 1, 2016 (each an "Interest Payment Date"), at the interest rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the registered Owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the office of MUFG Union Bank, N.A. (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed five (5) days preceding each Interest Payment Date to the registered Owner hereof as of the close of business on the 15th day of the month preceding the month in which the interest payment date occurs (the "Record Date") at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent.

This Bond is one of a duly authorized issue of bonds in the aggregate principal amount of \$\_\_\_\_\_ pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Sections 63311, et seq., of the California Government Code (the "Mello-Roos Act") and designated the City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner's Grove) Special Tax Refunding Bonds, Series 2015. The Bonds have been issued for the purpose of refunding the City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner's Grove) 2007 Special Tax Bonds (the "Prior Special Tax Bonds"). The issuance of the Bonds and the terms and conditions thereof are provided for by the Fiscal Agent Agreement, dated as of July 1, 2015 (the "Agreement"), by and between the City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner's Grove) and the Fiscal Agent and this reference incorporates the Agreement herein, and by acceptance hereof the Owner of this Bond assents to said terms and conditions.

Pursuant to the Mello-Roos Act and the Agreement, the principal of and interest on this Bond are payable solely from Net Special Tax Revenues of the annual special tax authorized under the Mello-Roos Act to be collected within the District (the "Special Tax") and certain funds held under the Agreement.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication; or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the City, as may be permitted by law. The Bonds do not constitute obligations of the City of Rancho Cucamonga for which said City is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described hereinabove. The District has covenanted for the benefit of the Owners of the Bonds that it will order, and cause to be commenced as provided in the Agreement, and thereafter diligently prosecute to judgment, an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due.

The Bonds may be redeemed at the option of the District from any source of funds other than prepayment of Special Taxes, prior to their stated maturity, as a whole or in part (in the principal amount of \$100,000 or any integral multiples of \$5,000 in excess thereof) on any date on or after March 1, 20\_\_, from such maturities as are selected by the District, and by lot within a maturity, by paying the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

Notwithstanding the above, any such optional redemption of the Bonds shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such optional redemption of the Bonds.

The Bonds shall be subject to redemption on any Interest Payment Date, prior to maturity, as a whole or in part from such maturities, as are selected by the District, from Prepayments of Special Taxes, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date of redemption; provided, however, that the Bonds that remain Outstanding after any such redemption pursuant to this Section 4.01(b) shall be in authorized denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof.

Notwithstanding the above, such mandatory redemption of the Bonds in whole or in part shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such mandatory redemption of the Bonds.

[MANDATORY SINKING FUND REDEMPTION?]

In lieu of redemption under the Fiscal Agent Agreement, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase, unless a greater purchase price is permitted under the Act and the District determines that it will have sufficient amounts in the Bond Fund, following such purchase, to pay Debt Service on the Bonds.

Notice of redemption with respect to the Bonds to be redeemed shall be given to the registered Owners thereof, in the manner, to the extent and subject to the provisions of the Agreement.

This Bond shall be registered in the name of the Owner hereof, as to both principal and interest.

Each registration and transfer of registration of this Bond shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

Except as provided in the Agreement, any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of the Agreement 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 duly written instrument of transfer in a form approved by the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

No transfers of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

The Fiscal Agent Agreement and the rights and obligations of the Agency thereunder may be modified or amended as set forth therein.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Fiscal Agent.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the City of Rancho Cucamonga Community Facilities District 2006-01 has caused this Bond to be dated July \_\_, 2015, to be signed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the City Clerk, each acting for and on behalf of such community facilities district.

CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO.  
2006-01 (VINTNER'S GROVE)

BY: \_\_\_\_\_  
Mayor

BY: \_\_\_\_\_  
City Clerk

***FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION***

This is one of the Bonds described in the Resolution and the Agreement which has been authenticated on \_\_\_\_\_.

MUFG UNION BANK, N.A., as Fiscal Agent

By: \_\_\_\_\_  
Authorized Officer

*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 and appoint \_\_\_\_\_, attorney, to transfer the same on the registration books of the Fiscal Agent, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature(s) on this assignment must correspond with the name(3) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

---

**FISCAL AGENT AGREEMENT**

**by and between**

**CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2006-02  
(AMADOR ON ROUTE 66)**

**and**

**MUFG UNION BANK, N.A.  
as Fiscal Agent**

**Dated as of July 1, 2015**

**Relating to:**

**\$ \_\_\_\_\_**

**City of Rancho Cucamonga  
Community Facilities District No. 2006-02 (Amador on Route 66)  
Special Tax Refunding Bonds, Series 2015**

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## FISCAL AGENT AGREEMENT

**THIS FISCAL AGENT AGREEMENT** (the “Agreement”) is made and entered into as of July 1, 2015, by and between the City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66) (the “District”), a community facilities district, organized and existing under and by virtue of the laws of the State of California, and MUFG Union Bank, N.A., a national banking association organized and existing under the laws of the United States of America, as fiscal agent (the “Fiscal Agent”).

### WITNESSETH:

**WHEREAS**, the City Council of the City of Rancho Cucamonga (the “City”) has formed the District under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 et seq. of the California Government Code) (the “Act”) and Resolution No. 06-327 of the City Council adopted on October 18, 2006;

**WHEREAS**, the City Council, as the legislative body with respect to the District, is authorized under the Act to levy special taxes to pay for the costs of acquisition or construction of public facilities within the District;

**WHEREAS**, on December 20, 2006, the City Council adopted Resolution No. 06-402 (the “Resolution”) authorizing the issuance and sale of bonds for the District pursuant to the Bond Indenture, dated as of January 1, 2007 (the “Prior Bond Indenture”), by and between the District and Wells Fargo Bank, National Association, as fiscal agent, designated the “City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66) 2007 Special Tax Bonds” (the “Prior Special Tax Bonds”), for the purpose of funding the acquisition, rehabilitation and construction of certain public improvements (defined in the Prior Bond Indenture as the “Project”);

**WHEREAS**, on January 25, 2007 the Prior Special Tax Bonds in the principal amount of \$2,980,000 were issued;

**WHEREAS**, on July 1, 2015, the City Council adopted Resolution No. 15-\_\_\_ (the “Resolution of Issuance”) authorizing the issuance and sale of bonds of the District pursuant to this Agreement, designated “City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66) Special Tax Refunding Bonds, Series 2015 (the “Special Tax Refunding Bonds”), for the purpose of financing the defeasance and refunding of the Prior Special Tax Bonds.

**WHEREAS**, it is in the public interest and for the benefit of the City, the District, the persons responsible for the payment of special taxes and the owners of the Bonds that the District enter into this Agreement to provide for the issuance of the Bonds, the disbursement of proceeds of the Bonds, the disposition of the special taxes securing the Bonds, and the administration and payment of the Bonds;

**WHEREAS**, all things necessary to cause the Bonds, when authenticated by the Fiscal Agent and issued as provided in the Act, the Resolution and this Agreement, to be legal, valid and binding and limited obligations in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Agreement and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

**NOW, THEREFORE**, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Agreement, according to their tenor, 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 received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the District does hereby covenant and agree with the Fiscal Agent, for the benefit of the respective holders from time to time of the Bonds, as follows:

## **ARTICLE I**

### **STATUTORY AUTHORITY AND DEFINITIONS**

Section 1.01. **Authority for this Agreement.** This Agreement is entered into pursuant to the provisions of the Act and the Resolution.

Section 1.02. **Agreement for Benefit of Bondowners.** The provisions, covenants and agreements herein set forth to be performed by or on behalf of the City and the District shall be for the equal benefit, protection, and security of the Owners from time to time. In consideration of the acceptance of the Bonds by the Owners thereof, this Agreement shall be deemed to be and shall constitute a contract between the District and the Owners; and the covenants and agreements herein set forth to be performed by the District 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. All of the Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Agreement.

The Fiscal Agent may become the Owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Fiscal Agent.

Section 1.03. **Definitions.** Unless the context otherwise requires, the terms defined in this Section 1.03 shall, for all purposes of this Agreement, of any Supplemental Agreement, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Authority Indenture. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement, and

the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311 et seq. of the California Government Code.

“Administrative Expense Fund” means the fund by that name established by Section 3.04A hereof.

“Administrative Expenses” means any or all of the following: the fees and expenses of the Fiscal Agent (including the fees and expenses of its counsel), the expenses of the City or the District in carrying out its duties hereunder (including, but not limited to, the levying and collection of the Special Taxes, complying with the disclosure provisions of the Act and this Agreement, including those related to public inquiries regarding the Special Tax and disclosures to Bondowners and the Original Purchaser); the costs of the City and the District or their designees related to an appeal of the Special Tax; any costs of the City and the District (including fees and expenses of counsel) to defend the first lien on and pledge of the Special Taxes to the payment of the Bonds or otherwise in respect of litigation relating to the District or the Bonds or with respect to any other obligations of the District; the Proportionate Share of the Authority Administrative Expenses allocable to the Bonds, the Proportionate Share of the salaries of City staff directly related to the carrying out by the City of its obligations hereunder or under the Authority Indenture and a proportionate amount of City general administrative overhead related thereto allocable to the Bonds; and all other costs and expenses of the City, the District, and the Fiscal Agent incurred in connection with the discharge of their respective duties hereunder, and in the case of the City, in any way related to the administration of the District and all actual costs and expenses incurred in connection with the administration of the Bonds.

“Agreement” means this Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement adopted pursuant to the provisions hereof.

“Annual Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, and (ii) the principal amount of the Outstanding Bonds scheduled to be paid in such Bond Year.

“Auditor” means the auditor/tax collector of the County of San Bernardino.

“Authority” means the Rancho Cucamonga Public Finance Authority and any successor thereto.

“Authority Bonds” means any bonds outstanding under the Authority Indenture, which are secured by payments to be made on the Bonds.

“Authority Indenture” means that certain Indenture of Trust, dated as of July 1, 2015, by and between the Authority and the Authority Trustee, pursuant to which the Authority Bonds are issued.

“Authority Original Purchaser” means City National Bank, a national banking association, and its successors and assigns.

“Authority Trustee” means MUFG Union Bank, N.A., or any successor thereto appointed under the Authority Indenture.

“Authorized Officer” means the City Manager, Assistant City Manager, Director of Finance, or City Clerk of the City, or any other officer or employee authorized by the City Council of the City or by an Authorized Officer to undertake the action referenced in this Agreement as required to be undertaken by an Authorized Officer.

“Bond Counsel” means (i) Best Best & Krieger LLP; or (ii) any attorney or firm of attorneys acceptable to the District and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Fund” means the fund by that name established by Section 4.02A hereof.

“Bond Year” means the one-year period beginning on September 2 in each year and ending on September 1 in the following year except that the first Bond Year shall begin on the Closing Date and end on September 1, 2015.

“Bonds” means the City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66) Special Tax Refunding Bonds, Series 2015, authorized by, and at any time Outstanding pursuant hereto.

“Business Day” means a day which is not a Saturday, Sunday, or legal holiday on which banking institutions in the State of California, or in any state in which the Principal Office of the Trustee is located, or the New York Stock Exchange are closed. If any payment hereunder is due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such previous day.

“CDIAC” means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

“City” means the City of Rancho Cucamonga, California.

“City Council” means the City Council of the City, acting in its capacity as the legislative body of the District.

“Closing Date” means the date upon which there is a physical delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser.

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

“County” means the County of San Bernardino, California.

“Debt Service” means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“Defeasance Obligations” means those obligations described in paragraph A. of the definition of Permitted Investments.

“District” means the City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66), formed pursuant to the Resolution of Formation.

“DTC” means the Depository Trust Company.

“Escrow Agent” means Wells Fargo Bank, National Association, acting as escrow agent under the Escrow Agreement.

“Escrow Agreement” means that Escrow Agreement Deposit and Trust Agreement dated as of July 1, 2015 by and between the District and the Escrow Agent relating to defeasance of the Prior Special Tax Bonds.

“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) any commingled investment fund in which the City and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

“Fiscal Agent” means the Fiscal Agent appointed by the District and acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 8.01.

“Fiscal Year” means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

“Independent Accountant” means any nationally recognized firm of certified public accountants or firm of such accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State, appointed by the City, and who, or each of whom:

(1) is in fact independent and not under domination of the Authority, the City or the District;

(2) does not have any substantial interest, direct or indirect, with the Authority, the City or the District; and

(3) is not connected with the Authority, the City or the District as an officer or employee of the Authority, the City or the District, but who may be regularly retained to make reports to the Authority, the City or the District.

“Independent Financial Consultant” means any financial consultant or firm of such financial consultants appointed by the Authority and who, or each of whom:

(1) is judged by the City to have experience with respect to the financing of public capital improvement projects;

(2) is in fact independent and not under the domination of the Authority, the City, or the District;

(3) does not have any substantial interest, direct or indirect, with the Authority, the City, or the District; and

(4) is not connected with the Authority, the City, or the District as an officer or employee of the Authority, the City, or the District, but who may be regularly retained to make reports to the Authority, the City, or the District.

“Interest Payment Dates” means September 1 and March 1 of each year, commencing March 1, 2016.

“Investment Earnings” means all interest earned and any gains and losses on the investment of moneys in any fund or account created by this Agreement.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the District or the business, facilities, or operations of the District, (b) the ability of the District to meet or perform its obligations under this Agreement on a timely basis, (c) the validity or enforceability of this Agreement.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

“Net Special Tax Revenues” means, for each Fiscal Year, all Special Tax Revenues received by the District less an amount equal to the Priority Administrative Expenses Amount.

“Officer’s Certificate” means a written certificate of the District or the City signed by an Authorized Officer of the City.

“Ordinance” means Ordinance No. 770 of the City.

“Original Purchaser” means the Authority.

“Outstanding,” means (subject to the provisions of Section 9.04), when used as of any particular time with reference to Bonds, all Bonds except: (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of Section 10.01; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued, and delivered by the District pursuant to this Agreement or any Supplemental Agreement.

“Owner” or “Bondowner” means any person who shall be the registered owner of any Outstanding Bond.

“Penalties and Interest” means any penalties or interest in excess of the interest payable on the Bonds collected in connection with delinquent Special Taxes.

“Penalties and Interest Account” means the account by that name within the Special Tax Fund pursuant to Section 3.03D hereof.

“Permitted Investments” shall have the meaning given such term in the Authority Indenture.

“Person” means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Prepayments” means Special Tax Revenues identified to the Fiscal Agent by an Authorized Officer as representing a prepayment of the Special Tax pursuant to the RMA.

“Principal Office” means the principal corporate trust office of the Fiscal Agent as may be designated from time to time by the Fiscal Agent in writing to the District initially set forth in Section 11.06 hereof.

“Prior Fiscal Agent Agreement” means the Fiscal Agent Agreement, dated as of January 1, 2006, by and between the District and Wells Fargo Bank, National Association, as fiscal agent, pertaining to the Prior Special Tax Bonds.

“Prior Special Tax Bonds” means the outstanding City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66) 2007 Special Tax Bonds.

“Priority Administrative Expense Amount” means an annual amount equal to \$\_\_\_\_\_, or such lesser amount as may be designated by written instruction from an Authorized Officer of the District to be allocated as the first priority of Special Taxes received each Fiscal Year for the payment of Administrative Expenses allocated to the Bonds.

“Project” shall have the meaning given such term in the Prior Bond Indenture.

“Proportionate Share” shall have the meaning given such term in the Authority Indenture.

“Record Date” means the fifteenth day of the month next preceding the month of the applicable Interest Payment Date.

“Reserve Fund” means the fund by that name established by Section 4.03 hereof.

“Reserve Requirement” means an amount equal to \$[50% of MADs].

“Resolution of Formation” means Resolution No. 06-322, adopted by the City Council on October 18, 2006.

“Resolution of Issuance” shall have the meaning given such term in the recitals hereto.

“RMA” means the Rate and Method of Apportionment of the Special Taxes set forth in the Ordinance.

“Special Tax Refunding Bonds” shall have the meaning given such term in the Authority Indenture.

“Special Tax Fund” means the fund by that name established by Section 3.03A hereof.

“Special Tax Revenues” means the proceeds of the Special Taxes received by the District including any scheduled payments and any prepayments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest and penalties thereon. Notwithstanding the foregoing, “Special Tax Revenues” does not include Penalties and Interest.

“Special Taxes” means the special taxes levied within the District pursuant to the Act, the RMA, the Ordinance, and this Agreement.

“Supplemental Agreement” means an agreement the execution of which is authorized by a resolution which has been duly adopted by the City Council under the Act and which agreement is amendatory of or supplemental to this Agreement, but only if and to the extent that such agreement is specifically authorized hereunder.

“Treasurer” means the person who is acting in the capacity as treasurer or finance director to the City or the designee of either such officer.

## ARTICLE II

### THE BONDS

Section 2.01. **Principal Amounts; Designations.** Bonds in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_.00) are hereby authorized to be issued by the District under and subject to the terms of the Resolution of Issuance and this Agreement, the Act and other applicable laws of the State of California. The Bonds shall be designated “City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66) Special Tax Refunding Bonds, Series 2015.” This Agreement constitutes a continuing agreement of the District with the Owners from time to time of the Bonds to secure the full payment of the

principal of, premium, if any, and interest on all such Bonds subject to the covenants, provisions, and conditions herein contained.

Section 2.02. **Terms of Bonds.**

A. Form; Denominations. The Bonds shall be issued as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof; provided, however, one Bond from each maturity may be in an amount other than \$5,000 or an integral multiple thereof. The Bonds shall be lettered and numbered in a customary manner as determined by the Fiscal Agent.

B. Date of the Bonds. The Bonds shall be dated the Closing Date.

C. Maturities, Interest Rates. The Bonds shall mature on the dates and shall bear interest at the rates as follows:

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal Maturity</u>	<u>Interest Rate</u>
	\$	%

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\$ \_\_\_\_\_

D. Interest. The Bonds shall bear interest at the rates set forth above payable five (5) days preceding the Interest Payment Dates in each year. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication; or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of a Bond, interest is in default

thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

E. Method of Payment. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check or draft of the Fiscal Agent mailed at least five (5) days preceding the Interest Payment Dates by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Fiscal Agent.

All Bonds paid by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Bonds and issue a certificate of destruction thereof to the District.

#### Section 2.03. **Redemption.**

A. Optional Redemption. The Bonds may be redeemed at the option of the District from any source of funds other than prepayment of Special Taxes, prior to their stated maturity, as a whole or in part (in the principal amount of \$100,000 or any integral multiples of \$5,000 in excess thereof) on any date on or after March 1, 20\_\_, from such maturities as are selected by the District, and by lot within a maturity, by paying the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

Notwithstanding the above, any such optional redemption of the Bonds shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such optional redemption of the Bonds.

B. Mandatory Redemption from the Prepayment of Special Taxes. The Bonds shall be subject to redemption on any Interest Payment Date, prior to maturity, as a whole or in part from such maturities, as are selected by the District, from Prepayments of Special Taxes, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date of redemption; provided, however, that the Bonds that remain Outstanding after any such redemption pursuant to this Section 4.01(b) shall be in authorized denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof.

Notwithstanding the above, such mandatory redemption of the Bonds in whole or in part shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a

certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such mandatory redemption of the Bonds.

C. [Mandatory Sinking Fund Redemption?]

C. Purchase In Lieu of Redemption. In lieu of redemption under Section 2.03A or 2.03B, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase, unless a greater purchase price is permitted under the Act and the District determines that it will have sufficient amounts in the Bond Fund, following such purchase, to pay Debt Service on the Bonds.

D. Notice to Fiscal Agent. The District shall give the Fiscal Agent written notice of its intention to redeem Bonds pursuant to Section 2.03A or 2.03B not less than sixty (60) days prior to the applicable redemption date, unless such notice shall be waived by the Fiscal Agent, unless the Fiscal Agent agrees to a shorter period.

E. Redemption Procedure by Fiscal Agent. The Fiscal Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, shall designate the Bond numbers of the Bonds to be redeemed by giving the individual Bond number of each Bond to be redeemed or shall state that all Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption, shall state as to any Bond called in part the principal amount thereof to be redeemed, and shall require that such Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such Bonds will not accrue from and after the redemption date. The cost of mailing any such redemption notice and any expenses incurred by the Fiscal Agent in connection therewith shall be paid by the District.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the Bond number

identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Whenever provision is made in this Agreement for the redemption of less than all of the Bonds or any given portion thereof, the Fiscal Agent shall select the Bonds to be redeemed, from all Bonds or such given portion thereof not previously called for redemption, among maturities as specified by the District in a written certificate delivered to the Fiscal Agent, and by lot within a maturity in any manner which the District in its sole discretion shall deem appropriate and fair. In providing such certificate, the District shall provide for the redemption of Bonds such that the remaining Debt Service payable on the Bonds shall remain level as possible.

Upon surrender of Bonds redeemed in part only, the District shall execute and the Fiscal Agent shall authenticate and deliver to the registered Owner, at the expense of the District, a new Bond or Bonds, of the same Series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

F. Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds so called for redemption shall have been deposited in the Bond Fund, such Bonds so called shall cease to be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice.

All Bonds redeemed and purchased by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Bonds and, upon written request of the District, issue a certificate of destruction thereof to the District.

Section 2.04. **Form of Bonds.** The Bonds, the form of Fiscal Agent's certificate of authentication and the form of assignment, to appear thereon, shall be substantially in the forms, respectively, set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, the Resolution, and the Act. The Bonds of any other Series and the form of the certificate of authentication and assignment to appear thereon shall be in such form or forms as may be specified in the Supplemental Agreement creating such Series of Bonds.

Section 2.05. **Execution of Bonds.** The Bonds shall be executed on behalf of the District by the manual or facsimile signatures of the Mayor and City Clerk, who are in office on the date of adoption of this Agreement or at any time thereafter. The Bonds shall then be delivered to the Trustee for authentication. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Owner. Any Bond may be signed and attested on behalf of the District by such persons as at the actual date of the execution of such Bond shall be the proper officers of the District although at the nominal date of such Bond any such person shall not have been such officer of the District.

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

**Section 2.06. Transfer of Bonds.** Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

No transfers of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

**Section 2.07. Exchange of Bonds.** Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

**Section 2.08. Bond Register.** The Fiscal Agent will keep or cause to be kept, at its Principal Office sufficient books for the registration and transfer of the Bonds which books shall show the number, date, amount, rate of interest and last known Owner of each Bond and shall at all times be open to inspection by the District or the City during regular business hours upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided.

The District and the Fiscal Agent will treat the Owner of any Bond whose name appears on the Bond register as the absolute Owner of such Bond for any and all purposes, and the

District and the Fiscal Agent shall not be affected by any notice to the contrary. The District and the Fiscal Agent may rely on the address of the Bond Owner as it appears in the Bond register for any and all purposes.

**Section 2.09. Temporary Bonds.** The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such authorized denominations as may be determined by the District, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the District upon the same conditions and in substantially the same manner as the definitive Bonds. If the District issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Fiscal Agent or at such other location as the Fiscal Agent shall designate, and the Fiscal Agent 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 Agreement as definitive Bonds authenticated and delivered hereunder.

**Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen.** If any Bond shall become mutilated, the District, at the expense of the Owner of said Bond, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent shall be canceled by it and destroyed by the Fiscal Agent, who shall deliver a certificate of destruction thereof to the District. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Fiscal Agent and, if such evidence be satisfactory to it and indemnity for the District and the Fiscal Agent satisfactory to the Fiscal Agent shall be given, the District, at the expense of the Owner, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The District may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section and of the expenses which may be incurred by the District and the Fiscal Agent for the preparation, execution, authentication and delivery. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Agreement with all other Bonds issued pursuant to this Agreement.

**Section 2.11. Type and Nature of the Bonds; Limited Obligation.** Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof other than the District is pledged to the payment of the Bonds. Except for the Special Taxes, no other taxes are pledged to the payment of the Bonds. The Bonds are not general or special obligations of the City nor general obligations of the District but are limited obligations of the District payable solely from Net Special Tax Revenues. The District's limited obligation to pay the principal of, premium, if any, and interest on the Bonds from the Net Special Tax Revenues is absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever. No Owner of the Bonds may compel the exercise

of the taxing power by the District (except as it pertains to the Special Taxes) or the City or the forfeiture of any of their property. The principal of and interest on the Bonds and premiums upon the redemption thereof, if any, are not a debt of the City, the State of California or any of its political subdivisions except the District within the meaning of any constitutional or statutory limitation or restriction. The Bonds are not a legal or equitable pledge, charge, lien, or encumbrance upon any of the District's property, or upon any of its income, receipts or revenues, except the Net Special Tax Revenues and amounts on deposit in the Special Tax Fund and the Bond Fund to the extent pledged hereunder which are, under the terms of this Agreement and the Act, set aside for the payment of the Bonds and interest thereon and neither the members of the legislative body of the District nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

**Section 2.12. Equality of Bonds and Pledge of Net Special Tax Revenues.** Pursuant to the Act and this Agreement, the Bonds shall be equally payable from the Net Special Tax Revenues and other amounts in the Special Tax Fund without priority for number, date of the Bonds, date of sale, date of execution, or date of delivery, and the payment of the interest on and principal of the Bonds and any premiums upon the redemption thereof, shall be exclusively paid from the Net Special Tax Revenues and other certain other amounts in the Special Tax Fund, which are hereby set aside for the payment of the Bonds. Amounts in the Special Tax Fund shall constitute a trust fund held for the benefit of the Owners to be applied to the payment of the interest on and principal of the Bonds and so long as any of the Bonds or interest thereon remain Outstanding shall not be used for any other purpose, except as permitted by this Agreement.

Nothing in this Fiscal Agent Agreement shall preclude, subject to the limitations contained hereunder, the redemption prior to maturity of any Bonds subject to call and redemption and payment of said Bonds from proceeds of refunding bonds issued under the Act as the same now exists or as hereafter amended, or under any other law of the State of California, which shall be payable from Net Special Tax Revenues.

**Section 2.13. Description of Bonds; Interest Rates.** The Bonds and any Parity Bonds shall be issued in fully registered form in any denomination. The Bonds and any Parity Bonds of each issue shall be numbered as desired by the Fiscal Agent.

**Section 2.14. No Acceleration.** The principal of the Bonds shall not be subject to acceleration hereunder. Nothing in this Section shall in any way prohibit the prepayment or redemption of Bonds under Section 2.03 hereof, or the defeasance of the Bonds and discharge of this Agreement under Section 10.01 hereof.

**Section 2.15. Additional Bonds.** Other than for the purpose of refunding the Bonds, no additional Bonds entitled to a lien on the Net Special Tax Revenues shall be issued hereunder.

**Section 2.16. Validity of the Bonds.** The validity of the authorization and issuance of the Bonds shall not be affected in any way by any defect in any proceedings taken by the District for the issuance and sale of the Bonds and the recital contained in the Bonds that the same are issued pursuant to the Act and other applicable laws of the State shall be conclusive evidence of their validity and the regularity of their issuance.

ARTICLE III

ISSUANCE OF BONDS

Section 3.01. **Issuance and Delivery of the Bonds.** At any time after the execution of this Agreement, the District may issue the Bonds in the aggregate principal amount set forth in Section 2.01 and deliver the Bonds to the Original Purchaser. The Authorized Officers of the District are hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the Bonds in accordance with the provisions of the Act, the Resolution of Issuance and this Agreement and to do and cause to be done any and all acts and things necessary or convenient for delivery of the Bonds to the Original Purchaser, upon payment of the purchase price for the Bonds.

Section 3.02. **Application of Proceeds of Sale of the Bonds and Transfers from the Prior Special Tax Bonds.** The proceeds of the purchase of the Bonds by the Original Purchaser (equal to the par amount of \$\_\_\_\_\_.00) shall be paid to the Fiscal Agent, who shall forthwith set aside, pay over and transfer such proceeds on the Closing Date as follows:

A. \$\_\_\_\_\_ shall be transferred to the Escrow Agent for deposit into the Escrow Fund held by the Escrow Agent under the Escrow Agreement;

B. \$\_\_\_\_\_ shall be deposited into the Reserve Fund, equal to the Reserve Requirement; and

C. \$\_\_\_\_\_ shall be transferred to the Authority Trustee for deposit into the Costs of Issuance Fund held under the Authority Indenture.

**Section 3.03. Special Tax Fund.**

A. Establishment of Special Tax Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the "Special Tax Fund," to the credit of which the District or the City, on behalf of the District, shall deposit, immediately upon receipt, all Special Tax Revenue received by the District or the City, on behalf of the District. Moneys in the Special Tax Fund, other than Penalties and Interest, shall be held by the Fiscal Agent for the benefit of the District and the Owners of the Bonds, shall be disbursed as provided below and, pending any disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

B. Disbursements of Special Tax Revenues. The Special Tax Revenues deposited in the Special Tax Fund shall be held and, other than Special Tax Revenues representing Prepayments, subsequently transferred to the following funds and accounts not later than the dates and in the amounts set forth in the following paragraphs and in the following order of priority:

1. to the District for deposit in Administrative Expense Fund an amount equal to the Priority Administrative Expense Amount estimated to be due and payable during the Fiscal Year;

2. not later than ten (10) Business Days prior to each Interest Payment Date, to the Bond Fund:

a. the amount representing past due installments of principal, interest and premium on the Bonds (including any interest thereon pursuant to the second sentence of the second paragraph of Section 4.02B), if any, resulting from the delinquency in the payment of such Special Taxes; and

b. an amount, taking into account any amounts then on deposit in the Bond Fund (other than by reason of the preceding paragraph a.) such that the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds on the next Interest Payment Date;

3. no later than ten (10) Business Days prior to each Interest Payment Date, to the Reserve Fund that amount, in addition to the amount transferred to the Bond Fund pursuant to paragraph 2. above, necessary to replenish any draw on the Reserve Fund resulting from the delinquency in the payment of scheduled debt service on the Bonds ;

4. on September 2 of each year after making the deposits and transfers required under paragraphs 1 and 2 above and the transfer, if any, authorized under paragraph 3 above, upon receipt of written instructions from an Authorized Officer on or before the preceding June 30, to the Authority Trustee the amount specified in such written instructions necessary for the payment of the Proportionate Share of any rebate amount due and owing to the United States of America by the Authority on the Authority Bonds;

5. on September 2 of each year after making the deposits and transfers required under paragraphs 1 through 4 above, upon receipt of written instructions from an Authorized Officer, to the District for deposit in the Administrative Expense Fund the amount specified in such written instructions necessary for payment of the estimated Administrative Expenses projected to be due and payable in the next Fiscal Year, reimbursement of any Administrative Expenses incurred during the Fiscal Year ending on such June 30 or the establishment or replenishment of a reasonable operating reserve within the Administrative Expense Fund and not included in any prior transfer made pursuant to paragraph 1 and 4 above; and

6. after September 2 of each year, after making the deposits and transfers made pursuant to paragraphs 1 through 5 above, monies then on deposit in the Special Tax Fund shall remain therein and shall be subsequently deposited or transferred pursuant to the provisions of paragraphs 1 through 5 above.

C. Transfer of Prepayments. Amounts constituting Prepayments shall be transferred by the Treasurer to the Fiscal Agent, and placed by the Fiscal Agent in a segregated account within the Bond Fund designated as "Prepayment Account" and used to redeem Bonds pursuant to paragraph 2 of Section 2.03B. Any such transfer of Prepayments shall be accompanied by written instructions executed by the Treasurer or an Authorized Officer directing the Fiscal Agent to place such Prepayments in the Prepayment Account.

D. Penalties and Interest. Amounts constituting Penalties and Interest shall be transferred by the Treasurer to the Fiscal Agent, and placed by the Fiscal Agent in a segregated account within the Special Tax Fund designated as "Penalties and Interest Account." The moneys on deposit in the Penalties and Interest Account shall be held and subsequently transferred, upon receipt of written instructions contained in an Officer's Certificate, to the following funds and accounts not later than the dates and in the amounts set forth in the following paragraphs and in the following order of priority:

1. to the Administrative Expense Fund that amount as specified in such written instructions necessary for payment of the estimated Administrative Expenses projected to be due and payable in the next Fiscal Year, reimbursement of any Administrative Expenses incurred during the Fiscal Year ending on such June 30 or establishment or replenishment of a reasonable operating reserve within the Administrative Expense Fund not included in any prior transfer made pursuant to paragraphs 3 or 6 of subsection B above;

2. to the Bond Fund that amount as specified in such Officer's Certificate for the payment of debt service on the Bonds; or

3. to such other fund or account as specified in such Officer's Certificate for any authorized purpose of the District.

E. Investment. Moneys in the Special Tax Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit shall be retained in the Special Tax Fund to be used for the purposes thereof.

**Section 3.04. Administrative Expense Fund.**

A. Establishment of Administrative Expense Fund. There is hereby established, as a separate account to be held by the District, the “Administrative Expense Fund” to the credit of which transfers from the Fiscal Agent shall be made to the District as required by Sections 3.02D, 3.03B or 3.03D hereof. Moneys in the Administrative Expense Fund shall be held in trust by the District for the benefit of the City, the District and the Authority, and shall be disbursed as provided below.

B. Disbursement. Amounts in the Administrative Expense Fund shall be withdrawn by the District and paid to the payee specified in an Officer’s Certificate stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense and the nature of such expense. Amounts on deposit in the Administrative Expense Fund at the end of any Fiscal Year shall be retained in such fund as an operating reserve and shall be disbursed as provided for in this paragraph B.

C. Investment. Moneys in the Administrative Expense Fund shall be invested and deposited in accordance with Section 6.01 hereof. Investment Earnings shall be retained by the District in the Administrative Expense Fund to be used for the purposes of such fund.

**ARTICLE IV**

**NET SPECIAL TAX REVENUES; BOND FUND**

Section 4.01. **Pledge of Net Special Tax Revenues.** The Bonds shall be secured by a first pledge (which pledge shall be effected in the manner and to the extent herein provided) of all of the Net Special Tax Revenues and all moneys deposited in the Bond Fund and, until disbursed as provided herein, in the Special Tax Fund, except for moneys on deposit in the the Penalties and Interest Account. The Net Special Tax Revenues and all moneys deposited into said funds (except as otherwise provided herein) are hereby dedicated to the payment of the principal of, and interest and any premium on, the Bonds as provided herein and in the Act until all of the Bonds have been paid and retired or until moneys or Defeasance Obligations have been set aside irrevocably for that purpose in accordance with Section 10.01.

**Section 4.02. Bond Fund.**

A. Establishment of Bond Fund. There is hereby established as a separate fund to be held by the Fiscal Agent for the “Bond Fund” and, within the Bond Fund, the “Prepayment Account” to the credit of which deposits shall be made as required by paragraph 2 of Section 3.03B. and by Section 3.03C., and any other amounts required to be deposited therein by this Agreement or the Act. In addition to the foregoing deposits, the Fiscal Agent shall also deposit amount received from the Authority Trustee transferred to the Fiscal Agent pursuant to Section 5.05 of the Authority Indenture. Moneys in the Bond Fund shall be held by the Fiscal Agent for the benefit of the Owners of the Bonds, shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

B. Disbursements. On each Interest Payment Date, the Fiscal Agent shall withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, then due and payable on the Bonds, including any amounts due under Section 2.03A. hereof; provided, however, that available amounts in the Bond Fund shall first be used to pay to the Owners of the Bonds any past due installments of interest, principal (including mandatory sinking payments) of and premium, if any, on the Bonds, in that order. Amounts transferred to the Bond Fund from the Special Tax Fund pursuant to paragraph 2.a. of Section 3.03B. shall immediately be paid to the Owners of the Bonds in respect of past due payments on the Bonds, and amounts transferred to the Prepayment Account pursuant to Section 3.03C. shall be used to redeem Bonds pursuant to Section 2.03B.

If after the foregoing transfers, there are insufficient funds in the Bond Fund to make the payments provided for in the first sentence of this Section 4.02B., the Fiscal Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal and any mandatory sinking payments due on the Bonds. Any installment of principal (including mandatory sinking payments), premium, if any, or interest on the Bonds which is not paid when due shall accrue interest at the rate of interest on the Bonds until paid, and shall be paid whenever funds in the Bond Fund are sufficient therefor.

If at any time the Fiscal Agent fails to pay principal and interest due on any scheduled payment date for the Bonds, the Fiscal Agent shall notify the District and the Treasurer in writing of such failure, and the Treasurer shall notify the California Debt Advisory Commission of such failure within 10 days of the failure to make such payment, as required by Section 53359(c)(1) of the Act.

C. Investment. Moneys in the Bond Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from the investment and deposit of amounts in the Bond Fund shall be retained in the Bond Fund.

#### Section 4.03. **Reserve Fund.**

A. Establishment of Reserve Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the "Reserve Fund," to the credit of which a deposit shall be made as required by Section 3.02B. hereof. Moneys in the Reserve Fund shall be held by the Fiscal Agent for the benefit of the Bondowners and shall be disbursed as provided in Section 4.03B below.

B. Procedure for Disbursement. Moneys on deposit in the Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the Bonds as such amounts shall become due and payable in the event that the moneys in the Special Tax Fund and the Bond Fund for such purpose are insufficient therefor or redeeming Bonds as described below. The Fiscal Agent shall, when and to the extent necessary, withdraw money from the Reserve Fund and transfer such money to the Bond Fund or the Redemption Fund for such purpose.

On any date after either the transfers, if any, required by the preceding paragraph have been made for any Bond Year or the valuation of the Permitted Investments in the Reserve Fund pursuant to Section 6.01 below, if the amount on deposit in the Reserve Fund is less than the

Reserve Requirement, the Fiscal Agent shall transfer to the Reserve Fund from the first available monies in the Special Tax Fund an amount necessary to increase the balance therein to the Reserve Requirement. If at least ten (10) Business Days prior to each Interest Payment Date of each year, the amount on deposit in the Reserve Fund is in excess of the Reserve Requirement, the Fiscal Agent shall transfer such excess to the Bond Fund. In connection with any optional redemption of Bonds pursuant to Section 2.03A., amounts on deposit in the Reserve Fund which would be in excess of the Reserve Requirement following such redemption shall be transferred to the Redemption Fund or the Bond Fund, as applicable, prior to such redemption and applied to such redemption of Bonds pursuant to written instructions of the District contained in an Officer's Correspondence.

Upon receipt of an Officer's Correspondence instructing the Fiscal Agent to transfer certain moneys representing a Reserve Fund credit for a Prepayment pursuant to the RMA , the Fiscal Agent shall transfer the amount specified in such instructions from the Reserve Fund to the Redemption Fund for the purpose of redeeming Bonds pursuant to such instructions.

Whenever the balance in the Reserve Fund and the Bond Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Fiscal Agent shall transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding interest payment date, to the payment and redemption, in accordance with Section 2.03A of all of the Outstanding Bonds. In the event that the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund shall be transferred to the District to be used for any lawful purpose of the District as set forth in the Act.

C. Investment. Moneys in the Reserve Fund shall be invested and deposited by the Fiscal Agent in accordance with Section 6.01 hereof. Interest earnings and profits from such investment and deposit shall be retained in the Reserve Fund to be used for the purposes of such fund. All Authorized Investments in the Reserve Fund shall be valued at their cost at least semi-annually on February 1 and August 1 so long as at least 25% of the moneys in the Reserve Fund are invested for a period not to exceed two (2) years in length.

## ARTICLE V

### OTHER COVENANTS OF THE DISTRICT

Section 5.01. **Warranty.** The District shall preserve and protect the security pledged hereunder to the Bonds against all claims and demands of all persons.

Section 5.02. **Covenants.** So long as any of the Bonds issued hereunder are Outstanding and unpaid, the District makes the covenants set forth herein below in this Article V with the Bondowners under the provisions of the Act and this Fiscal Agent Agreement (to be performed by the District or the City, acting for and on behalf of the District, or its proper officers, agents and employees), which are covenants necessary and desirable to secure the Bonds and tend to make the Bonds more marketable; provided, however, that such covenants do not require the District to expend any funds or moneys other than the Net Special Tax Revenues.

Section 5.03. **Punctual Payment.** The District shall punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of this Agreement and any Supplemental Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement and all Supplemental Agreements and of the Bonds.

Section 5.04. **Limited Obligation.** The Bonds are limited obligations of the District and are payable solely from and secured solely by the Net Special Tax Revenues and the amounts in the Bond Fund and the Special Tax Fund created hereunder.

Section 5.05. **Payment of Claims.** The District will pay and discharge any and all lawful claims for labor, materials, or supplies which, if unpaid, might become a lien or charge upon the Special Tax Revenues or which might otherwise impair the security of the Bonds then Outstanding; provided that nothing herein contained shall require the District to make any such payments so long as the District in good faith shall contest the validity of any such claims.

Section 5.06. **Extension of Time for Payment.** In order to prevent any accumulation of claims for interest after maturity, the District shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the District, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have so extended or funded.

Section 5.07. **Against Encumbrances.** The District will not encumber, pledge or place any charge or lien upon any of the Net Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by this Agreement.

Section 5.08. **Books and Records.** The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Bond Fund and the Special Tax Fund and relating to the Special Tax Revenues.

Section 5.09. **Protection of Security and Rights of Owners.** The District will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the District, the Bonds shall be incontestable by the District.

Section 5.10. **Collection of Special Tax Revenues.** The District shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

On or about July 10 of each year, the Treasurer shall communicate with the Auditor to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The Treasurer shall effect the levy of the Special Taxes each Fiscal Year on the parcels within the District in accordance with the Ordinance, such that the computation of the levy is complete before the final date on which the Auditor will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next secured tax roll. Upon the completion of the computation of the amounts of the levy, the Treasurer shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next secured tax roll. The Special Taxes so levied shall be payable and be collected in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property, unless otherwise provided by the District.

In the event that the Treasurer determines to levy all or a portion of the Special Taxes by means of direct billing of the property owners of the parcels within the District, the Treasurer shall, not less than forty-five (45) days prior to each Interest Payment Date, send bills to the owners of such real property located within the District subject to the levy of the Special Taxes for Special Taxes in an aggregate amount necessary to meet the financial obligations of the District with respect to the District due on the next Interest Payment Date, said bills to specify that the amounts so levied shall be due and payable not less than thirty (30) days prior to such Interest Payment Date and shall be delinquent if not paid when due.

In any event, the Treasurer shall fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on any Outstanding Bonds becoming due and payable during the ensuing year, an amount necessary to replenish the Reserve Fund pursuant to Section 3.03B.3. and an amount estimated to be sufficient to pay the Administrative Expenses during such year, all in accordance with the RMA and the Ordinance. The Special Taxes so levied shall not exceed the authorized amounts as provided in the proceedings pursuant to the Resolution of Formation.

The Treasurer is hereby authorized to employ consultants to assist in computing the levy of the Special Taxes hereunder and any reconciliation of amounts levied to amounts received. The fees and expenses of such consultants and the costs and expenses of the Treasurer (including a charge for City or District staff time) in conducting its duties hereunder shall be an Administrative Expense hereunder.

Section 5.11. **Further Assurances.** The District shall adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Agreement.

Section 5.12. **Tax Covenants.** The District shall not take, or permit or suffer to be taken by the Fiscal Agent 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 any of the Authority Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code or to be "private activity bonds" within the meaning of Section 141 of the Tax Code.

The District agrees to furnish all information to, and cooperate fully with, the Authority, the Trustee and their respective officers, employees, agents and attorneys, in order to assure compliance with the provisions of Section 6.07 of the Authority Indenture. In the event that the Authority shall notify the District that the Authority has determined, pursuant to Section 6.07 of the Authority Indenture, that any amounts are due and payable to the United States of America thereunder and that neither the Authority nor the Authority Trustee has on deposit an amount of available moneys to make such payment, the District shall promptly direct the Fiscal Agent pay to the Authority Trustee from available Net Special Tax Revenues the Proportionate Share of the amounts determined by the Authority to be due and payable to the United States of America.

Section 5.13. **Covenant to Foreclose.** On or before June 1 of each Fiscal year, the District will review the public records of the County in connection with the Special Taxes levied in such Fiscal Year to determine the amount of Special Taxes actually collected in such Fiscal Year. If the District determines that any parcel subject to the Special Taxes is delinquent in the payment of two or more installments of Special Taxes and the aggregate amount of such delinquent Special Taxes exceeds \$5,000, the City shall, not later than forty-five (45) days of such determination, send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner. The City shall cause judicial foreclosure proceedings to be commenced and filed in the Superior Court not later than ninety (90) days of such determination against any parcel for which a notice of delinquency was given pursuant to this section and for which the Special Taxes remain delinquent.

The City Attorney is hereby authorized to employ counsel to conduct any such foreclosure proceedings. The fees and expenses of any such counsel and costs and expenses of the City Attorney (including a charge for City or District staff time) in conducting foreclosure proceedings shall be an Administrative Expense hereunder.

Notwithstanding any provision of the Act or other law of the State to the contrary, in connection with any foreclosure related to delinquent Special Taxes:

A. The City, is hereby expressly authorized to credit bid at any foreclosure sale, without any requirement that funds be placed in the Bond Fund or otherwise be set aside in the amount of such credit bid, in the amount specified in Section 53356.5 of the Act or such lesser amount as determined under B. below or otherwise under Section 53356.6 of the Act.

B. The City may permit property with delinquent Special Tax payments to be sold for less than the amount specified in Section 53356.5 of the Act, if it determines that such sale is in the interest of the Bond Owners. The Bond Owners, by their acceptance of the Bonds, hereby consent to such sale for such lesser amounts (as such consent is described in Section 53356.6 of

the Act), and hereby release the City, its officers and its agents from any liability in connection therewith.

C. The City is hereby expressly authorized to use amounts in the Administrative Expense Fund to pay costs of foreclosure of delinquent Special Taxes.

D. The City may forgive all or any portion of the Special Taxes levied or to be levied on any parcel in the District, so long as the City determines that such forgiveness is not expected to adversely affect its obligation to pay principal of and interest on the Bonds.

**Section 5.14. Annual Reports to CDIAC.** Not later than October 30 of each year, commencing October 30, 2016, and until the October 30 following the final maturity of the Bonds, the Treasurer shall supply the information required by Section 53359.5(b) or (c) of the Act to CDIAC (on such forms as CDIAC may specify) and the District.

**Section 5.15. Continuing Disclosure to Authority Original Purchaser.** On or before each March 31 of each year, the District shall provide to the Authority Original Purchaser copies of the audited financial statements, along with the following information: (a) the amount of Bonds outstanding (as of the prior [Bond Year/Fiscal Year]); (b) the balance in each fund administered by the Fiscal Agent Agreement (as of the prior [Bond Year/Fiscal Year]); (c) a summary of special taxes levied within the Community Facilities District and an update of the assessed value within the Community Facilities District (as of the prior Fiscal Year); (d) a summary of any changes to the RMA of special taxes approved or submitted to the electors for approval prior to the annual report; (e) the status of foreclosure action being pursued by the District with respect to special taxes; (f) the delinquency rate for the special taxes for the preceding fiscal year and the identity of any property owner whose delinquent special taxes represented more than 5% of the amount levied and assessed value to lien ratios of such delinquent properties; (g) any additional information provided to CDIAC pursuant to this Agreement and not otherwise provided to the Authority Original Purchaser. The District shall further provide to the Authority Original Purchaser: (a) within three (3) Business Days after the District obtains knowledge thereof, notice by telephone, promptly confirmed in writing, of any event that constitutes an Event of Default under the Indenture or this Agreement, as applicable, together with a statement by an Authorized Representative of the District of the steps being taken by the District to cure such Event of Default; (b) within ten (10) days after the District obtains knowledge thereof, written notice of any Material Adverse Effect; and (c) within ten (10) days after receipt of request therefor by the Authority Original Purchaser, updates, if any, of the information described in Section 5.14.

**Section 5.16. Public Access to Facilities.** The City and the District shall provide or cause to be provided access to members of the general public to all portions of the Project financed with the proceeds of the Prior Special Tax Bonds. Said access shall not grant priority to any one person over that of another person, and shall be subject to any applicable City ordinance, rule or regulation.

**Section 5.17. Modification of Maximum Authorized Special Tax.** The District, to the maximum extent that the law permits it to do so, covenants that no modification of the minimum or maximum authorized Special Tax shall be approved by the District nor shall the District take

any other action which would (i) prohibit the District from levying the Special Tax within the District in any Fiscal Year at such a rate as would generate Net Special Tax Revenues in such Fiscal Year at least equal to 110% of Annual Debt Service on all Bonds then Outstanding; (ii) discontinue or cause the discontinuance of such levy; or (iii) permit the prepayment of the Special Tax except as permitted pursuant to the RMA.

Section 5.18. **Covenant to Defend.** The District covenants, in the event that any initiative is adopted by the qualified electors in the District which purports to reduce the minimum or the maximum Special Tax below the levels specified in Section 5.17 above or to limit the power of the District to levy the Special Taxes within the District for the purposes set forth in Section 5.10 above, it will commence and pursue legal action in order to preserve its ability to comply with such covenants.

## ARTICLE VI

### INVESTMENTS; DISPOSITION OF INVESTMENT PROCEEDS; LIABILITY OF THE DISTRICT

Section 6.01. **Deposit and Investment of Moneys in Funds.** Moneys in any fund or account created or established by this Agreement and held by the Fiscal Agent shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Fiscal Agent shall invest any such moneys in Permitted Investments described in clause B(5) of the definition thereof, to the extent practicable which by their terms mature prior to the date on which such moneys are required to be paid out hereunder, or are held uninvested; provided however, that any such investment shall be made by the Fiscal Agent only if, prior to the date on which such investment is to be made, the Fiscal Agent shall have received a written direction from the District specifying a specific money market fund and, if no such written direction from the District is so received, the Fiscal Agent shall hold such moneys uninvested. The Treasurer shall make note of any investment of funds hereunder in excess of the yield on the Bonds, so that appropriate actions can be taken to assure compliance with Section 5.10.

In the event of any transfer by the Authority Trustee from the Residual Account thereof pursuant to Section 5.02(e) of the Authority Indenture for deposit in the Bond Fund pursuant to 4.02A., all moneys on deposit in the Special Tax Fund and the Bond Fund shall be held in cash or invested in Permitted Investments constituting cash equivalents until the payment of the principal of and interest on the Bonds on the September 1 Interest Payment Date following such transfer.

Moneys in any fund or account created or established by this Agreement and held by the Treasurer shall be invested by the Treasurer in Permitted Investments, which in any event by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of this Agreement for transfer of

interest earnings and profits resulting from investment of amounts in funds and accounts. Whenever in this Agreement any moneys are required to be transferred by the District to the Fiscal Agent, such transfer may be accomplished by transferring a like amount of Permitted Investments.

The Fiscal Agent or an affiliate or the Treasurer may act as principal or agent in the acquisition or disposition of any investment and shall be entitled to its customary fee therefor. Neither the Fiscal Agent nor the Treasurer shall incur any liability for losses arising from any investments made pursuant to this Section. For purposes of determining the amount on deposit in any fund or account held hereunder, all Permitted Investments or investments credited to such fund or account shall be valued as provided for in Exhibit B attached hereto.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Agreement, 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 Agreement or the Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under the applicable provisions of the Code shall be valued at their present value (within the meaning of section 148 of the Code). The Fiscal Agent shall not be liable for verification of the application of such sections of the Code.

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent or the Treasurer hereunder, provided that the Fiscal Agent or the Treasurer, as applicable, shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Agreement.

The Fiscal Agent or the Treasurer, as applicable, shall sell at the highest price reasonably obtainable, or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Fiscal Agent nor the Treasurer shall be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

**Section 6.02. Limited Obligation.** The District's obligations hereunder are limited obligations of the District and are payable solely from and secured solely by the Net Special Tax Revenues and the amounts in the Special Tax Fund and the Bond Fund.

**Section 6.03. Liability of District.** The District shall not incur any responsibility in respect of the Bonds or this Agreement other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The District shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The District shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements of the Fiscal Agent herein

or of any of the documents executed by the Fiscal Agent in connection with the Bonds, or as to the existence of a default or event of default thereunder.

In the absence of bad faith, the District, including the Treasurer, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the District and conforming to the requirements of this Agreement. The District, including the Treasurer, shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the District to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Net Special Tax Revenues) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The District may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The District may consult with counsel, who may be the City Attorney, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The District shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the District 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, in the absence of willful misconduct on the part of the District, be deemed to be conclusively proved and established by a certificate of the Fiscal Agent, and such certificate shall be full warrant to the District for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the District may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

**Section 6.04. Employment of Agents by District or the City.** In order to perform their respective duties and obligations hereunder, the City, the District and/or the Treasurer may employ such persons or entities as they deem necessary or advisable. The City, the District, and/or the Treasurer shall not be liable for any of the acts or omissions of such persons or entities employed by them in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

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

A. Failure to pay any installment of principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise.

B. Failure to pay any installment of interest on any Bonds when and as the same shall become due and payable.

C. Failure by the District to observe and perform any of the other covenants, agreements, or conditions on its part in this Agreement or in the Bonds contained, if such failure shall have continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the District by the Fiscal Agent or the Owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 60-day period, such failure shall not constitute an Event of Default if corrective action is instituted by the District within such 60-day period and the District shall thereafter diligently and in good faith cure such failure in a reasonable period of time.

D. Commencement by the District of a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Section 7.02. **Remedies of Bond Owners.** Subject to the provisions of Section 7.07, any Bond Owner shall have the right, for the equal benefit and protection of all Bond Owners similarly situated:

A. by mandamus, suit, action or proceeding, to compel the City and its officers, agents or employees to perform each and every term, provision and covenant contained in this Agreement and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the City and the fulfillment of all duties imposed upon it by the Act;

B. by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bond Owners' rights; or

C. upon the happening of any Event of Default, by suit, action or proceeding in any court of competent jurisdiction, to require the City and its officers and employees to account as if it and they were the trustees of an express trust.

Section 7.03. **Application of Special Taxes and Other Funds After Default.** If an Event of Default shall occur and be continuing, all Special Taxes, including any penalties, costs, fees and other charges accruing under the Act, and any other funds then held or thereafter received by the Fiscal Agent under any of the provisions of this Agreement shall be applied by the Fiscal Agent as follows and in the following order:

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

B. To the payment of the principal of and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Agreement, 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 call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption, 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.

C. Any remaining funds shall be transferred by the Fiscal Agent to the Bond Fund.

Section 7.04. **Absolute Obligation of the District.** Nothing in Section 7.08 or in any other provision of this Agreement or in the Bonds contained shall affect or impair the obligation of the District, 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 Net Special Tax Revenues and other moneys herein pledged therefor and received by the District or the Fiscal Agent, 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 7.05. **Termination of Proceedings.** In case any proceedings taken by any one or more Bond 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 Bond Owners, then in every such case the District, and the Bond 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 City, and the Bond Owners shall continue as though no such proceedings had been taken.

Section 7.06. **Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Fiscal Agent 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 7.07. **No Waiver of Default.** No delay or omission of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Agreement to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

## ARTICLE VIII

### THE FISCAL AGENT

Section 8.01. **Appointment of Fiscal Agent.** MUFG Union Bank, N.A., is hereby appointed Fiscal Agent and paying agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Fiscal Agent.

Any company into which the Fiscal Agent 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 Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the following paragraph of this Section, shall be the successor to such Fiscal Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

The District may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Seventy-Five Million Dollars (\$75,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 8.01, combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Fiscal Agent may at any time resign by giving written notice to the District and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent.

If no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Fiscal Agent shall have given to the District written notice or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent or any Bondowner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

If, by reason of the judgment of any court, the Fiscal Agent is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Fiscal Agent hereunder shall be assumed by and vest in the Treasurer of the City in trust for the benefit of the Owners. The District covenants for the direct benefit of the Owners that the Treasurer in such case shall be vested with all of the rights and powers of the Fiscal Agent hereunder, and shall assume all of the responsibilities and perform all of the duties of the Fiscal Agent hereunder, in trust for the benefit of the Owners of the Bonds.

**Section 8.02. Liability of Fiscal Agent.** The recitals of facts, covenants, and agreements herein and in the Bonds contained shall be taken as statements, covenants, and agreements of the District, and the Fiscal Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Agreement or of the Bonds, nor shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement. Except as provided above in this paragraph, the Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of this Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements of the City or the District herein or of any of the documents executed by the City or the District in connection with the Bonds, or as to the existence of a default or event of default thereunder.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing

that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of any of the Owners pursuant to this Agreement unless such Owners shall have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Fiscal Agent may become the Owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

The Fiscal Agent will not incur liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Fiscal Agent (including but not limited to any act or provision of any present or future law or regulation or governmental authority, natural catastrophes, civil or military disturbances, loss or malfunction of utilities, any act of God or war, terrorism or the unavailability of the Federal Reserve Bank or other wire or communication facility).

The Fiscal Agent's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the Bonds. All indemnifications and releases from liability granted to the Fiscal Agent hereunder shall extend to the directors, officers, and employees of the Fiscal Agent.

In no event shall the Fiscal Agent be liable for any consequential, indirect, punitive or special damage relating to its performance of its duties under this Fiscal Agent Agreement except for damages caused by its own gross negligence or willful misconduct as finally determined in a non-appealable judgment by a court of competent jurisdiction.

**Section 8.03. Information.** The Fiscal Agent shall provide to the District such information relating to the Bonds and the funds and accounts maintained by the Fiscal Agent hereunder as the District shall reasonably request, including, but not limited to, quarterly statements reporting funds held and transactions by the Fiscal Agent. The Fiscal Agent shall furnish the District periodic cash transaction statements which include detail for all investment transactions effected by the Fiscal Agent or brokers selected by the District. Upon the District's election, such statements will be delivered via the Fiscal Agent's online service and upon electing such service, paper statements will be provided only upon request. The District waives the right to receive brokerage confirmations of security transactions effected by the Fiscal Agent as they occur, to the extent permitted by law. The District further understands that trade confirmations for securities transactions effected by the Fiscal Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker

**Section 8.04. Notice to Fiscal Agent.** The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, Bond or other paper or document believed by it to be genuine and to

have been signed or presented by the proper party or proper parties. The Fiscal Agent may consult with counsel, who may be counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Fiscal Agent shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the Fiscal Agent 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, in the absence of willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

**Section 8.05. Compensation, Indemnification.** The District shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under this Agreement, and also all reasonable expenses, charges, counsel fees, and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under this Agreement. The District further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct. The obligation of the District under this Section shall survive resignation or removal of the Fiscal Agent under this Agreement and payment of the Bonds and discharge of this Agreement, but any monetary obligation of the District arising under this Section shall be limited solely to amounts on deposit in the Local Refunding Obligation Administrative Expense Fund.

## **ARTICLE IX**

### **MODIFICATION OR AMENDMENT OF THIS AGREEMENT**

**Section 9.01. Amendments Permitted.** This Agreement and the rights and obligations of the District and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of the Owners, or with the written consent without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 9.04. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the District to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond; or (ii) permit the creation by the District of any pledge or lien upon the

Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or this Agreement), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Fiscal Agent without its written consent.

This Agreement and the rights and obligations of the District and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the District in this Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the District;

(ii) to make modifications not adversely affecting any Outstanding Bonds of the District in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting, or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the District and the Fiscal Agent may deem necessary or desirable and not inconsistent with this Agreement, and which shall not adversely affect the rights of the Owners of the Bonds;

(iv) to make such additions, deletions, or modifications as may be necessary or desirable to assure the exclusion from gross income for federal income tax purposes of interest on the Bonds.

**Section 9.02. Owners' Meetings.** The District may at any time call a meeting of the Owners. In such event the District is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

**Section 9.03. Procedure for Amendment with Written Consent of Owners.** The District and the Fiscal Agent may at any time adopt a Supplemental Agreement amending the provisions of the Bonds or of this Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by Section 9.01, to take effect when and as provided in this Section. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in this Section provided.

Such Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consent of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 9.04 and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for

which such consent is given, which proof shall be such as is permitted by Section 11.04. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the District shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required by this Section 9.03 to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the District and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

**Section 9.04. Disqualified Bonds.** Bonds owned or held for the account of the City or the District, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in this Article IX, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Article IX.

**Section 9.05. Effect of Supplemental Agreement.** From and after the time any Supplemental Agreement becomes effective pursuant to this Article IX, this Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Agreement of the District and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

**Section 9.06. Endorsement or Replacement of Bonds Issued After Amendments.** The District may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article IX shall bear a notation, by endorsement or otherwise, in form approved by the District, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Principal Office of the Fiscal Agent or at such other office as the District may select and designate for that purpose, a suitable notation shall be made on such Bond. The District may determine that new Bonds, so modified as in the opinion of the District is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of

any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 9.07. **Amendatory Endorsement of Bonds.** The provisions of this Article IX shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 9.08. **Notice Requirement.** Not less than 15 days prior to the effective date of any amendment made pursuant to this Article IX, so long as any Bonds are owned by the Authority, the District shall mail notice of the proposed amendment and the text of the proposed amendment to the Authority and the Authority Trustee.

## ARTICLE X

### DEFEASANCE

Section 10.01. **Defeasance.** If the District shall pay or cause to be paid, or there shall otherwise be paid, to the Owner of an Outstanding Bond the interest due thereon and the principal thereof, at the times and in the manner stipulated in this Agreement, then the Owner of such Bond shall cease to be entitled to the pledge of Net Special Tax Revenues, and, other than as set forth below, all covenants, agreements and other obligations of the District to the Owner of such Bond under this Agreement shall thereupon cease, terminate and become void and be discharged and satisfied. In the event of a defeasance of all Outstanding Bonds pursuant to this Section, the Fiscal Agent shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiscal Agent shall pay over or deliver to the District's general fund all money or securities held by it pursuant to this Agreement which are not required for the payment of the principal of, premium, if any, and interest due on such Bonds.

Any Outstanding Bond shall be deemed to have been paid within the meaning expressed in the first paragraph of this Section if such Bond is paid in any one or more of the following ways:

(i) by paying or causing to be paid the principal of, premium, if any, and interest on such Bond, as and when the same become due and payable;

(ii) by depositing with the Fiscal Agent, in trust, at or before maturity, money which, together with the amounts then on deposit in the Special Tax Fund and available for such purpose, is fully sufficient to pay the principal of, premium, if any, and interest on such Bond, as and when the same shall become due and payable; or

(iii) by depositing with the Fiscal Agent or another escrow bank appointed by the District, in trust, direct, noncallable Defeasance Obligations, in which the District may lawfully invest its money, in such amount as an Independent Accountant shall determine will be sufficient, together with the interest to accrue thereon and moneys then on deposit in the Special Tax Fund and available for such purpose, together with the interest to accrue thereon, to pay and

discharge the principal of, premium, if any, and interest on such Bond, as and when the same shall become due and payable;

then, at the election of the District, and notwithstanding that any Outstanding Bonds shall not have been surrendered for payment, all obligations of the District under this Agreement with respect to such Bond shall cease and terminate, except for the obligation of the Fiscal Agent to pay or cause to be paid to the Owners of any such Bond not so surrendered and paid, all sums due thereon. Notice of such election shall be filed with the Fiscal Agent not less than ten (10) days prior to the proposed defeasance date, or such shorter period of time as may be acceptable to the Fiscal Agent. In connection with a defeasance under (ii) or (iii) above, there shall be provided to the District a verification report from an Independent Accountant stating its opinion as to the sufficiency of the moneys or securities deposited with the Fiscal Agent or the escrow bank to pay and discharge the principal of, premium, if any, and interest on all Outstanding Bonds to be defeased in accordance with this Section, as and when the same shall become due and payable, and an opinion of Bond Counsel (which may rely upon the opinion of the certified public accountant) to the effect that the Bonds being defeased have been legally defeased in accordance with this Agreement.

Upon a defeasance, the Fiscal Agent, upon request of the District, shall release the rights of the Owners of such Bonds which have been defeased under this Agreement and execute and deliver to the District all such instruments as may be desirable to evidence such release, discharge and satisfaction. In the case of a defeasance hereunder of all Outstanding Bonds, after payment of any amounts then owed to the Fiscal Agent, the Fiscal Agent shall pay over or deliver to the District any funds held by the Fiscal Agent at the time of a defeasance, which are not required for the purpose of paying and discharging the principal of or interest on the Bonds when due. The Fiscal Agent shall, at the written direction of the District, mail, first class, postage prepaid, a notice to the Bondowners whose Bonds have been defeased, in the form directed by the District, stating that the defeasance has occurred.

## ARTICLE XI

### MISCELLANEOUS

Section 11.01. **Benefits of Agreement Limited to Parties.** Nothing in this Agreement, expressed or implied, is intended to give to any person other than the District, the City, the Fiscal Agent, and the Owners, any right, remedy, claim under or by reason of this Agreement. Any covenants, stipulations, promises, or agreements in this Agreement contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owners and the Fiscal Agent.

Section 11.02. **Cancellation of Bonds.** All Bonds surrendered to the Fiscal Agent for payment upon maturity or for redemption shall be upon payment therefor, and any Bond purchased by the District as authorized herein and delivered to the Fiscal Agent for such purpose shall be, cancelled forthwith and shall not be reissued. The Fiscal Agent shall destroy such Bonds, as provided by law, and furnish to the District a certificate of such destruction.

Section 11.03. **Successor is Deemed Included in All References to Predecessor.** Whenever in this Agreement or any Supplemental Agreement either the District or the Fiscal

Agent 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 Agreement contained by or on behalf of the District or the Fiscal Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.04. **Execution of Documents and Proof of Ownership by Owners.** Any request, declaration, or other instrument which this Agreement may require or permit to be executed by the Owners may be in one or more instruments of similar tenor, and shall be executed by the Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the District or the Fiscal Agent in good faith and in accordance therewith.

Section 11.05. **Waiver of Personal Liability.** No member, officer, agent or employee of the District or the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 11.06. **Notices to and Demands on District and Fiscal Agent.** Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the Fiscal Agent to or on the District may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the District with the Fiscal Agent) as follows:

City of Rancho Cucamonga Community Facilities District No.  
2006-02 (Amador on Route 66)  
c/o City of Rancho Cucamonga  
10500 Civic Center Drive  
Rancho Cucamonga, California 91730  
Attention: City Manager

Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the District to or on the Fiscal Agent may be given or served by being delivered or sent by facsimile, electronic transmission, overnight mail, courier or personal

delivery or by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the Fiscal Agent with the District) as follows:

MUFG Union Bank, N.A.  
 120 South Pedro Street, 4th Floor  
 Los Angeles, California 90012  
 Attention: Corporate Trust Department  
 Fax: (213) 972-5694  
 Email: AccountAdministration-CorporateTrust@unionbank.com  
 and CashControlGroup-LosAngeles@unionbank.com

Section 11.07. **Partial Invalidity.** If any Section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The District hereby declares that it would have adopted this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable.

Section 11.08. **Unclaimed Moneys.** Anything contained herein to the contrary notwithstanding, any moneys held by the Fiscal Agent for the payment and discharge of the principal of, and the interest and any premium on, the Bonds which remains unclaimed for two (2) years after the date when the payments of such principal, interest and premium have become payable, if such moneys were held by the Fiscal Agent at such date, shall be repaid by the Fiscal Agent to the District as its absolute property free from any trust, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the District for the payment of the principal of, and interest and any premium on, such Bonds.

Section 11.09. **Provisions Constitute Contract.** The provisions of this Agreement shall constitute a contract between the District and the Bondowners and the provisions hereof shall be construed in accordance with the laws of the State of California.

In case any suit, action, or proceeding to enforce any right or exercise any remedy shall be brought or taken and, should said suit, action, or proceeding be abandoned, or be determined adversely to the Bondowners or the Fiscal Agent, then the District, the Fiscal Agent, and the Bondowners shall be restored to their former positions rights and remedies as if such suit, action, or proceeding had not been brought or taken.

After the issuance and delivery of the Bonds this Agreement shall be irrevocable, but shall be subject to modifications to the extent and in the manner provided in this Agreement, but to no greater extent and in no other manner.

Section 11.10. **Future Contracts.** Nothing herein contained shall be deemed to restrict or prohibit the District from making contracts or creating bonded or other indebtedness payable from a pledge of the Net Special Tax Revenues which is subordinate to the pledge hereunder, or which is payable from taxes or any source other than the Net Special Tax Revenues and other amounts pledged hereunder.

Section 11.11. **Further Assurances.** The District will adopt, make, execute, and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Agreement.

Section 11.12. **Applicable Law.** This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 11.13. **Conflict with Act.** In the event of a conflict between any provision of this Agreement with any provision of the Act as in effect on the Closing Date, the provision of the Act shall prevail over the conflicting provision of this Agreement.

Section 11.14. **Conclusive Evidence of Regularity.** Bonds issued pursuant to this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 11.15. **Payment on Business Day.** In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Agreement is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period after such date.

Section 11.16. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the District has caused this Agreement pertaining to the Community Facilities District No. 2006-02 (Amador on Route 66) Special Tax Refunding Bonds, Series 2015 to be executed in its name and the Fiscal Agent has caused this Agreement to be executed in its name, all as July 1, 2015.

CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO.  
2006-02 (AMADOR ON ROUTE 66)

By: \_\_\_\_\_  
City Manager

MUFG UNION BANK, N.A., as Fiscal Agent

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**  
**FORM OF BOND**

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF CALIFORNIA  
COUNTY OF SAN BERNARDINO  
CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO. 2006-02  
(AMADOR ON ROUTE 66)  
SPECIAL TAX REFUNDING BONDS, SERIES 2015

**INTEREST RATE**

**MATURITY DATE**

**DATED DATE**

September 1, \_\_\_\_\_

July \_\_, 2015

**REGISTERED OWNER:**

MUFG UNION BANK, N.A.,  
on behalf of the Rancho Cucamonga Public Finance  
Authority

**PRINCIPAL AMOUNT:**

**DOLLARS**

The City of Rancho Cucamonga (the "City") for and on behalf of the City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66) (the "District"), for value received, hereby promises to pay solely from Net Special Tax Revenues (as defined in the Agreement) to be collected within the District or amounts in the funds and accounts held under the Agreement (as hereinafter defined), to the registered owner (the "Owner") named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount from the Dated Date, or from the most recent interest payment date to which interest has been paid or duly provided for, semiannually five (5) days prior to each September 1 and March 1, commencing March 1, 2016 (each an "Interest Payment Date"), at the interest rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the registered Owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the office of MUFG Union Bank, N.A. (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed five (5) days preceding each Interest Payment Date to the registered Owner hereof as of the close of business on the 15th day of the month preceding the month in which the interest payment date occurs (the "Record Date") at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent.

This Bond is one of a duly authorized issue of bonds in the aggregate principal amount of \$\_\_\_\_\_ pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Sections 63311, et seq., of the California Government Code (the "Mello-Roos Act") and designated the City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66) Special Tax Refunding Bonds, Series 2015. The Bonds have been issued for the purpose of refunding the City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66) 2007 Special Tax Bonds (the "Prior Special Tax Bonds"). The issuance of the Bonds and the terms and conditions thereof are provided for by the Fiscal Agent Agreement, dated as of July 1, 2015 (the "Agreement"), by and between the City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66) and the Fiscal Agent and this reference incorporates the Agreement herein, and by acceptance hereof the Owner of this Bond assents to said terms and conditions.

Pursuant to the Mello-Roos Act and the Agreement, the principal of and interest on this Bond are payable solely from Net Special Tax Revenues of the annual special tax authorized under the Mello-Roos Act to be collected within the District (the "Special Tax") and certain funds held under the Agreement.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication; or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the City, as may be permitted by law. The Bonds do not constitute obligations of the City of Rancho Cucamonga for which said City is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described hereinabove. The District has covenanted for the benefit of the Owners of the Bonds that it will order, and cause to be commenced as provided in the Agreement, and thereafter diligently prosecute to judgment, an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due.

The Bonds may be redeemed at the option of the District from any source of funds other than prepayment of Special Taxes, prior to their stated maturity, as a whole or in part (in the principal amount of \$100,000 or any integral multiples of \$5,000 in excess thereof) on any date on or after March 1, 20\_\_, from such maturities as are selected by the District, and by lot within a maturity, by paying the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

Notwithstanding the above, any such optional redemption of the Bonds shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such optional redemption of the Bonds.

The Bonds shall be subject to redemption on any Interest Payment Date, prior to maturity, as a whole or in part from such maturities, as are selected by the District, from Prepayments of Special Taxes, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date of redemption; provided, however, that the Bonds that remain Outstanding after any such redemption pursuant to this Section 4.01(b) shall be in authorized denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof.

Notwithstanding the above, such mandatory redemption of the Bonds in whole or in part shall occur only if the District shall first deliver to the Fiscal Agent and the Authority Trustee a certificate of an Independent Financial Consultant verifying that, following such redemption of the Bonds, the principal and interest due on the Outstanding Bonds, if any, and the other outstanding Special Tax Refunding Bonds is adequate to make the timely payment of principal, including mandatory sinking fund payments, and interest due on the Authority Bonds that will remain outstanding following the corresponding redemption of the Authority Bonds resulting from such mandatory redemption of the Bonds.

[MANDATORY SINKING FUND REDEMPTION?]

In lieu of redemption under the Fiscal Agent Agreement, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase, unless a greater purchase price is permitted under the Act and the District determines that it will have sufficient amounts in the Bond Fund, following such purchase, to pay Debt Service on the Bonds.

Notice of redemption with respect to the Bonds to be redeemed shall be given to the registered Owners thereof, in the manner, to the extent and subject to the provisions of the Agreement.

This Bond shall be registered in the name of the Owner hereof, as to both principal and interest.

Each registration and transfer of registration of this Bond shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

Except as provided in the Agreement, any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of the Agreement 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 duly written instrument of transfer in a form approved by the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

No transfers of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (i) fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption; (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between the 15th day of the month next preceding any Interest Payment Date and such Interest Payment Date.

The Fiscal Agent Agreement and the rights and obligations of the Agency thereunder may be modified or amended as set forth therein.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Fiscal Agent.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the City of Rancho Cucamonga Community Facilities District 2006-02 has caused this Bond to be dated July \_\_, 2015, to be signed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the City Clerk, each acting for and on behalf of such community facilities district.

CITY OF RANCHO CUCAMONGA  
COMMUNITY FACILITIES DISTRICT NO.  
2006-02 (AMADOR ON ROUTE 66)

BY: \_\_\_\_\_  
Mayor

BY: \_\_\_\_\_  
City Clerk

*FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION*

This is one of the Bonds described in the Resolution and the Agreement which has been authenticated on \_\_\_\_\_.

MUFG UNION BANK, N.A., as Fiscal Agent

By: \_\_\_\_\_  
Authorized Officer

**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 and appoint \_\_\_\_\_, attorney, to transfer the same on the registration books of the Fiscal Agent, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature(s) on this assignment must correspond with the name(3) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.



# STAFF REPORT

ADMINISTRATIVE SERVICES GRUOP

**Date:** July 1, 2015

**To:** Chairman and Board of Directors of the Rancho Cucamonga Public Finance Authority  
John R. Gillison, Executive Director

**From:** Ingrid Y. Bruce, GIS/Special Districts Manager

**Subject:** **CONSIDERATION TO ADOPT A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO CUCAMONGA PUBLIC FINANCE AUTHORITY (PFA) AUTHORIZING THE ISSUANCE OF SPECIAL TAX REFUNDING REVENUE BONDS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH REVENUE BONDS**

## RECOMMENDATION

It is recommended that the Board of Directors of the Rancho Cucamonga Public Finance Authority (the "Authority") adopt a resolution approving the authorization of the issuance of the Authority's Special Tax Refunding Revenue Bonds, Series 2015 (the "Authority Bonds"), approving the form of an Indenture of Trust, Special Tax Refunding Bonds Purchase Contract, Escrow Agreement and other documents and authorizing certain actions in connection with the issuance of such revenue bonds.

## BACKGROUND

The Authority is being asked by the City Council, acting for and on behalf of itself and in its capacity as the legislative body of certain Community Facilities Districts, to consider authorizing the issuance of the Authority Bonds for the purpose of:

1. Acquiring the following Special Tax Refunding Bonds which will be issued for the purpose of refunding the Authority's Special Tax Refunding Revenue Bonds, Series 2015 (the "Prior Authority Bonds") and thereby discharging the prior Special Tax Refunding Bonds acquired from the proceeds of the Prior Authority Bonds:

- City of Rancho Cucamonga Community Facilities District No. 2000-01 (South Etiwanda) Special Tax Refunding Bonds, Series 2015;
- City of Rancho Cucamonga Community Facilities District No. 2000-02 (Rancho California Business Park) Special Tax Refunding Bonds, Series 2015;
- City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 1 and Improvement Area No. 2 Special Tax Refunding Bonds, Series 2015;
- City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 3 Special Tax Refunding Bonds, Series 2015;

2. Acquiring the following Special Tax Refunding Bonds which will be issued for the purpose of refunding series of prior Special Tax Bonds issued for each such Community Facilities District:

**CONSIDERATION TO ADOPT A RESOLUTION OF THE RANCHO CUCAMONGA PUBLIC FINANCE AUTHORITY (PFA) AUTHORIZING FOR THE ISSUANCE OF SPECIAL TAX REFUNDING REVENUE BONDS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH REVENUE BONDS**

DECEMBER 7, 2011

- City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner's Grove) Special Tax Refunding Bonds, Series 2015; and
- City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66) Special Tax Refunding Bonds, Series 2015;

City staff is always seeking ways to refund bonds issued for assessment or community facilities districts that would produce lower annual debt service payments that translate into lower assessment or special tax payments for property owners. The sale of the Authority Bonds is proposed to be privately placed with a bank rather than through a public sale because of the shifts in both interest rates and conditions in the general municipal bond market, thus making this avenue more viable for the refunding.

The anticipated savings projected to result from the discharge of the prior Special Tax Refunding Bonds and the refunding of the prior Special Tax Bonds will be generated from the interest rate savings provided by the private placement of the Authority Bonds with City National Bank (the "Purchaser"). Based upon pro formas run to date, the discharge and refunding would provide residential property owners with savings of approximately 1.52% to 8.72% annually over the remaining life of the bond issue. The life of the Special Tax Refunding Bonds to be acquired by the Authority will not be extended by this refunding.

For the reasons stated above, staff is recommending approval of the attached resolution and sale of the Authority Bonds.

By approving the attached resolution the Board of Directors will be:

- Approving the issuance of the Authority Bonds;
- Approving the form of the following agreements:
  - Indenture of Trust to establish the terms and conditions pursuant to which the Authority Bonds will be issued and administered;
  - Special Tax Refunding Bonds Purchase Contract among the Authority and each Community Facilities District authoring the purchase by the Authority of the Special Tax Refunding Bonds of each Community Facilities District
  - Escrow Deposit and Trust Agreement to establish the terms and conditions pursuant to which the Prior Authority Bonds will be defeased and refunded.
- Authorizing the Executive Director or his designee, as applicable, to execute the various agreements and other documents subject to the pricing of the Special Tax Refunding Bonds meeting the financial parameters included in the resolution of the City Council authorizing the issuance of such Special Tax Refunding Bonds.

Attachments:

Resolution

Fiscal Agent Agreements

Escrow and Trust Agreements

**Rancho Cucamonga Public Finance Authority**

**RESOLUTION NO. 15-115**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO CUCAMONGA PUBLIC FINANCE AUTHORITY AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF SPECIAL TAX REFUNDING REVENUE BONDS, APPROVING THE FORM OF AN INDENTURE OF TRUST, SPECIAL TAX REFUNDING BONDS PURCHASE CONTRACT, ESCROW AGREEMENT, AND OTHER DOCUMENTS, AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH REVENUE BONDS**

**WHEREAS**, the Rancho Cucamonga Public Finance Authority (the "Authority") is a public agency organized under the Joint Exercise of Powers Law of the State of California and is authorized pursuant to said law and the Joint Exercise of Powers Agreement, dated April 22, 1999 (the "Agreement"), by and between the City of Rancho Cucamonga (the "City") and Rancho Cucamonga Redevelopment Agency (the "Agency") and the Rancho Cucamonga Fire Protection District creating the Authority to assist in financing or refinancing Public Capital Improvements (as such term is defined in the Agreement) for any Local Agency (as defined in the Agreement) which includes a community facilities district formed by the City and to acquire bonds of a Local Agency; and

**WHEREAS**, as a result of a combination of favorable conditions in the municipal bond market and the level of development, diversity of ownership and increase in value of the properties within City of Rancho Cucamonga Community Facilities District No. 2000-01 (South Etiwanda) ("CFD No. 2000-01"), City of Rancho Cucamonga Community Facilities District No. 2000-02 (Rancho Cucamonga Corporate Park) ("CFD No. 2000-02"), Improvement Areas Nos. 1, 2 and 3 (each, an "Improvement Area") within City of Rancho Cucamonga Community Facilities District No. 2001-01 ("CFD No. 2001-01"), City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner's Grove) ("CFD No. 2006-01") and City Rancho Cucamonga Community Facilities District No. 2006-02 ("CFD No. 2006-02" and together with CFD No. 2000-01 and CFD No. 2000-02, CFD No. 2001-01 and CFD No. 2006-01, the "Community Facilities Districts" or individually, each a "Community Facilities District") for which bonds of the Community Facilities Districts (for CFD No. 2000-01, CFD No. 2000-02 and CFD No. 2001-01, the "Prior Special Tax Refunding Bonds" and for CFD No. 2006-01 and CFD No. 2006-02, the "Prior Special Tax Bonds" and, together with the Prior Special Tax Refunding Bonds, the "Prior Community Facilities District Bonds") have been issued pursuant to separate Fiscal Agent Agreements for certain series of Prior Community Facilities District Bonds by and between the applicable Community Facilities District and Wells Fargo Bank, National Association (the "Prior Fiscal Agent") as fiscal agent (collectively, the "Prior Fiscal Agent Agreements"); and

**WHEREAS**, the Authority previously issued its Rancho Cucamonga Public Finance Authority Special Tax Refunding Revenue Bonds, Series 2012 (the "Prior Authority Bonds") for the purpose of financing the acquisition of the Prior Special Tax Refunding Bonds; and

**WHEREAS**, the City Council of the City (the "City Council"), acting as the legislative body of the Community Facilities Districts, desires to issue the following special tax refunding bonds (referred to collectively as the "Refunding Bonds") for the purpose of defeasing and refunding the Prior Authority Bonds and thereby discharging the Prior Special Tax Refunding Bonds and defeasing and redeeming the Prior Special Tax Bonds, each prior to their scheduled maturity in order to reduce the borrowing costs on such indebtedness:

- A. City of Rancho Cucamonga Community Facilities District No. 2000-01 (South Etiwanda) Special Tax Refunding Bonds, Series 2015 in a principal amount not to exceed \$500,000;
- B. City of Rancho Cucamonga Community Facilities District No. 2000-02 (Rancho California Corporate Park) Special Tax Refunding Bonds, Series 2015 in a principal amount not to exceed \$4,500,000;
- C. City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 1 and Improvement Area No. 2 Special Tax Refunding Bonds, Series 2015 in a principal amount not to exceed \$7,750,000;
- D. City of Rancho Cucamonga Community Facilities District No. 2001-01 Improvement Area No. 3 Special Tax Refunding Bonds, Series 2015 in a principal amount not to exceed \$800,000;
- E. City of Rancho Cucamonga Community Facilities District No. 2006-01 (Vintner's Grove) Special Tax Refunding Bonds, Series 2015 in a principal amount not to exceed \$4,200,000; and
- F. City of Rancho Cucamonga Community Facilities District No. 2006-02 (Amador on Route 66) Special Tax Refunding Bonds, Series 2015 in a principal amount not to exceed \$2,500,000.

**WHEREAS**, the City Council, acting on behalf of the City and as the legislative body of the Community Facilities Districts, desires and requests that the Authority issue and sell its 2015 Special Tax Refunding Revenue Bonds (the "Revenue Bonds") in an aggregate principal amount not to exceed \$20,250,000 to provide funds to purchase the Refunding Bonds and to pay costs of issuing the Revenue Bonds; and

**WHEREAS**, to facilitate the discharge of the Prior Special Tax Refunding Bonds, the Board of Directors, acting for and on behalf of the Authority as the owner of the Special Tax Refunding Bonds, consents to the amendment of the Prior Fiscal Agent Agreements related to the Prior Special Tax Refunding Bonds to provide that the Prior Special Tax Refunding Bonds will be discharged upon the defeasance and refunding of the Prior Authority Bonds and the Board of Directors further agrees to issue the Revenue Bonds, in part, for such purpose; and

**WHEREAS**, the Board of Directors is recommending the direct sale of the Revenue Bonds to City National Bank (the "Purchaser") pursuant to the terms set forth in the term sheet dated May 28, 2015 (the "Term Letter") from Municipal Finance Corporation ("Municipal Finance"), as the representative of the Purchaser, and the Purchaser subject to the terms and conditions set forth in this Resolution; and

**WHEREAS**, the Revenue Bonds shall be issued pursuant to the terms and provisions of the Marks-Roos Local Bond Pooling Act of 1985 (the "Bond Law"); and

**WHEREAS**, at this time this Board of Directors desires to set forth the general terms and conditions relating to the authorization, issuance, sale, delivery, and administration of the Revenue Bonds; and

**WHEREAS**, the forms of the following documents have been presented to and considered for approval by this Board of Directors:

- A. Indenture of Trust by and between the Authority and MUFJ Union Bank, N.A., as trustee (the "Trustee"), setting forth the terms and conditions relating to the issuance, sale, delivery, closing and administration of the Revenue Bonds (the "Indenture of Trust");
- B. Special Tax Refunding Bonds Purchase Contract among the Authority and each Community Facilities District authorizing the purchase of the Refunding Bonds of each Community Facilities District by the Authority (the "Refunding Bonds Purchase Contract"); and
- C. Escrow Agreement by and between the Authority and Wells Fargo Bank, National Association, as escrow agent for the Prior Authority Bonds setting forth the terms and conditions related to the defeasance and redemption of the Prior Authority Bonds (the "Escrow Agreement"); and

**WHEREAS**, this Board of Directors, with the aid of Authority staff, has reviewed and considered the documents described above and finds such documents suitable for approval, subject to the conditions set forth in this resolution; and

**WHEREAS**, all conditions, things, and acts required to exist, to have happened, and to have been performed precedent to and in the issuance of the Revenue Bonds as contemplated by this resolution and the documents referred to herein exist, have happened and have been performed or have been ordered to have been performed in due time, form, and manner as required by the laws of the State of California, including the Bond Law.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED** by the Board of Directors of the Rancho Cucamonga Public Finance Authority as follows:

1. Findings. The Board of Directors of the Authority finds (a) that the above recitals are true and correct and (b) the sale of the Revenue Bonds at a private sale, without advertising for bids, will result in a lower overall cost to the Authority and the Community Facilities Districts.

2. Revenue Bonds Authorized. Pursuant to the Bond Law, this Resolution and the Indenture of Trust, Revenue Bonds in an aggregate principal amount not to exceed \$20,250,000 are hereby authorized to be issued. The date, manner of payment, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption, and other terms, covenants, and conditions of the Revenue Bonds shall be as provided in the Indenture of Trust as finally executed.

3. Authorization and Conditions. The Chairperson, the Vice-Chairperson or the Executive Director of the Authority or the Executive Director's designee (each, an "Authorized Officer") are each hereby authorized and directed to execute and deliver the final form of the various documents and instruments described in this Resolution, with such additions thereto or changes therein as such Authorized Officer, acting alone, may deem necessary and advisable; provided, however, that no additions or changes shall authorize an aggregate principal amount of Revenue Bonds in excess of \$20,250,000, and/or a true interest cost on the Revenue Bonds in excess of four and one quarter percent (4.25%) per year. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery of such documents or instruments by an Authorized Officer, following consultation with and review by Best Best & Krieger LLP, as bond counsel.

4. Indenture of Trust. The form of Indenture of Trust by and between the Authority and the Trustee and acknowledged and agreed to by the Purchaser with respect to the Revenue Bonds as presented to this Board of Directors, is hereby approved. The Executive Director, or, in the absence thereof, another Authorized Officer, acting alone, is hereby authorized and directed to cause the same to be completed and executed on behalf of the Authority, subject to the provisions of Section 3 above.

5. Escrow Agreement. The form of Escrow Deposit and Trust Agreement by and between the Authority and Wells Fargo Bank, National Association, as escrow bank, with respect to the Series 2012 Authority Bonds as presented to this Board of Directors, is hereby approved. The Executive Director, or, in the absence thereof, another Authorized Officer, acting alone, is hereby authorized and directed to cause the same to be completed and executed on behalf of the Authority, subject to the provisions of Section 3 above.

6. Sale of Revenue Bonds. This Board of Directors hereby authorizes and approves the direct sale of the Revenue Bonds to the Purchaser pursuant to the Indenture of Trust and the Term Letter, together with any changes therein or additions thereto which are deemed advisable by the Executive Director, or in the absence thereof, another Authorized Officer.

7. Revenue Bonds Prepared and Delivered. Upon the execution of the Bond Purchase Agreement, the Revenue Bonds shall be prepared, authenticated, and delivered, all in accordance with the applicable terms of the Bond Law and the Indenture of Trust, and any Authorized Officer and other responsible officials of the Authority, acting for and on behalf of the Authority, are hereby authorized and directed to take such actions as are required

under the Indenture of Trust to complete all actions required to evidence the delivery of the Revenue Bonds upon the receipt of the purchase price thereof from the Purchaser.

8. Authorization to Purchase Refunding Bonds; Refunding Bonds Purchase Contract.

This Board of Directors hereby approves the purchase of the Refunding Bonds from the Community Facilities Districts pursuant to the Refunding Bonds Purchase Contract. The Authority is hereby authorized to pay the purchase price for the Refunding Bonds from the proceeds of the Revenue Bonds. The form of the Refunding Bonds Purchase Contract is hereby approved and the Executive Director or, in the absence thereof, another Authorized Officer, is hereby authorized and directed to execute the Refunding Bonds Purchase Contract on behalf of the Authority upon the execution thereof by the Community Facilities Districts.

9. Actions.

The resolution of the City Council approving the sale of the Refunding Bonds to the Authority reserved to the City Manager the authority to withdraw the offer to sell any series of the Refunding Bonds under certain conditions set forth in such resolution. In the event that the City Manager does withdraw the offer to sell any series of the Refunding Bonds, the Executive Director or any other Authorized Officer are each hereby authorized and directed to execute and deliver the final form of the various documents and instruments described in this Resolution, with such additions thereto or changes therein as such Authorized Officer, acting alone, may deem necessary and advisable to reflect and implement such withdrawal.

All actions heretofore taken by the officers and agents of the Authority or the City, acting for and on behalf of the Authority, with respect to the sale and issuance of the Revenue Bonds are hereby approved, confirmed, and ratified, and the proper officers of the Authority or the City, acting for and on behalf of the Authority, are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements, contracts, and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Revenue Bonds in accordance with the Bond Law, this Resolution, the Indenture of Trust, the Refunding Bonds Purchase Contract, the Escrow Agreement, and any certificate, agreement, contract, and other document described in the documents herein approved.

11. Effective Date. This resolution shall take effect from and after its adoption.

PASSED, APPROVED AND ADOPTED this \_\_\_\_ day of July 2015.

AYES:

NOES:

ABSENT:

ABSTAINED:

\_\_\_\_\_  
L. Dennis Michael, Chairperson

**The following attachments are attached to Item O1.**

- **Fiscal Agent Agreements**
- **Escrow and Trust Agreements**