**Members of the public may observe this meeting via Channel 36 or via city website streaming services at www.comptoncity.org, and offer comments at this meeting via Zoom during the public comments portion of the meeting. If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the American with Disabilities Act ("ADA") please contact the City Clerk's Office at (310) 605-5530 or email contactcityclerk@comptoncity.org prior to the meeting for assistance.**

***(Zoom is only for Public Comments)***

https://us02web.zoom.us/j/81774874619?pwd=ZDlITHZWRXhjdDR3Wkh6eGF3WjIyQT09

**Meeting ID: 817 7487 4619**
**Passcode: 946929**
**Call In: 1-669-900-6833**

# COMPTON CITY COUNCIL
# AGENDA
# 12/15/2020
# 5:30 PM

## HEARING

**5:35 P.M. - PUBLIC HEARING** - TO AUTHORIZE AND APPROVE THE ISSUANCE OF SALES TAX BONDS BY INDEPENDENT CITIES FINANCE AUTHORITY (ICFA) IN THE AMOUNT NOT TO EXCEED $45,000,000 FROM MEAUSRE M, MEASURE R, AND PROPOSITION C FUNDS FOR THE PURPOSES OF FINANCING THE CONSTRUCTION OF LOCAL STREET AND ROAD IMPROVEMENT PROJECTS (Item #7)

## OPENING

**ROLL CALL**

**INTRODUCTION OF SPECIAL GUESTS**

**PUBLIC COMMENTS ON AGENDA ITEMS AND NON-AGENDA MATTERS**

# CONSENT AGENDA

Consent items are routine and expected to be non-controversial. They will be acted upon by the Council at one time without discussion unless a Council Member requests an item be removed or discussed.

## APPROVAL OF MINUTES

1. DECEMBER 1, 2020

## CITY MANAGER/CITY ATTORNEY/CITY CONTROLLER/CITY TREASURER REPORTS

2. INVESTMENT REPORT - OCTOBER 31, 2020 (Receive and File)

## RISK MANAGEMENT

3. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING PAYMENT OF ANNUAL FEES TO THE STATE OF CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS FOR CONTINUED ADMINISTRATION OF THE CITY'S WORKERS' COMPENSATION SELF-INSURANCE PROGRAM ($85,988.23)

# REGULAR AGENDA

## NEW BUSINESS

4. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO REPAY UNSPENT CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY, DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY (CALRECYCLE) GRANT FUNDS FROM GRANT #OPP-18-0122 ($27,480.00)

5. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT TO ACCEPT, APPROPRIATE AND ADMINISTER A 2019 LOCAL EARLY ACTION PLANNING GRANT TO FUND THE PREPARATION OF AN UPDATED GENERAL PLAN HOUSING ELEMENT, AMEND THE ZONING CODE AND REMODEL THE LOBBY COUNTER FOR PLANNING AND BUILDING AND SAFETY AND AMEND THE FISCAL YEAR 2020-2021 BUDGET ($297,000)

6. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A THREE-YEAR CONTRACT WITH UNITED PACIFIC SERVICES, INC. FOR CITY-WIDE TREE MAINTENANCE SERVICES ($1,200,000)

7. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING THE ISSUANCE BY THE INDEPENDENT CITIES FINANCE AUTHORITY OF SALES TAX REVENUE BONDS, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $45,000,000, FOR THE FINANCING OF CERTAIN PUBLIC CAPITAL IMPROVEMENTS IN THE CITY, AUTHORIZING THE FORMS OF AND DIRECTING THE EXECUTION AND DELIVERY OF A TRUST AGREEMENT, INSTALLMENT SALE AGREEMENT, AND BOND PURCHASE AGREEMENT; AND AUTHORIZING NECESSARY ACTIONS AND EXECUTION OF OTHER NECESSARY DOCUMENTS IN CONNECTION THEREWITH

**COUNCIL COMMENTS**

**ADJOURNMENT**

*NEXT REGULAR MEETING: 12/22/2020 @ 5:30 PM*

*Visit our website at http://www.comptoncity.org*

**DECEMBER 1, 2020**

The Compton City Council Meeting was called to order at 6:00 p.m. in the Council Chambers of City Hall by Mayor Pro Tem Michelle Chambers.

**ROLL CALL**

**Council Members Present – Chambers, McCoy, Sharif** *(Via Zoom Teleconference)*
**Council Members Absent – Galvan, Brown**

**Other Officials Present: D. Brown, A. Godwin, D. Sanders, C. Cornwell**

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**PUBLIC COMMENTS ON AGENDA ITEMS AND NON-AGENDA MATTERS**

*The following citizens participated in the City Council meeting via Zoom:*

**Ron Goldman –** "Mayor and Council, I first met you 3 years ago and you were very enthusiastic about the parks program – describing it as to quote, "a project that will greatly improve the quality of life in our neighborhoods and improve public safety – these parks will be the center of our neighborhoods."

In September 2019, you assigned Assistant City Manager Michael Antwine to process this. In July of this year, I was told by Candace Leos this would come before the City Council the first week in September, then by Michael it would be October, and then in December. I assumed 10 months of delay were a result of the pandemic's effect on City Hall.

But last week, I heard from you the delay is due to the majority of Compton residents not wanting the City to incur any expense until there is money to fix streets – which could take months or years. Why didn't I hear about this delay until last week? And that doesn't square with enthusiastic support I've received from Compton's School Board, neighboring Foster School, both Chambers of Commerce, NAACP, and multiple other community groups who support this. They don't question fixing asphalt instead of creating neighborhood green space – especially when private funding won't cost the City a dollar.

During the neighborhood meetings, there were 2 vocal women strongly expressing their concern to fix streets before needing parks. But once they understood the big picture, not only were they favorable, but the most vocal of the 2 now an officer of the new Block Club and lovingly describes this park as being their "neighborhood center" or "village green."

You also mentioned financing of the parks. To date I have spent well over a quarter of a million dollars of my own time, my staff's time, and reimbursables expenses – from a traffic report to rental furniture for neighborhood meetings - all pro bono. I have multiple ways to finance this including both foundations and private individuals – which was conveyed in writing at your request 5 months ago.

Mayor Brown, I'd be less than honest if I didn't express disappointment in the way the City handled this to date. I can't imagine one park enthusiastically supported by the neighborhood would disturb and disrupt the overall community –

- a project that will bring children & families together
- will provide social, cultural & recreational programs for young & old
- will create safe places to play with more eyes on the street
- will provide jobs & increased property values
- and provide access to recreation without relying on cars or heavily trafficked streets

all this without costing the City a dime! So please be straight with me, give me a realistic answer, so I can move in one direction or another. There are adjacent communities that would love this program. I'm 81 years old and don't have or want to waste any more time, when there is a lack of green space and recreational opportunities in inner city communities throughout the county and the country. The pandemic cries for this type of relief."

**Robert Ray,** Compton resident, urged the people of Compton to take the coronavirus pandemic seriously and stop the large gatherings that he had witnesses around the City. Mr. Ray indicated that he visited a local eatery in Compton and noticed many individuals walking in and out of the establishment without masks. Mr. Ray urged the community to follow the guidelines of the Center for Disease Control and wear nose and mouth coverings in public, perform frequent handwashing and practice social distancing. Mr. Ray commented that the next few weeks will be critical, adding that the County of Los Angeles has issued a new "Stay at Home Order" which must be adhered to in an effort to stop the spread of Covid-19.

## CONSENT AGENDA

### APPROVAL OF MINUTES

1. NOVEMBER 17, 2020 ***(Approved)***

### PUBLIC WORKS DEPARTMENT

2. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON ACCEPTING PARCEL MAP NO. 73949 FOR RECORDATION BEING A SUBDIVISION OF LOT 12, BLOCK 12, BELLE VERNON ACRES, AS PER MAP RECORDED IN BOOK 9, PAGE 196, OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY ***(Approved Resolution Number 25,379)***

On motion by McCoy, seconded by Sharif, the consent agenda was approved by the following vote on roll call:

**AYES: Council Members - McCoy, Sharif, Chambers**
**NOES: Council Members - None**
**ABSENT: Council Members - Galvan, Brown**

## REGULAR AGENDA

### CITY MANAGER'S REPORT

3. A REQUEST TO SCHEDULE A PUBLIC HEARING TO AUTHORIZE AND APPROVE THE ISSUANCE OF SALES TAX BONDS BY INDEPENDENT CITIES FINANCE AUTHORITY (ICFA) IN THE AMOUNT NOT TO EXCEED $45,000,000 FROM MEASURE M, MEASURE R, AND PROPOSITION C FUNDS FOR THE PURPOSES OF FINANCING THE CONSTRUCTION OF LOCAL STREET AND ROAD IMPROVEMENT PROJECTS (December 15, 2020 at 5:35 p.m.)

On motion by Sharif, seconded by McCoy, the public hearing was approved for **December 15, 2020 at 5:35 p.m.** by the following vote on roll call:

**AYES: Council Members - McCoy, Sharif, Chambers**
**NOES: Council Members - None**
**ABSENT: Council Members - Galvan, Brown**

4. ORAL REPORT - RAILROAD MAINTENANCE UPDATE

**City Manager Craig Cornwell** reported that today he met with the City's federal lobbyist firm and they have developed a strategy to obtain more involvement from Union Pacific Railroad in properly maintaining the railroad tracks and surrounding area on a more consistent basis. In addition, Public Works employees will attend training sessions offered by Union Pacific which will allow the employees to become certified to perform cleaning services around the railroads.

Once the employees have been certified they will be able to access the property with approval from Union Pacific.

City Manager Cornwell further indicated that he has received written communication authorizing the Los Angeles County Sheriff's Department to enforce trespassing laws for individuals illegally camping along the area surrounding the railroads.

**Mayor Pro Tem Chambers** commented that the rocks around the railroads must be removed because they are a health hazard. Ms. Chambers further indicated that she has visited other cities where the railroad tracks are properly maintained and indicated that Compton demands the same respect and attention to railroad cleanliness and maintenance as provided to any other city.

5. ORAL REPORT - LOS ANGELES COUNTY PUBLIC HEALTH DIRECTIVES UPDATE

**City Manager Craig Cornwell** reported that there has been an unprecedented rate of rise in COVID-19 cases across California, the California Department of Public Health (CDPH) is taking immediate actions to prevent the spread of the virus. Immediate actions are necessary to help reduce community spread, protect individuals at higher risk of severe illness or death from COVID-19, and prevent the state's health care delivery system from becoming overwhelmed. Reducing movement and mixing of individual Californians is critical to decreasing transmission, hospitalizations, and deaths.

The State Public Health Officer has issued a new 'Stay at Home' order, effective in counties under Tier One (Purple) of California's Blueprint for a Safer Economy, requiring that all gatherings with members of other households and all activities conducted outside the residence, lodging, or temporary accommodation with members of other households cease between 10:00 p. m. and 5:00 a. m. except for those activities associated with the operation, maintenance, or usage of critical infrastructure or required by law. The order restricts all public and private gatherings and events with individuals not in the same household are prohibited and the order does not apply to persons experiencing homelessness.

City Manager Cornwell further indicated that $2 Million revenue from the Compton Casino is part of the City's $52 Million Annual Budget for each year. This year, the City estimated $1.3 Million of revenue to be provided to the General Fund. To date, the City has only received $74,000, as the results of the mandated closures resulting from the coronavirus pandemic.

The order remains in effect until 5:00 a.m. on December 21, 2020, and may be extended or revised as needed.

6. ORAL REPORT - ASSEMBLY BILL 571 UPDATE

**City Clerk Alita Godwin** informed the City Council that she surveyed California City Clerks requesting to know their city's campaign contribution limits. Approximately 40 cities responded as illustrated below:

| **Campaign Contribution Limit** | **Number of cities with this amount** |
|---|---|
| $4,700 | 10 |
| 1,000 (or less - *$200 being the lowest*) | 14 |
| No contribution limits | 14 |

City Clerk Godwin further noted that the Fair Political Practices Commission (FPPC) will enforce the $4,700 campaign contribution limit. However, in the event the City Council decides to set an amount higher or lower than the State's Contribution limit of $4,700, the City must provide for its own enforcement.

City Clerk Godwin indicated that Staff will prepare an ordinance setting the campaign contribution limit options for the Council's consideration.

**NEW BUSINESS**

7. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER ON BEHALF OF THE CITY COUNCIL TO ESTABLISH A SCHOLARHIP FUND IN HONOR OF FORMER COUNCILMEMBER DR. WILLIE OTIS JONES

On motion by Sharif, seconded by McCoy, **Resolution Number 25,380** entitled **'A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER ON BEHALF OF THE CITY COUNCIL TO ESTABLISH A SCHOLARHIP FUND IN HONOR OF FORMER COUNCILMEMBER DR. WILLIE OTIS JONES'** was adopted by the following vote on roll call:

**AYES: Council Members - McCoy, Sharif, Chambers**
**NOES: Council Members - None**
**ABSENT: Council Members - Galvan, Brown**

8. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AMENDING THE LOCAL HOUSING AUTHORITY'S FISCAL YEAR 2020-2021 BUDGET TO RECEIVE AN APPROPRIATION AND ALLOCATE FUNDS FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ($339,880) ***(Requires 4 votes - No action taken)***

**COUNCIL COMMENTS**

**Councilmember McCoy offered the following communications/announcements:**

- Requested that the City Manager facilitate the tree trimming on Center Street and also address the sanitizing of Alondra Boulevard between Central and Acacia.

- Urged the community to remain vigilant in combating the coronavirus by frequent hand washing, covering their nose and mouth whenever outside their household and practice social distancing, to stop the spread of Covid-19.

- Adjourn in memory of **Claude Hubbard** and **High-Chief Loa Tuaaumafuamalu Pele Falegogo.**

**Councilmember Sharif offered the following communications/announcements:**

- Requested that the City Manager facilitate another discussion to develop a strategy to permanently close down all illegal marijuana dispensaries in the City of Compton.

- Wished Mr. Tom Thomas a very Happy 100th Birthday!

**Mayor Pro Tem Chambers offered the following communications/announcements:**

- Encouraged everyone to shelter in place, wear face coverings whenever in public and protect themselves and their families by continuing to take advantage of the free Covid-19 testing at Gonzales Park, 1101 W. Cressey Street, Compton. The hours of operation are Sunday through Thursday from 7:00 a.m. until 7:00 p. m. Please call: (888) 634-1123 to schedule an appointment for testing.

- Commented on the large gatherings in City parks and requested that the City Manager work with the Sheriff's Department and Code Enforcement to respond to the parks to enforce the social distancing guidelines.

- Announced that the *virtual* Swearing-in Ceremony for L.A. County Board of Supervisor-Elect Holly Mitchell will be December 6, 2020 at 12 noon.

- Adjourn in memory of **Aaron Vincent Brown.**

**ADJOURNMENT**

On motion by Sharif, seconded by McCoy, the meeting was adjourned in memory of **Aaron Vincent Brown, Claude Hubbard** and **High-Chief Loa Tuaaumafuamalu Pele Falegogo** at 6:54 p.m. by the following vote on roll call:

**AYES: Council Members - McCoy, Sharif, Chambers**
**NOES: Council Members - None**
**ABSENT: Council Members - Galvan, Brown**

**CITY CLERK OF THE CITY OF COMPTON** **MAYOR OF THE CITY OF COMPTON**

DATE: DEC 15, 2020

TO: MAYOR AND COUNCIL MEMBERS

FROM: CITY TREASURER

SUBJECT: INVESTMENT REPORT

IN ORDER TO COMPLY WITH THE COMPTON CITY CHARTER SECTION: 701(d) PREPARE AND SUBMIT TO THE CITY CONTROLLER (**THE CHIEF FINANCIAL OFFICER OF THE CITY)** MONTHLY WRITTEN REPORTS OF ALL RECEIPTS, DISBURSEMENTS AND BALANCES, COPIES OF WHICH SHALL BE FILED WITH THE CITY MANAGER. TO COMPLY WITH STATE LAW AND THE CITY'S INVESTMENT POLICY, THE ATTACHED REPORT ACCURATELY REFLECTS ALL POOLED INVESTMENTS HELD ON BEHALF OF THE CITY AND THE SUCCESSOR AGENCY AS OF OCTOBER 31, 2020.

THE CITY'S INVESTMENT OBJECTIVES IN ORDER OF PRIORITY SHALL BE: **SAFETY**, WHICH IS INVESTING IN THE HIGHEST AND BEST QUALITY SECURITIES, **LIQUIDITY,** WHICH CAN BE CONVERTED INTO CASH AND NECESSARY TO MEET OUR CASH FLOW DISBURSEMENT OF THE CITY, AND **YIELD**, WHICH IS EARNING A HIGHER THAN MARKET RATE OF RETURN.

DOUGLAS SANDERS
CITY TREASURER

# CITY OF COMPTON
## Portfolio Management
## Portfolio Summary
## October 31, 2020

City of Compton
205 S. Willowbrook Ave.
Compton, CA 90220
(310)605-5515

| Investments | Par Value | Market Value | Book Value | % of Portfolio | Term | Days to Maturity | YTM 360 Equiv. | YTM 365 Equiv. |
|---|---|---|---|---|---|---|---|---|
| Local Agency Investment Funds | 100,673,800.77 | 100,673,800.77 | 100,673,800.77 | 99.87 | 1 | 1 | 0.828 | 0.840 |
| Passbook/Checking Accounts -2 | 132,999.68 | 132,999.68 | 132,999.68 | 0.13 | 1 | 1 | 0.010 | 0.010 |
| **Investments** | **100,806,800.45** | **100,806,800.45** | **100,806,800.45** | **100.00%** | **1** | **1** | **0.827** | **0.839** |

| Total Earnings | October 31 Month Ending | Fiscal Year To Date |
|---|---|---|
| Current Year | 78,930.73 | 295,303.58 |
| **Average Daily Balance** | **100,730,605.95** | **101,657,251.69** |
| **Effective Rate of Return** | **0.92%** | **0.86%** |

Under the City Charter section 701. City Treasurer, The Treasurer shall be the custodian of all public funds belonging to or under the control of the City, or of any office, department or agency thereof. Section 701(d) Prepare and submit to the CITY CONTROLLER (the CHIEF FINANCIAL OFFICER/OFFICE of COMPTON) monthly written reports of all receipts, disbursements and fund balances, copies of which shall be filed with the City Manager.

This report reflects all pooled investments in conformity with the Investment Policy adopted by the City Council Gov Code 53646(b) (3). The monthly investment report must state the ability of the agency to meet its expenditure requirements for the next six months or provide an explanation as to why sufficient cash funds may or may not be available. The Investment program and future revenue of the City is uncertain as to sufficient cash to meet six months of estimated expenditures. This is due to the COVID-19 OUTBREAK worldwide. The uncertainty of Cities to collect revenues is due to the Executive Order by the Governor of California, which calls for business closures and for people to stay at home until April 19, 2020. As of this report, the Governor softened some restrictions on Counties and Cities if they have met certain criteria, except for the County of Los Angeles, which continues to have high infection rates and hospitalization due to COVID-19. As of October 31, 2020, the 4th month of the Fiscal Year 2020/2021, the City had a total in the General City Bank account plus LAIF account of $40.8 million. At the time of this reporting period, the City had $7.5 million in large outstanding warrants payable to vendors. The City anticipates tax revenues on December 20, 2020 and April 20, 2021. On January 2, 2021, the Successor Agency will receive its property tax revenue called ROPS. Our PERS balance is $33.6 million as of the date of this reporting period. The Federal Reserve Bank has reduced rates to 0% or near zero due to the COVID-19 Pandemic. In May 2020, Congress passed the HERO ACT, over a trillion dollars for the economy and unemployed workers. However, the Senator to this day has not taken up the bill.

"Recognizing the unprecedented financial disruptions caused by the COVID-19 pandemic, the Federal Reserve conducted a pair of supplemental surveys to monitor changes in the financial well-being of Americans. The first of these surveys was conducted in April, at the onset of the pandemic and before most financial relief efforts were in place." The April results were described in the Report on the Economic Well-Being of U.S. Households in 2019, Featuring Supplemental Data from April 2020. The second survey was conducted in July.

"In July, 77 percent of adults said they were doing at least okay financially, up from 72 percent in early April, and 75 percent in October 2019. This increase is likely due to some people returning to work as well as the availability of assistance programs either from the government or from charitable organizations. A substantial number of families received one or more forms of financial assistance, and the effects of these programs were apparent in people's overall financial well-being and ability to cover expenses."

At this time of the report, unemployment benefits under the CARE act expired on July 30, 2020, and we have no clue what effects to the economy this will have. The City is going to lose out on some sales tax revenue due to small and medium businesses closing, this is due to the Governor's Executive Order to stay at home because of COVID-19. The City's payment to the Sherriff's Department each month is approximately $1.9 million and the employee's payroll over $2 million a month, plus other major expenditures.

ASSUMPTIONS
The investment report represents a specific snapshot in time and it is compared to other market performers during that same period, but not limited to Local Agency Investment Fund (State of California) and other Treasury term rates. The City uses SymPro portfolio management software for investment calculation results.

The pricing of securities is done by Union Bank and Interactive Data Services. Moody Investor Service rates the State Pool Accounts AAA. Local Agency Investment Fund (LAIF) Pool rates has been trending lower over the last few months. The City is continue to monitoring the daily LAIF rates.

Treasury Rates as of 10/31/2020

3 month T-Bill @ 0.0860%
6 month T-Bill @ 0.0940%
1 year T-Bill @ 0.1150%

DOUGLAS SANDERS, CITY TREASURER

12-10-2020

# CITY OF COMPTON
## Portfolio Management
## Portfolio Details - Investments
## October 31, 2020



| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | YTM 360 | YTM 365 | Days to Maturity | Maturity Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Local Agency Investment Funds** | | | | | | | | | | | | |
| 6000 | 6000 | General City | | | 29,330,069.02 | 29,330,069.02 | 29,330,069.02 | 0.840 | 0.828 | 0.840 | 1 | |
| 6007 | 6007 | Successor Agency Gen | | | 29,916,702.77 | 29,916,702.77 | 29,916,702.77 | 0.840 | 0.828 | 0.840 | 1 | |
| 1203 | 1205 | SA Low Cost Housing | | | 6,014,436.32 | 6,014,436.32 | 6,014,436.32 | 0.840 | 0.828 | 0.840 | 1 | |
| 6029 | 6029 | Measure R | | | 1,914,042.12 | 1,914,042.12 | 1,914,042.12 | 0.840 | 0.828 | 0.840 | 1 | |
| SYS10128 | 10128 | Measur M | | | 1,003,336.23 | 1,003,336.23 | 1,003,336.23 | 0.840 | 0.828 | 0.840 | 1 | |
| 6019 | 6019 | EDA Revolving Loan | | | 73,066.42 | 73,066.42 | 73,066.42 | 0.840 | 0.828 | 0.840 | 1 | |
| 6002 | 6002 | Prop C | | | 1,626,492.15 | 1,626,492.15 | 1,626,492.15 | 0.840 | 0.828 | 0.840 | 1 | |
| 6030 | 6030 | PROP A | | | 3,195,885.40 | 3,195,885.40 | 3,195,885.40 | 0.840 | 0.828 | 0.840 | 1 | |
| 2100 | 6021 | PERS | | | 26,694,193.65 | 26,694,193.65 | 26,694,193.65 | 0.840 | 0.828 | 0.840 | 1 | |
| 6027 | 6027 | River Mountain Conservancy | | | 12,670.44 | 12,670.44 | 12,670.44 | 0.840 | 0.828 | 0.840 | 1 | |
| 6003 | 6003 | Sewer Bond Proceeds | | | 892,906.25 | 892,906.25 | 892,906.25 | 0.840 | 0.828 | 0.840 | 1 | |
| | | **Subtotal and Average** | **100,597,607.33** | | **100,673,800.77** | **100,673,800.77** | **100,673,800.77** | | **0.828** | **0.840** | **1** | |
| **Passbook/Checking Accounts -2** | | | | | | | | | | | | |
| 5007 | 5007 | Family Self Sufficiency | | | 132,999.68 | 132,999.68 | 132,999.68 | 0.010 | 0.010 | 0.010 | 1 | |
| | | **Subtotal and Average** | **132,998.62** | | **132,999.68** | **132,999.68** | **132,999.68** | | **0.010** | **0.010** | **1** | |
| | | **Total and Average** | **100,730,605.95** | | **100,806,800.45** | **100,806,800.45** | **100,806,800.45** | | **0.827** | **0.839** | **1** | |

# CITY OF COMPTON
# BANK ACCOUNT BALANCES AS OF
# OCTOBER 31, 2020

| FUND # | NAME OF ACCOUNT | BANK NAME | BALANCE |
|---|---|---|---|
| 101 | PAYROLL | WELLS FARGO BAI | 1,831,893.34 |
| 1001 | GENERAL CITY ACCOUNT | BANK OF THE WES | 11,461,587.90 |
| 1520 | MEASURE R | BANK OF THE WES | 1,000,229.65 |
| 2000 | PROP A | BANK OF THE WES | 2,025,176.28 |
| 4000 | SA GENERAL | BANK OF THE WES | 46,179.09 |
| 1203 | SA LOW COST HOUSING | BANK OF THE WES | 956,159.18 |
| 2100 | PERS | BANK OF THE WES | 6,952,485.46 |
| 1528 | MEASURE M | BANK OF THE WES | 275,323.87 |
| 2820 | FAMILY SELF SUFFICIENCY | BANK OF THE WES | 132,999.68 |
| 2754-84-8 | JTPA - CAREERLINK | BANK OF THE WES | 592,715.57 |
| 2805 | HOME LOAN PROGRAM | BANK OF THE WES | 1,478,395.28 |
| 2818 | SECTION 108 - HUD FUND | BANK OF THE WES | 1,856,679.67 |
| 5116 | BOND SEWER CONSTRUCTIO | BANK OF THE WES | 8,328.40 |
| 6400 | LIABILITY | BANK OF THE WES | 97,310.93 |
| 1001 | COC - CHANGE FUND | BANK OF THE WES | 99.00 |
| 1900 | PROP C | BANK OF THE WES | 2,599,866.07 |

# CITY OF COMPTON
# BANK ACCOUNT BALANCES AS OF
# OCTOBER 31, 2020

| FUND # | NAME OF ACCOUNT | BANK NAME | BALANCE |
|---|---|---|---|
| 6300 | WORKERS COMP | BANK OF THE WES | 99,213.99 |
| 2820 | HOUSING AUTHORITY | BANK OF THE WES | 663,365.22 |
| 1001 | EMERGENCY MEDICAL SERVI | BANK OF THE WES | 118,980.78 |
| 1061 | COPS GRANT WEED AND SEE | BANK OF THE WES | 3,997.33 |
| 1001 | COC PARKING VIOLATIONS | BANK OF THE WES | 2,217,235.78 |
| 5000 | COC UTILITIES BILLINGS | BANK OF THE WES | 3,933,152.78 |

**December 15, 2020**

**TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS**

**FROM: CITY ATTORNEY**

**RE: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING PAYMENT OF ANNUAL FEES TO THE STATE OF CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS FOR CONTINUED ADMINISTRATION OF THE CITY'S WORKERS' COMPENSATION SELF-INSURANCE PROGRAM ($85,988.23)**

## SUMMARY

The City Council will consider adopting a resolution authorizing the City Manager to issue payment of the annual fees for Fiscal Year 2020-2021 in the amount of Eighty Five Thousand Nine Hundred Eighty Eight Dollars and Twenty-Three Cents ($85,988.23) to the State of California Department of Industrial Relations for continued administration of the City's Workers' Compensation Self-Insurance Program.

## BACKGROUND

The City of Compton is self-insured/self-administered for provision of workers' compensation benefits to City employees who are injured on the job.

## STATEMENT OF ISSUE

As an employer that is permissibly self-insured for workers' compensation liabilities in California, the City is required to pay certain assessments, consisting of the following: Workers' Compensation Administration Revolving Fund Assessment, Uninsured Employers Benefits Trust Fund Assessment, Subsequent Injuries Benefits Trust Fund Assessment, Occupational Safety and Health Fund Assessment, Workers' Compensation Fraud Account Assessment and Labor Enforcement and Compliance Fund. These fees are required by the State to legally administer a workers' compensation self-insured/administered program at the City.

## FINANCIAL IMPACT

The fee assessment invoice was mailed to the City on/about December 1, 2020 and must be paid by December 31, 2020 to avoid a ten percent (10%) penalty.

The City's fees for Fiscal Year 2020-2021 (i.e. July 1, 2020 through June 30, 2021) have been assessed at $85,988.23 based on the State 2019/2020 Annual Report as submitted by the Risk Management Division of the City Attorney's Office.

Funds for this payment have been allocated in the 2020-2021 Fiscal Year budget of the City Attorney's Office in Account No. 6300 420 000 4265.

## RECOMMENDATION

It is recommended that the City Council adopt the attached Resolution.

**DAMON M. BROWN**
**CITY ATTORNEY**

**APPROVED FOR FORWARDING:**

**CRAIG J. CORNWELL**
**CITY MANAGER**

**RESOLUTION NO._____**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING PAYMENT OF ANNUAL FEES TO THE STATE OF CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS FOR CONTINUED ADMINISTRATION OF THE CITY'S WORKERS' COMPENSATION SELF-INSURANCE PROGRAM ($85,988.23)**

**WHEREAS**, the City of Compton is self-insured and administered for provision of workers' compensation benefits to City employees who are injured on the job; and

**WHEREAS,** as an employer that is permissibly self-insured for workers' compensation liabilities in California, the City is required to pay certain assessments, consisting of the following: Workers' Compensation Administration Revolving Fund Assessment, Uninsured Employers Benefits Trust Fund Assessment, Subsequent Injuries Benefits Trust Fund Assessment, Occupational Safety and Health Fund Assessment, Workers' Compensation Fraud Account Assessment and Labor Enforcement and Compliance Fund; and

**WHEREAS,** the City' fee assessment for Fiscal Year 2020-2021 have been assessed at $85,988.23 and is now due to the State of California Department of Industrial Relations for continued administration of the City's Workers' Compensation Self-Insurance Program and must be remitted in order to avoid assessment of a ten percent (10%) penalty; and

**WHEREAS,** funds for this payment have been allocated in the 2020-2021 budget of the City Attorney's office.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** That the City Manager is hereby authorized to issue payment of the annual fees for Fiscal Year 2020-2021 in the amount of $85,988.23 to the State of California Department of Industrial Relations for continued administration of the City's Workers' Compensation Self-Insurance Program.

**Section 2.** That the funds for these services are allocated in the 2020-2021 Fiscal Year budget of the City Attorney's Office in Account No. 6300 420 000 4265.

**Section 3.** That a certified copy of this Resolution will be filed in the offices of the City Manager, City Attorney, City Controller and the City Clerk.

**Section 4.** That the Mayor shall sign and the City Clerk shall attest to this Resolution.

**ADOPTED** this _____ day of _____, 2020.

_____
**MAYOR OF THE CITY OF COMPTON**

**ATTEST:**

_____
**CITY CLERK OF THE CITY OF COMPTON**

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council, signed by the Mayor, and attested by the City Clerk at a regular meeting thereof held on the _____ day of _____, 2020.

That said Resolution was adopted by the following vote:

**AYES: COUNCIL MEMBERS-**
**NOES: COUNCIL MEMBERS-**
**ABSENT: COUNCIL MEMBERS-**
**ABSTAINS: COUNCIL MEMBERS-**

_____
**CITY CLERK OF THE CITY OF COMPTON**

**Department of Industrial Relations**
Office of Self-Insurance Plans
11050 Olson Drive, Suite 230
Rancho Cordova,CA 95670
(916) 464-7000
Fax: (916) 464-7007

# INVOICE

Invoice Number: OSIP 67818
Certificate No.: 7153
Invoice Date: December 1, 2020
Due Date: December 31, 2020
OSIP Federal Tax ID.: 94-3160882

Customer Information:

| **Billing Address:** | | **Send Payment To:** | |
|---|---|---|---|
| Company: | CITY OF COMPTON | Company: | Department Of Industrial Relations |
| Name | DESMOND FLETCHER | Name | Office of Self Insurance Plans |
| Address: | 205 S. WILLOWBROOK AVE | Address: | 11050 Olson Drive, Suite 230 |
| | | | |
| City/State/Zip | COMPTON, CA 90220 | City/State/Zip | Rancho Cordova,CA 95670 |

For : City of Compton

**Terms:** Due and payable within 30 days

| Factor | Assessment for fiscal year July 1, 2020 through June 30, 2021 using 2019 / 2020 Public Annual Report | Paid Indemnity (Line4 minus Line11 on the annual report) | Assessment Due |
|---|---|---|---|
| 0.044090 | Workers' Compensation Administration Revolving Fund Assessment (WCARF) | $ 970,763 | $ 42,800.94 |
| 0.002976 | Uninsured Employers Benefits Trust Fund Assessment (UEBTF) | $ 970,763 | $ 2,888.99 |
| 0.015864 | Subsequent Injuries Benefits Trust Fund Assessment (SIBTF) | $ 970,763 | $ 15,400.18 |
| 0.008939 | Occupational Safety and Health Fund Assessment (OSHF) | $ 970,763 | $ 8,677.65 |
| 0.009262 | Workers's Compensation Fraud Account Assessment (FRAUD) | $ 970,763 | $ 8,991.20 |
| 0.007447 | Labor Enforcement and Compliance Fund (LECF) | $ 970,763 | $ 7,229.27 |
| | | | |
| | **License Fee Assessment:** | | |
| | Base Fee (determined by total number of employees) | | $ 0.00 |
| | Additional Location Fee (No. of Locations) | | $ 0.00 |
| | Per Capita Employee Charge (# of ee's * 0 ) | License Fee Assessment Subtotal | $ 0.00 |
| | | **Invoice Totals:** | **$ 85,988.23** |
| | | **Amount Paid:** | **$ 0.00** |
| | | **Balance Due:** | **$ 85,988.23** |

Notes:

**The letter establishing the assessment factors and methodology used for calculation are available on the OSIP website at http://sip.dir.ca.go You can also make an electronic funds transfer(EFT)payment online at http://www.dir.ca.gov/osip It is very important to enter the correct invoice number when making an online payment.**

**December 15, 2020**

**TO: HONORABLE MAYOR AND COUNCIL MEMBERS**

**FROM: GENERAL MANAGER WATER DEPARTMENT**

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO REPAY UNSPENT CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY, DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY (CALRECYCLE) GRANT FUNDS FROM GRANT #OPP-18-0122 (27,480.00)**

## SUMMARY

This resolution authorizes the City Manager to repay the unspent CalRecycle Grant funds from Grant #OPP-18-0122.

## BACKGROUND

CalRecycle provides grant funding for programs such as used oil recycling to assist cities with their recycling programs. It also helps in the diversion and collection of potential pollution and contamination of the environment from illegal disposal of used oil.

## STATEMENT OF THE ISSUE

The City received Grant #OPP-18-0122 from CalRecycle in 2016. During this Grant cycle period, $27,480.00 of the grant funds were not expended for used oil recycling. As a condition to receiving these grant funds, both parties agreed that any unused funds are required to be returned to Cal Recycle.

## FINANCIAL IMPACT

There is no financial impact.

## ALTERNATIVE

None suggested.

## RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution.

**BRIAN DICKINSON, GENERAL MANAGER**
**COMPTON MUNICIPAL WATER DEPARTMENT**

**APPROVED FOR FORWARDING:**

**CRAIG J. CORNWELL**
**CITY MANAGER**

**RESOLUTION NO. _____**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO REPAY UNSPENT CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY, DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY (CALRECYCLE) GRANT FUNDS FROM GRANT #OPP-18-0122 ($27,480.00)**

**WHEREAS**, the Public Resources Code sections 4000 et seq. authorizes the Department of Resources, Recycling and Recovery (CalRecycle) to administer various grant programs in furtherance of the State of California's efforts to reduce, recycle and reuse, and to protect public health and safety and the environment; and

**WHEREAS,** the City applied for and received Grant Funding for Used Oil Recycling; and

**WHEREAS**, in 2016, Grant #OPP-18-0122, was received by the City but not spent; and

**WHEREAS,** receipt of these grant funds requires unspent funds within the timeframe specified therein be returned to CalRecycle.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** That the City Manager is hereby authorized to process the repayment of the unspent Grant funds to CalRecycle.

**SECTION 2.** That a certified copy of this Resolution shall be filed in the offices of the City Clerk, City Manager, City Controller and Compton Municipal Water Department.

**SECTION 3.** That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

**ADOPTED** this _____ day of _____, 2020.

_____
**MAYOR OF THE CITY OF COMPTON**

**ATTEST:**

_____
**CITY CLERK OF THE CITY OF COMPTON**

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council, signed by the Mayor, and attested by the City Clerk at a regular meeting thereof held on the _____ day of _____, 2020.

That said Resolution was adopted by the following vote to wit:

**AYES: COUNCIL MEMBERS-**
**NOES: COUNCIL MEMBERS-**
**ABSENT: COUNCIL MEMBERS-**
**ABSTAIN: COUNCIL MEMBERS-**

_____
**CITY CLERK OF THE CITY OF COMPTON**

# INVOICE

CalRecycle

| | |
|---|---|
| Invoice Number: | 0000001310052 |
| Invoice Date: | 09/15/2020 |
| Due Date: | 10/15/2020 |
| Customer ID: | 0000000271 |

Resources Recycling & Recovery

City of Compton
Attn: Brian Dickinson
205 S Willowbrook Avenue
Compton CA 90220

Reimbursement for funds that were unspent, at the end of the OPP term for Grant # OPP9-18-0122.

| Line | Description | Quantity | Rate | Amount |
|---|---|---|---|---|
| 1 | Unspent Funds | 1.00 | 27,480.00 | 27,480.00 |

Amount Due (USD): $ 27,480.00

For billing questions, please contact us at (916)-341-6244

Contains confidential information and unauthorized use or disclosure is prohibited by State law.

---

Please detach this portion of the bill and return it with your payment.

| | |
|---|---|
| Customer Name: | City of Compton |
| Customer ID: | 0000000271 |
| Invoice ID: | 0000001310052 |
| Due Date: | 10/15/2020 |
| Fiscal Year: | |
| Amount Due: | $ 27,480.00 |
| Amount Paid: | _____ |

Remit Payment To:

Resources Recycling & Recovery
1001 I Street
P.O. Box 2711
MS-19A
Sacramento CA 95812-2711

00000002710000001310052000274800O

**December 15, 2020**

**TO: MAYOR AND CITY COUNCIL MEMBERS**

**FROM: CITY MANAGER**

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT TO ACCEPT, APPROPRIATE AND ADMINISTER A 2019 LOCAL EARLY ACTION PLANNING GRANT TO FUND THE PREPARATION OF AN UPDATED GENERAL PLAN HOUSING ELEMENT, AMEND THE ZONING CODE AND REMODEL THE LOBBY COUNTER FOR PLANNING AND BUILDING AND SAFETY AND AMEND THE FISCAL YEAR 2020-2021 BUDGET ($297,000)**

## SUMMARY

Adoption of this resolution will authorize the City Manager to enter into an agreement with the California Department of Housing and Community Development to accept and administer a 2019 Local Early Action Planning ("LEAP") Grant award in the amount of Two Hundred Ninety Seven Thousand Dollars ($297,000.00) and amend the 2020-2021 Fiscal Year budget to appropriate the LEAP Grant award.

The Grant award will be used by Community Development to fund the preparation of an updated General Plan Housing Element, amend specific provisions of Compton's Zoning Code and provide for remodeling the lobby counter that services Planning and Building and Safety.

## BACKGROUND

On June 9, 2020, the City was awarded a LEAP Grant by the California Department of Housing and Community Development ("HCD") in the amount of $297,000.00**.** Community Development will be responsible for fiscal oversight, program monitoring, reporting, preparation of the Housing Element, amending the Zoning Code and providing for the remodeling of the lobby counter that services Planning and Building and Safety.

The Housing Element will review and amend existing Housing policies to facilitate the development of new housing types and amend the existing goals, policies and objectives. The updated Housing Element will also be the initiator to revise the Zoning Code to better respond to new types of residential development proposals; such as, mixed use and small lot/unit development proposals. During HCD's review of the City's current Housing Element, several current development codes were identified as needing revision/reduction because HCD viewed them as development constraints to affordable housing.

Additionally, HCD also identified the current Architectural Review Board process as a potential development constraint. Thus, amendments to the Zoning Code will be proposed that will revise some of the residential development standards and create a streamlined administrative review process.

## STATEMENT OF THE ISSUE

The current 2014 Housing Element will be out of date in 2021 and needs to be revised to reflect changes in the needs of the community as well as new types of residential development and state housing laws.

The HCD LEAP Grant award will allow the City to prepare a Housing Element that will help the City implement:

- New Housing categories
- Higher residential densities
- Mixed Use buildings

Proposed Zoning Code revisions will be prepared and presented that will create a streamlined administrative review process and revise several existing residential development standards to facilitate/incentivize the development of more affordable housing.

The lobby counter that services Planning and Building and Safety will be enlarged and redesigned to work in conjunction with the new streamlined administrative review process and to improve the overall development application submittal experience.

## FISCAL IMPACT

The Community Development Department's 2020-2021 Fiscal Year budget will need to be amended to allocate the awarded grant funds as follows:

| Account Numbers: | Description: | Amount: |
|---|---|---|
| Revenue | | |
| 2789-000-002-3569 | HCD | $297,000.00 |
| Expenditure | | |
| 2789-780-002-4266 | Housing Element<br>Zoning Ordinances<br>Planning Counter | $297,000.00 |

Pursuant to provisions of the HCD grant agreement, the term shall be from approval of the HCD through June 30, 2024. Any of unexpended funds from Fiscal Year 2020-2021 will be budgeted in future fiscal years. If the grant is accepted, the City's fiscal obligation would be to contribute staff time to manage the project.

## RECOMMENDATION

Staff recommends that the City Council accept the Department of Housing and Community Development LEAP Grant adopt the attached resolution authorizing the City Manager to execute an agreement with HCD and to amend the Fiscal Year 2020-2021 budget.

**ROBERT DELGADILLO, SENIOR PLANNER**
**COMMUNITY DEVELOPMENT DEPARTMENT**

**APPROVED FOR FOWARDING:**

**CRAIG J. CORNWELL**
**CITY MANAGER**

**RESOLUTION NO. _____**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT TO ACCEPT, APPROPRIATE AND ADMINISTER A 2019 LOCAL EARLY ACTION PLANNING GRANT TO FUND THE PREPARATION OF AN UPDATED GENERAL PLAN HOUSING ELEMENT, AMEND THE ZONING CODE AND REMODEL THE LOBBY COUNTER FOR PLANNING AND BUILDING AND SAFETY AND AMEND THE FISCAL YEAR 2020-2021 BUDGET ($297,000)**

**WHEREAS**, the City of Compton shares the California Department of Housing and Community Development's goal of increasing the number of both market rate and affordable housing units constructed in the State of California to ease the current housing crisis; and

**WHEREAS**, on June 9, 2020, the City was awarded a Local Early Action Planning ("LEAP") Grant award in the amount of Two Hundred Ninety Seven Thousand Dollars ($297,000.00) by the California Department of Housing and Community Development; and

**WHEREAS,** the Grant award funds will be used by Community Development to fund the preparation of an updated General Plan Housing Element, amend specific provisions of Compton's Zoning Code and provide for remodeling the lobby counter that services Planning and Building and Safety; and

**WHEREAS,** the current 2014 General Plan Housing Element will be out of date in 2021 and needs to be revised to reflect changes in the needs of the community as well as new types of residential development and state housing laws; thus, the Housing Element will review and amend/update existing housing policies to facilitate the development of new housing types and amend the existing goals, policies and objectives and also be the initiator to revise the Zoning Code to better respond to new types of residential development proposals; such as, mixed use and small lot/unit development proposals; and create a streamlined administrative review process; and

**WHEREAS,** the lobby counter that services Planning and Building and Safety will be enlarged and redesigned to work in conjunction with the new streamlined administrative review process and to improve the overall development application submittal experience; and

**WHEREAS**, the Community Development Department's Fiscal Year 2020 - 2021 budget must be amended to appropriate these grant award funds.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** That the City hereby accepts the Local Early Action Planning ("LEAP") Grant award in the amount of Two Hundred Ninety Seven Thousand Dollars ($297,000.00) from the California Department of Housing and Community Development and authorizes the City Manager, on the advice and approval of the City Attorney to execute the Department of Housing and Community Development funding agreement (No. 20-LEAP-15029).

**Section 2.** That the Community Development Department's Fiscal Year 2020-2021 budget shall be amended to allocate the LEAP Grant award funds as follows:

| Account Numbers: | Description: | Amount: |
|---|---|---|
| Revenue | | |
| 2789-000-002-3569 | HCD | $297,000.00 |
| Expenditure | | |
| 2789-780-002-4266 | Housing Element<br>Zoning Ordinances<br>Planning Counter | $297,000.00 |

**Section 3.** That a copy of this Resolution shall be filed in the offices of the City Manager, City Controller, City Attorney, City Clerk, and Community Development Department.

**Section 4.** That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

**ADOPTED** this _____ day of _____, 2020

_____
**MAYOR OF THE CITY OF COMPTON**

**ATTEST:**

_____
**CITY CLERK OF THE CITY OF COMPTON**

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council, signed by the Mayor, and attested to by the City Clerk at a regular meeting thereof held on the _____ day of _____, 2020.

That said Resolution was adopted by the following vote, to wit:

**AYES: COUNCIL MEMBERS-**
**NOES: COUNCIL MEMBERS-**
**ABSTAIN: COUNCIL MEMBERS-**
**ABSENT: COUNCIL MEMBERS-**

_____
**CITY CLERK OF THE CITY OF COMPTON**

STATE OF CALIFORNIA - BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY GAVIN NEWSOM, *Governor*

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**
**ADMINISTRATION AND MANAGEMENT DIVISION**
**Business and Contract Services Branch**
**Contracts Office**
2020 W. El Camino Avenue, Suite 130, 95833
P. O. Box 952054
Sacramento, CA 94252-2054
(916) 263-6928 / FAX (916) 263-6917
www.hcd.ca.gov

Craig Cornwell
City Manager
City of Compton
205 S. Willowbrook Ave
Compton, CA 90220

NOV 16, 2020

**RE:** Grant **20-LEAP-15029**

Dear Craig Cornwell:

Congratulations on your 2019 Local Early Action Planning (LEAP), NOFA award. Attached is an electronic copy of the Standard Agreement ("Agreement') with Exhibits A through E:

**A.** **Standard Agreement Contents (STD 213 and Exhibits A through E)**

**STD 213 - Cover page**

**Exhibit A** - Authority, Purpose and Scope of Work

**Exhibit B -** Budget Detail and Payment Provisions

**Exhibit C*** - State of California General Terms and Conditions - GTC 04/2017

**Exhibit C is now incorporated by reference; please see the STD 213 for additional information.*

**Exhibit D –** LEAP Terms and Conditions

**Exhibit E** - Special Conditions

**B.** **For expeditious handling of the contract, the Department offers two options for returning signed STD 213; please complete the following:**

1. Review the entire Agreement thoroughly and, if necessary, discuss the requirements with your legal and financial advisors.

2. The person or persons authorized by the Resolution(s), must provide an **original signature, printed name, title and date, must use blue ink,** on the lower left-hand section entitled "Contractor" on the STD 213 and/or on page 2 of the STD 213, if applicable.

3. **Option One:** For electronic signature processing, reply to this Standard Agreement email notification with the attached, fully signed STD 213 page(s). All signatures

must be original and in **blue ink**. All signers must be included in the reply email and confirm acceptance of e-signing the Agreement.

4. **Option Two:** Print five copies of the Standard Agreement, STD 213. Do not send photocopies of the signed STD 213 page(s). All five copies must be an original signature with **wet**, **blue ink**; do not return the Exhibits to HCD.

5. Note: If the resolution did not authorize a designated official to sign the STD 213 and amendments thereto, your governing body must adopt a resolution authorizing a designated official(s) to sign the STD 213 and any subsequent amendments. If the authorized designee as reflected in the resolution, the awarded NOFA amount or your entity status has changed, you are required to provide, to the Department, a new resolution consistent with the terms of the NOFA award and adopted by your Board.

6. Return the e-signed copy or the five signed copies of the STD 213; and, if applicable, the certified resolution within 30 days from the date of this letter to the following address:

   **Department of Housing and Community Development**
   **Business & Contract Services Branch**
   **Contracts Office, Attn. Kelvin Singh**
   **2020 West El Camino Avenue, Suite 130**
   **Sacramento, CA 95833**

7. Maintain a complete electronic version of the contract Agreement, STD 213 and Exhibits, for your pending file. **Note: The contract is not effective until it is signed by the Awardee's designated official and the Department.**

The Department reserves the right to cancel any pending Standard Agreement in its entirety if not returned within the required 30-day period.

Please contact Planning Grants Program Manager, Paul McDougall, at paul.mcdougall@hcd.ca.gov, if you have any questions regarding the Standard Agreement or the provisions therein.

Sincerely,

Kelvin Singh
Contract Analyst

Attachment
cc: Local Early Action Planning, John Buettner

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

**STANDARD AGREEMENT**

STD 213 (Rev. 03/2019)

| AGREEMENT NUMBER | PURCHASING AUTHORITY NUMBER (if applicable) |
|---|---|
| 20-LEAP-15029 | |

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CONTRACTOR'S NAME
City of Compton

2. The term of this Agreement is:

START DATE
Upon HCD Approval

THROUGH END DATE
06/30/2024

3. The maximum amount of this Agreement is:
$297,000.00

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

| EXHIBITS | TITLE | PAGES |
|---|---|---|
| Exhibit A | Authority, Purpose and Scope of Work | 2 |
| Exhibit B | Budget Detail and Payment Provisions | 5 |
| Exhibit C* | State of California General Terms and Conditions | GTC - 04/2017 |
| Exhibit D | LEAP General Terms and Conditions | 9 |
| Exhibit E | Special Conditions | 0 |
| | TOTAL NUMBER OF PAGES ATTACHED | 16 |

*Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.*
*These documents can be viewed at* *https://www.dgs.ca.gov/OLS/Resources*

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

**CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership,etc.)
City of Compton

| CONTRACTOR BUSINESS ADDRESS | CITY | STATE | ZIP |
|---|---|---|---|
| 205 S Willowbrook Ave | Compton | CA | 90220 |

| PRINTED NAME OF PERSON SIGNING | TITLE |
|---|---|
| | |

| CONTRACTOR AUTHORIZED SIGNATURE | DATE SIGNED |
|---|---|
| | |

**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME
Department of Housing and Community Development

| CONTRACTING AGENCY ADDRESS | CITY | STATE | ZIP |
|---|---|---|---|
| 2020 W. El Camino Ave., Suite 130 | Sacramento | CA | 95833 |

| PRINTED NAME OF PERSON SIGNING | TITLE |
|---|---|
| Shaun Singh | Contracts Manager, Business & Contract Services Branch |

| CONTRACTING AGENCY AUTHORIZED SIGNATURE | DATE SIGNED |
|---|---|
| | |

California Department of General Services Approval (or exemption, if applicable)

Exempt per; SCM Vol. 1 4.04.A.3 (DGS memo dated 6/12/1981)

**EXHIBIT A**

**AUTHORITY, PURPOSE AND SCOPE OF WORK**

## 1. Authority

Pursuant to Chapter 3.1 of the California Health and Safety Code (Ch. 159, Sec. 11, Stats. 2019), the State of California Department of Housing and Community Development (the "Department" or "State") has established the Local Early Action Planning Grants Program ("LEAP," or the "Program"), as defined in Health and Safety Code Section 50515, et seq., for Local Governments and Localities. In furtherance of the purpose of the Program, the Department has issued a Notice of Funding Availability ("NOFA") dated January 27, 2020. This Standard Agreement, along with all its exhibits (the "Agreement"), is entered into under the authority of, and in furtherance of, the purpose of the Program.

## 2. Purpose

In accordance with the authority cited above, the Grantee has been awarded financial assistance in the form of a grant from the Program. The Department has agreed to make the grant to provide financial assistance for technical assistance, preparation and adoption of planning documents, and process improvements to accelerate housing production and facilitate compliance to implement the sixth cycle of the regional housing needs assessment, pursuant to the terms of the NOFA, which includes associated forms, and this Agreement. By entering into this Agreement and thereby accepting the award of the Program funds, the Grantee agrees to comply with the terms and conditions of the NOFA, this Agreement, subsequent amendments to this agreement when necessary, the representations contained in the application and the requirements of the authority cited above. Based on the representations made by the Grantee, the State shall provide a grant in the amount shown in Exhibit B, Section 2.

## 3. Definitions

Terms herein shall have the same meaning as definitions in Section VIII of the LEAP NOFA.

## 4. Scope of Work

Preparation and adoption of planning documents and process improvements that accelerate housing production and facilitate compliance in implementing the sixth cycle of the regional housing needs assessment in accordance with the Grantee's Attachment 1: Project Timeline and Budget and Project Description as provided by the Grantee in the LEAP application used for subsequent approval by the Department.

## 5. Department Contract Coordinator

The Contract Coordinator of this Agreement for the Department is the Housing Policy Development Program Manager, or the Manager's designee. Unless otherwise informed, any

**EXHIBIT A**

notice, report, or other communication required by this Agreement shall be mailed by first class mail to the Department Contract Coordinator at the following address:

Department of Housing and Community Development
Housing Policy Development
Attention: LEAP Program Manager
2020 West El Camino Avenue, Suite 500
Sacramento, CA 95833

# EXHIBIT B

## BUDGET DETAIL AND PAYMENT PROVISIONS

### 1. Application for Funds

A. The Department is entering into this Standard Agreement ("Agreement") on the basis of, and in reliance on, facts, information, assertions and representations contained in the Application and any subsequent modifications or additions thereto approved by the Department. The Application and any approved modifications and additions thereto are hereby incorporated into this Agreement.

B. The Grantee warrants that all information, facts, assertions and representations contained in the Application and approved modifications and additions thereto are true, correct, and complete to the best of the Grantee's knowledge. In the event that any part of the Application and any approved modification and addition thereto is untrue, incorrect, incomplete, or misleading in such a manner that would substantially affect the Department's approval, disbursement, or monitoring of the funding and the grant or activities governed by this Agreement, the Department may declare a breach hereof and take such action or pursue such remedies as are provided for breach.

### 2. Grant and Reimbursement Limit

The Department's decision to approve or deny an application or request for funding pursuant to the Program, and its determination of the amount of funding provided, shall be final. The maximum total amount granted and reimbursable to the Grantee pursuant to this Agreement shall not exceed $297,000.00.

### 3. Grant Timelines

A. This Agreement is effective upon the date of the Department representative's signature on page one of the fully executed Standard Agreement, STD 213, (the "Effective Date").

B. All Grant funds must be expended by the Grantee on or before December 31, 2023. To ensure that the Grantee is reimbursed on or before December 31, 2023, the Grantee shall deliver to the Department all final invoices for reimbursement on or before September 30, 2023. Under special circumstances, as determined by the Department, the Department may modify the September 30, 2023 deadline.

It is the responsibility of the Grantee to monitor the project and timeliness of draws within the specified dates.

**EXHIBIT B**

## 4. Allowable Uses of Grant Funds

A. The Department shall not disburse funds unless it determines that the grant funds shall be expended in compliance with the terms and provisions of the NOFA and this Agreement.

B. Grant funds shall only be used by the Grantee for eligible activities pursuant to Section VII of the NOFA and only for activities that were approved by the Department, and as stated in Attachment 1: Project Timeline and Budget and Project Description in the Grantee's approved LEAP Application, , and/or any and all documentation incorporated into this Agreement and made a part thereof.

C. Grant funds may not be used for administrative costs of persons employed by the Grantee for activities not directly related to the preparation and adoption of the proposed activity. The Grantee shall use no more than five percent of the total grant amount for costs related to administration of the project.

D. A Grantee that receives funds under this Program may use a subcontractor. The subcontract shall provide for compliance with all the requirements of the Program. The subcontract shall not relieve the Grantee of its responsibilities under the Program.

E. After the contract has been executed by the Department and all parties, approved and eligible costs for eligible activities may be reimbursed upon completion of deliverables in accordance with Attachment 1: Project Timeline and Budget and Project Description, and subject to the terms and conditions of this Agreement.

F. Only approved and eligible costs incurred for work after the NOFA date, continued past the date of full execution of the Agreement, and completed during the grant term, will be reimbursable.

G. Approved and eligible costs incurred prior to the NOFA date are ineligible and will not be reimbursed.

## 5. Performance

A. The Grantee shall take such actions, pay such expenses, and do all things necessary to complete all activities as incorporated into the LEAP application and in accordance with the schedule for completion set forth in the Statement of Work, the Grantee's Project Description and Attachment 1: Project Timeline and Budget, and within the terms and conditions of this Agreement.

B. The Department may monitor expenditures and activities of Grantee, as the department deems necessary, to ensure compliance with program requirements.

**EXHIBIT B**

C. The Department may request repayment of funds from Grantee or pursue other remedies available to it by law for failure to comply with program requirements.

**6. Fiscal Administration**

A. The Grantee is responsible for maintaining records which fully disclose the activities funded by the LEAP grant. Adequate documentation for each reimbursable transaction shall be maintained to permit the determination, through an audit if requested by the State, of the accuracy of the records and the allowability of expenditures charged to LEAP grant funds. If the allowability of expenditure cannot be determined because records or documentation are inadequate, the expenditure may be disallowed, and the State shall determine the reimbursement method for the amount disallowed. The State's determination of the allowability of any expense shall be final, absent fraud, mistake or arbitrariness.

B. Work must be completed prior to requesting reimbursement. The Department may make exceptions to this provision on a case by case basis. In unusual circumstances, the Department may consider alternative arrangements to reimbursement and payment methods based on documentation demonstrating cost burdens, including the inability to pay for work.

C. Prior to receiving reimbursement, the Grantee shall submit the following documentation:

1) Government Agency Taxpayer ID Form (GovTIN; Fi$cal form);

2) A Request for Reimbursement form provided by the Department on the Department's Local Early Action Planning (LEAP) Grants webpage; and

3) Any and all documentation requested by the Department in the Request for Reimbursement form and manner as outlined in the following subsection D.

D. Grantee shall submit all required reimbursement documentation to the following address:

Department of Housing and Community Development
Housing Policy Development
Attention: LEAP Program Manager
2020 West El Camino Avenue, Suite 500
Sacramento, CA 95833

E. The Grantee shall submit invoices for reimbursement to the Department. All invoices shall be subject to the Department's approval and submitted in accordance with the following schedule:

**EXHIBIT B**

1) At maximum, once per quarter; or

2) Upon completion of a deliverable; and

3) At minimum, one invoice for reimbursement annually.

The Department will use the 2020 calendar year beginning from the date of the release of the NOFA on January 27, 2020 as the basis for scheduling reimbursements, with first requests for reimbursement accepted upon full execution of the Agreement by the Grantee and the Department.

F. The Request for Reimbursement must be for a minimum of fifteen percent (15%) of the maximum grant amount awarded. The Department may consider exceptions to the minimum amount requested on a case-by-case basis. All invoices shall reference the contract number and shall be signed and submitted to the Department's Program Manager at the address provided above in Section 6, Subsection D of this part. Invoices shall include at a minimum the following information:

1) Names of the Grantee's personnel performing work;

2) Dates and times of project work;

3) Itemized costs in accordance with Attachment 1: Project Timeline and Budget, and Project Description, including identification of each employee, contractor or subcontractor who provided services during the period of the invoice, the number of hours and hourly rates for each of the Grantee's employees, contractor(s), sub-recipient(s) or subcontractor's staff member(s), authorized expenses with receipts, and contractor, sub-recipient and subcontractor invoices; and

4) Any other documents, certifications, or evidence deemed necessary by the Department prior to disbursement of grant funds.

G. The Department will reimburse the Grantee directly for all allowable project costs as promptly as the Department's fiscal procedures permit upon receipt of an itemized signed invoice.

H. The Department recognizes that budgeted deliverable amounts are based upon estimates and conditions and circumstances may change. Grantees may request adjustments to Attachment 1: Project Timeline and Budget and Project Description in the Grantee's approved LEAP Application in writing (such as a budget adjustment across deliverables), as long as the total budget does not exceed the maximum amount awarded to the Grantee. All adjustments shall be subject to written approval by the Department.

## EXHIBIT B

I. Grant funds shall not be disbursed until this Agreement has been fully executed.

J. Grant fund payments will be made on a reimbursement basis; advance payments are not allowed. The Grantee, its subcontractors and all partners, must have adequate cash flow to pay all grant-related expenses prior to requesting reimbursement from the Department. The Department may consider alternative arrangements for reimbursement and payment methods based on documentation demonstrating cost burdens, including the inability to pay for work.

K. The Grantee will be responsible for compiling and submitting all invoices, supporting documentation and reporting documents. Invoices must be accompanied by reporting materials where appropriate. Invoices without the appropriate reporting materials will not be paid.

1) Supporting documentation may include, but is not limited to; purchase orders, receipts, progress payments, subcontractor invoices, timecards, or any other documentation as deemed necessary and requested by the Department to support the reimbursement to the Grantee for expenditures incurred.

L. The Grantee will submit for reimbursements to the Department based on actual costs incurred, and must bill the State based on clear and completed objectives and deliverables as outlined in the application, in Attachment 1: Project Timeline and Budget and the Project Description, and/or any and all documentation incorporated into this Agreement and made a part thereof.

M. The Department may withhold ten percent (10%) of the grant until grant terms have been fulfilled to the satisfaction of the Department and the final close-out report submitted, no later than December 31, 2024 pursuant to Health and Safety Code section 50515.04(c)(2).

N. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall immediately terminate and be of no further force and effect. In this event, the State and Contractor shall be relieved of any and all obligations under this Grant Agreement.

O. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the sole discretion to cancel this Agreement without cause, no liability occurring to the State, or amend the current Grant Agreement and amount allocated to Contractor.

**EXHIBIT D**

**LEAP TERMS AND CONDITIONS**

1. **Reporting**

   A. During the term of this Standard Agreement ("Agreement") the Grantee shall submit, upon request of the Department, a performance report that demonstrates satisfaction of all requirements identified in this Agreement.

   B. Pursuant to Health and Safety Code Section 50515.04, subsection (a), during the term of the Agreement, the Grantee shall submit an annual report containing all required information by April 1 of the year following receipt of the Grant funds. The annual reports shall be due from the Grantee until Program funds have been expended, but no later than February 28, 2023. A Grantee may, in lieu of providing a separate annual report as identified in Health and Safety Code Section 50515.04, subsection (a), provide the information as part of its Annual Progress Report.

   C. Upon completion of all deliverables required to fulfill this Agreement pursuant to the Grantee's Attachment 1: Project Timeline and Budget as approved in the LEAP Application, the Grantee shall submit a final close out report in accordance with the January 27, 2020 LEAP NOFA. The close out report shall be submitted with the final Request for Reimbursement by September 30, 2023, in accordance with the final invoices due pursuant to Exhibit B, Section 3.

2. **Accounting Records**

   A. The Grantee, its staff, contractors and subcontractors shall establish and maintain an accounting system and reports that properly accumulate incurred project costs by line. The accounting system shall conform to Generally Accepted Accounting Principles (GAAP), to enable the determination of incurred costs at interim points of completion and provide support for reimbursement payment vouchers or invoices.

   B. The Grantee must establish a separate ledger account for receipts and expenditures of grant funds and maintain expenditure details in accordance with the scope of work, project timeline and budget. Separate bank accounts are not required.

   C. The Grantee shall maintain documentation of its normal procurement policy and competitive bid process (including the use of sole source purchasing), and financial records of expenditures incurred during the course of the project in accordance with GAAP.

   D. The Grantee agrees that the state or designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of the Agreement.

   E. Subcontractors employed by the Grantee and paid with moneys under the terms of this

**EXHIBIT D**

Agreement shall be responsible for maintaining accounting records as specified above. Grantee shall monitor and enforce subcontracts accordingly.

**3. Audits**

A. At any time during the term of this Agreement, the Department may perform or cause to be performed a financial audit of any and all phases of the award. At the Department's request, the Grantee shall provide, at its own expense, a financial audit prepared by a certified public accountant. The State of California has the right to review project documents and conduct audits during and over the project life.

1) The Grantee agrees that the Department or the Department's designee shall have the right to review, obtain, and copy all records and supporting documentation pertaining to performance of this Agreement.

2) The Grantee agrees to provide the Department or the Department's designee, with any relevant information requested.

3) The Grantee agrees to permit the Department or the Department's designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees who might reasonably have information related to such records and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with statutes and this Agreement.

B. If a financial audit is required by the Department, the audit shall be performed by an independent certified public accountant. Selection of an independent audit firm shall be consistent with procurement standards contained in Exhibit D, Section 8 subsection A. of this Agreement.

1) The Grantee shall notify the Department of the auditor's name and address immediately after the selection has been made. The contract for the audit shall allow access by the Department to the independent auditor's working papers.

2) The Grantee is responsible for the completion of audits and all costs of preparing audits.

3) If there are audit findings, the Grantee must submit a detailed response acceptable to the Department for each audit finding within ninety (90) days from the date of the audit finding report.

C. The Grantee agrees to maintain such records for possible audit after final payment pursuant to Exhibit D, Section 3, subsection E. below, unless a longer period of records retention is stipulated.

**EXHIBIT D**

1) If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period, all records must be retained by the Grantee, contractors and sub-contractors until completion of the action and resolution of all issues which arise from it. The Grantee shall include in any contract that it enters into in an amount exceeding $10,000.00, the Department's right to audit the contractor's records and interview their employees.

2) The Grantee shall comply with the caveats and be aware of the penalties for violation of fraud and for obstruction of investigation as set forth in California Public Contracts Code Section 10115.10.

D. The determination by the Department of the eligibility of any expenditure shall be final.

E. The Grantee shall retain all books and records relevant to this Agreement for a minimum of three (3) years after the end of the term of this Agreement. Records relating to any and all audits or litigation relevant to this Agreement shall be retained for five (5) years after the conclusion or resolution of the matter.

**4. Remedies of Non-performance**

A. The Department may monitor expenditures and activities of an applicant, as the Department deems necessary, to ensure compliance with Program requirements.

B. The Department may, as it deems appropriate or necessary, request repayment of funds from an applicant, or pursue any remedies available to it by law for failure to comply with Program requirements.

C. Any dispute concerning a question of fact arising under this Agreement that is not disposed of by agreement shall be decided by the Department's Housing Policy Development Manager, or the Manager's designee, who may consider any written or verbal evidence submitted by the Grantee. The decision of the Department's Housing Policy Development Manager or Designee shall be the Department's final decision regarding the dispute.

D. Neither the pendency of a dispute nor its consideration by the Department will excuse the Grantee from full and timely performance in accordance with the terms of this Agreement.

E. In the event that it is determined, at the sole discretion of the Department, that the Grantee is not meeting the terms and conditions of the Agreement, immediately upon receiving a written notice from the Department to stop work, the Grantee shall cease all work under the Agreement. The Department has the sole discretion to determine that the Grantee meets the terms and conditions after a stop work order, and to deliver a written notice to the grantee to resume work under the Agreement.

**EXHIBIT D**

F. Both the Grantee and the Department have the right to terminate the Agreement at any time upon thirty (30) days written notice. The notice shall specify the reason for early termination and may permit the grantee or the Department to rectify any deficiency(ies) prior to the early termination date. The Grantee will submit any requested documents to the Department within thirty (30) days of the early termination notice.

G. There must be a strong implementation component for the funded activity through this Program, including, where appropriate, agreement by the locality to formally adopt or complete the planning document. Localities that do not formally adopt or complete the funded activity could be subject to repayment of the grant.

H. The following shall each constitute a breach of this Agreement:

1) Grantee's failure to comply with any of the terms and conditions of this Agreement.

2) Use of, or permitting the use of, grant funds provided under this Agreement for any ineligible costs or for any activity not approved under this Agreement.

3) Any failure to comply with the deadlines set forth in this Agreement unless approved by the Program Manager.

I. In addition to any other remedies that may be available to the Department in law or equity for breach of this Agreement, the Department may at its discretion, exercise the following remedies:

1) Disqualify the Grantee from applying for future Department administered grant programs.

2) Revoke existing LEAP award(s) to the Grantee.

3) Require the return of unexpended LEAP funds disbursed under this Agreement.

4) Require repayment of LEAP Funds disbursed and expended under this Agreement.

5) Seek a court order for specific performance of the obligation defaulted upon, or the appointment of a receiver to complete the obligations in accordance with the LEAP Program requirements.

6) Other remedies available at law, or by and through this Agreement. All remedies available to the Department are cumulative and not exclusive.

7) The Department may give written notice to the Grantee to cure the breach or violation within a period of not less than fifteen (15) days.

**EXHIBIT D**

**5. Indemnification**

Neither the Department nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by the Grantee, its officers, employees, agents, its contractors, its sub-recipients or its subcontractors under or in connection with any work, authority or jurisdiction conferred upon the Grantee under this Agreement. It is understood and agreed that the Grantee shall fully defend, indemnify and save harmless the Department and all of the Department's staff from all claims, suits or actions of every name, kind and description brought forth under, including, but not limited to, tortuous, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by the Grantee, its officers, employees, agents contractors, sub-recipients, or subcontractors under this Agreement.

**6. Waivers**

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement, or to require at any time, performance by the Grantee of these provisions, shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

**7. Relationship of Parties**

It is expressly understood that this Standard Agreement is an agreement executed by and between two independent governmental entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or association, or any other relationship whatsoever other than that of an independent party.

**8. Third-Party Contracts**

A. All state-government funded procurements must be conducted using a fair and competitive procurement process. The Grantee may use its own procurement procedures as long as the procedures comply with all City/County laws, rules and ordinances governing procurement, and all applicable provisions of California state law.

B. Any contract entered into as a result of this Agreement shall contain all the provisions stipulated in the Agreement to be applicable to the Grantee's sub-recipients, contractors, and subcontractors. Copies of all agreements with sub-recipients, contractors, and subcontractors shall be submitted to the Department's program manager upon request.

C. The Department does not have a contractual relationship with the Grantee's sub-recipients, contractors, or subcontractors, and the Grantee shall be fully responsible for all work performed by its sub-recipients, contractors, or subcontractors.

D. In the event the Grantee is partnering with another jurisdiction or forming a collaborative effort between the Grantee and other jurisdictions who are grantees of the Local Early

**EXHIBIT D**

Action Planning Grants Program, the Grantee acknowledges that each partner and/or all entities forming the Local Early Action Planning Grants Program collaborative are in mutual written agreement with each other but are contractually bound to the Department under separate, enforceable contracts.

E. In the event the Grantee is partnering with another jurisdiction or forming a collaborative effort with other entities that are not grantees of the Local Early Action Planning Grants Program, the Department shall defer to the provisions as noted in subsections 8(B) and 8(C) of this part.

**9. Compliance with State and Federal Laws, Rules, and Regulations**

A. The Grantee agrees to comply with all state and federal laws, rules and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the grant, the Grantee, its contractors or subcontractors, and any other grant activity.

B. During the performance of this Agreement, the Grantee assures that no otherwise qualified person shall be excluded from participation or employment, denied program benefits, or be subjected to discrimination based on race, color, ancestry, national origin, sex, gender, gender identity, gender expression, genetic information, age, disability, handicap, familial status, religion, or belief, under any program or activity funded by this contract, as required by Title VI of the Civil Rights Act of 1964, the Fair Housing Act (42 USC 3601-20) and all implementing regulations, and the Age Discrimination Act of 1975 and all implementing regulations.

C. The Grantee shall include the nondiscrimination and compliance provisions of this clause in all agreements with its sub-recipients, contractors, and subcontractors, and shall include a requirement in all agreements with all of same that each of them in turn include the nondiscrimination and compliance provisions of this clause in all contracts and subcontracts they enter into to perform work under the Program.

D. The Grantee shall, in the course of performing project work, fully comply with the applicable provisions of the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

E. The Grantee shall adopt and implement affirmative processes and procedures that provide information, outreach and promotion of opportunities in the LEAP project to encourage participation of all persons regardless of race, color, national origin, sex, religion, familial status, or disability. This includes, but is not limited to, a minority outreach program to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, as required by 24 CFR 92.351.

**EXHIBIT D**

**10. Litigation**

A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.

B. The Grantee shall notify the Department immediately of any claim or action undertaken by or against it, which affects or may affect this Agreement or the Department, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

**11. Changes in Terms/Amendments**

This Agreement may only be amended or modified by mutual written agreement of both parties.

**12. State-Owned Data**

A. Definitions

1) Work:

The work to be directly or indirectly produced by the Grantee, its employees, or by and of the Grantee's contractor's, subcontractor's and/or sub-recipient's employees under this Agreement.

2) Work Product:

All deliverables created or produced from Work under this Agreement including, but not limited to, all Work and Deliverable conceived or made, or made hereafter conceived or made, either solely or jointly with others during the term of this Agreement and during a period of six months after the termination thereof, which relates to the Work commissioned or performed under this Agreement. Work Product includes all deliverables, inventions, innovations, improvements, or other works of authorship Grantee and/or Grantee's contractor subcontractor and/or sub-recipient may conceive of or develop in the course of this Agreement, whether or not they are eligible for patent, copyright, trademark, trade secret or other legal protection.

3) Inventions:

Any ideas, methodologies, designs, concept, technique, invention, discovery, improvement or development regardless of patentability made solely by the Grantee or jointly with the Grantee's contractor, subcontractor and/or sub-recipient and/or Grantee's contractor, subcontractor, and/or sub-recipient's employees with one or more employees of the Department during the term of this Agreement and in performance of any Work

**EXHIBIT D**

under this Agreement, provided that either the conception or reduction to practice thereof occurs during the term of this Agreement and in performance of Work issued under this Agreement.

B. Ownership of Work Product and Rights

1) All work Product derived by the Work performed by the Grantee, its employees or by and of the Grantee's contractor's, subcontractor's and/or sub-recipient's employees under this Agreement, shall be owned by the Department and shall be considered to be works made for hire by the Grantee and the Grantee's contractor, subcontractor and/or subrecipient for the Department. The Department shall own all copyrights in the work product.

2) Grantee, its employees and all of Grantee's contractor's, subcontractor's and sub-recipient's employees agree to perpetually assign, and upon creation of each Work Product automatically assigns, to the Department, ownership of all United States and international copyrights in each and every Work Product, insofar as any such Work Product, by operation of law, may not be considered work made for hire by the Grantee's contractor, subcontractor and/or subrecipient from the Department. From time to time upon the Department's request, the Grantee's contractor, subcontractor and/or subrecipients, and/or its employees, shall confirm such assignments by execution and delivery of such assignment, confirmations or assignment or other written instruments as the Department may request. The Department shall have the right to obtain and hold in its name all copyright registrations and other evidence of rights that may be available for Work Product under this Agreement. Grantee hereby waives all rights relating to identification of authorship restriction or limitation on use or subsequent modification of the Work.

3) Grantee, its employees and all Grantee's contractors, subcontractors and sub-recipients hereby agrees to assign to the Department all Inventions, together with the right to seek protection by obtaining patent rights therefore and to claim all rights or priority thereunder and the same shall become and remain the Department's property regardless of whether such protection is sought. The Grantee, its employees and Grantee's contractor, subcontractor and /or subrecipient shall promptly make a complete written disclosure to the Department of each Invention not otherwise clearly disclosed to the Department in the pertinent Work Product, specifically noting features or concepts that the Grantee, its employees and/or Grantee's contractor, subcontractor and/or subrecipient believes to be new or different.

4) Upon completion of all work under this Agreement, all intellectual property rights, ownership and title to all reports, documents, plans, specifications and estimates, produced as part of this Agreement will automatically be vested in Department and no further agreement will be necessary to transfer ownership to Department.

**EXHIBIT D**

**13. Special Conditions**

The State reserves the right to add any special conditions to this Agreement it deems necessary to assure that the policy and goals of the Program are achieved.

**December 15, 2020**

**TO:** **HONORABLE MAYOR AND CITY COUNCIL**

**FROM:** **PUBLIC WORKS-STREET MAINTENANCE DEPARTMENT**

**SUBJECT:** **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A THREE YEAR CONTRACT WITH UNITED PACIFIC SERVICES, INC. FOR CITY-WIDE TREE MAINTENANCE SERVICES ($1,200,000)**

## SUMMARY

This resolution will authorize the City Manager to enter into a thirty-one (31) month (i.e. December 2020 through June 2023) services contract agreement with United Pacific Services, Inc. to manage the City's Urban Forestry Program by providing routine City-wide tree trimming and other forestry related services.

## BACKGROUND

The City of Compton's Urban Forestry Program is designed to manage and enhance the trees planted in public places (e.g. parks, parkways, medians, etc.) throughout the City to optimize the utilization of our green resources, otherwise known as the urban forest. The Urban Forestry Program helps to define the character of the City, supports Compton's public health by improving air and water quality, provides habitat for wildlife, enhances spaces for enjoyment, and reduces the quantity of stormwater runoff.

The Urban Forestry Program encompasses more than 20,000 trees and involves administering a tree care program that includes removing dead and hazardous trees, trimming trees in accordance with recognized arborist's standards, and conducting reforestation projects in public spaces as needed. A database is also maintained that catalogs the trees and the maintenance program utilized for each type throughout the City.

## STATEMENT OF THE ISSUE

The City's Public Works – Street Maintenance Department ("Department") is responsible for managing the Urban Forestry Program. Accordingly, the Department advertised a Request for Proposals for Tree Maintenance Services on August 12, 2020, in *The Bulletin Newspaper*.

A panel was formed amongst the Department's staff to review, rate and rank the proposals to determine the lowest responsible bidder in accordance with the City's procurement policies.

In addition to pricing, staff considered the thoroughness of each proposal, quality of work with other municipalities, experience of the staff, resources and equipment available to manage the program, familiarity with the City, and the location of their office as it relates to their ability to respond to emergency calls. All of the companies were interviewed and the following rankings were determined after considering the proposals and interviews:

| Ranking | Contractor | Score |
|---|---|---|
| 1. | United Pacific Services, Inc. | 90.75 |
| 2. | North Star Land Care, Inc. | 82.25 |
| 3. | Great Scott Tree Service, Inc. | 81.75 |
| 4. | West Coast Arborists, Inc. | 81.50 |
| 5. | Economy Tree Care, Inc. | 76.25 |
| 6. | Mariposa Tree Management, Inc. | 72.00 |
| 7. | Tiger Tree Services, Inc. | 67.25 |

While the variety of possible service requests makes it challenging to quantify costs, staff provides a price consideration based on an average cost per service based on the prices listed in the proposals as detailed below:

| | Tiger Tree Services, Inc. | Econcomy Tree Care, Inc. | North Star Lanc Care, Inc. | Great Scott Tree Service, Inc. | United Pacific Services, Inc. | West Coast Arborists, Inc. | Mariposa Tree Management, Inc. |
|---|---|---|---|---|---|---|---|
| Scheduled Trimming | $ 60.00 | $ 45.00 | $ 60.00 | $ 84.00 | $ 62.00 | $ 89.00 | $ 125.00 |
| Aesthetic Trimming | $ 116.67 | $ 126.67 | $ 132.11 | $ 156.22 | $ 222.78 | $ 245.11 | $ 286.11 |
| Palm Tree Trimming | $ 123.33 | $ 80.00 | $ 141.67 | $ 95.00 | $ 108.33 | $ 132.33 | $ 128.33 |
| Tree Removal | $ 30.67 | $ 21.33 | $ 27.33 | $ 37.00 | $ 29.00 | $ 39.33 | $ 37.67 |
| New Tree Planting | $ 510.00 | $ 376.67 | $ 388.33 | $ 438.33 | $ 466.67 | $ 575.00 | $ 650.00 |
| Tree Watering | $ 350.00 | $ 550.00 | $ 640.00 | $ 595.00 | $ 800.00 | $ 765.00 | $ 800.00 |
| Service Crew Rental | $ 140.00 | $ 146.67 | $ 180.00 | $ 190.00 | $ 160.00 | $ 170.00 | $ 193.33 |
| Emergency Response | $ 290.00 | $ 275.00 | $ 270.00 | $ 435.00 | $ 330.00 | $ 330.00 | $ 345.00 |
| Root Pruning | $ 13.00 | $ 10.00 | $ 12.00 | $ 15.00 | $ 25.00 | $ 25.00 | $ 50.00 |
| Park & Slope Pruning | $ 210.00 | $ 225.00 | $ 270.00 | $ 285.00 | $ 240.00 | $ 255.00 | $ 270.00 |
| Average Total | **$ 184.37** | **$ 185.63** | **$ 212.14** | **$ 233.06** | **$ 244.38** | **$ 262.58** | **$ 288.54** |

1. **<u>United Pacific Services (UPS)</u> – *Staff Recommendation***

United Pacific Services, Inc. was deemed by the panel to be the lowest, most responsible bidder to provide tree maintenance services for the City's Urban Forestry Program.

UPS is a professional tree company with urban forest management solutions that are eco-friendly and focuses on establishing and maintaining relationships with the community at large. UPS has been providing tree maintenance services for over 30 years and they are in good standing with the State of California Contractors License Board. UPS has provided tree maintenance work for over 20 municipalities in Southern California

and employs certified arborists and pest control advisers to address all aspects of an Urban Forestry Program.

The firm has a 2-acre shop with an office facility located in the City of South Gate and can respond to emergency tree requests within thirty (30) minutes. The firm has never been disqualified or entered into any type of litigation with any government agency.

UPS's average price for all of the services offered is $244.38. While this average price is not the lowest, UPS has the ability to address multiple work orders for the City at the same time. UPS also has the latest equipment to handle complex work order request.

2. **North Star Land Care (NSLC)**

North Star Landscape is a newly created company with a current client list of Huntington Park, Maywood, Los Angeles County and Lynwood. NSLC operates out of the City of Downey. Their average price is $212.14. Its staff includes arborists, and industry approved equipment.

3. **Great Scott Tree Service**

Started in 1976, Great Scott Tree Service operates out of Stanton, California and has a staff of qualified employees and equipment to address all aspects of tree maintenance. Its average price is $233.06.

4. **West Coast Arborists, Inc. (WCA)**

Established in 1972, WCA is a family-owned and operated company proposing to operate the City's contract from their Anaheim office. Its staff has 80 Certified Arborists and over 150 Certified Tree workers. WCA's average price is $262.58.

5. **Economy Tree Care**

Economy Tree Care had its first municipal tree trimming contract with the City of Compton. Since that time they've migrated their business focus to residential properties and they trim approximately 25,000 trees annually while based in Long Beach, California. Economy has an eight (8) person staff. Its average price is $262.58.

6. **Mariposa Tree Management, Inc. (MTM)**

MTM has been in business for over forty years and market themselves as having an arboreal expertise to provide tree maintenance. MTM would operate this contract out of their Irwindale office. Its average price is $288.54.

### 7. Tiger Tree Services (TTS)

TTS is a family-owned company based out of El Monte, California. Its average price for services is $184.37.

## FISCAL IMPACT

The estimated budget for services to be provided by UPS is a “not-to-exceed” amount of Four Hundred Thousand Dollars ($400,000.00) per fiscal year of the contract (i.e. December 2020 thru June 2021, July 2021 thru June 2022, July 2022 thru June 2023).

The Public Works - Street Maintenance Department has funds available in the 2020-2021 Fiscal Year budget in the amount of Four Hundred Thousand Dollars ($400,000.00) in Account No. 2502-720-000-4269 (Lighting and Landscaping) for services requested by the City and rendered by United Pacific, Inc. during this fiscal year.

Funds in the amount of Four Hundred Thousand Dollars ($400,000.00) will be budgeted in Fiscal Years 2021-2022 and 2022-2023.

## RECOMMENDATION

Staff recommends the City Council adopt the attached Resolution.

**DAMION TIMMONS, STREET SUPERINTENDENT**
**PUBLIC WORKS-STREET MAINTENANCE DEPARTMENT**

**APPROVED FOR FORWARDING:**

**CRAIG J. CORNWELL**
**CITY MANAGER**

**RESOLUTION NO. _____**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A THREE-YEAR CONTRACT WITH UNITED PACIFIC SERVICES, INC. FOR CITY-WIDE TREE MAINTENANCE SERVICES ($1,200,000)**

**WHEREAS**, the City of Compton's Urban Forestry Program encompasses more than 20,000 trees throughout the City; and

**WHEREAS**, the Urban Forestry Program is designed to maintain the City's trees by administering proper care including; routine trimming; planting new trees; removing dead and hazardous trees; conducting reforestation projects in the parks, municipal grounds, open spaces, medians and streets; and

**WHEREAS,** the Urban Forestry Program maintains a tree database with maintenance information about the trees throughout the City; and

**WHEREAS**, the City's Urban Forestry Program helps to define the character of the City, supports public health, provides habitat for wildlife, enhance spaces for the community's enjoyment, supports Compton's public health by improving air and water quality and reduces the quantity of stormwater runoff; and

**WHEREAS,** the management of the Urban Forestry Program is the responsibility of the City's Public Works Maintenance Department; and

**WHEREAS**, staff advertised a Request for Proposals for Tree Maintenance Services on August 12, 2020, in the Bulletin Newspaper; and

**WHEREAS,** the variety of possible service requests makes it challenging to quantify costs, staff provided a price consideration based on an average cost per service based on the prices listed in the proposals as detailed below:

| | Tiger Tree Services, Inc. | Econcomy Tree Care, Inc. | North Star Lanc Care, Inc. | Great Scott Tree Service, Inc. | United Pacific Services, Inc. | West Coast Arborists, Inc. | Mariposa Tree Management, Inc. |
|---|---|---|---|---|---|---|---|
| Scheduled Trimming | $ 60.00 | $ 45.00 | $ 60.00 | $ 84.00 | $ 62.00 | $ 89.00 | $ 125.00 |
| Aesthetic Trimming | $ 116.67 | $ 126.67 | $ 132.11 | $ 156.22 | $ 222.78 | $ 245.11 | $ 286.11 |
| Palm Tree Trimming | $ 123.33 | $ 80.00 | $ 141.67 | $ 95.00 | $ 108.33 | $ 132.33 | $ 128.33 |
| Tree Removal | $ 30.67 | $ 21.33 | $ 27.33 | $ 37.00 | $ 29.00 | $ 39.33 | $ 37.67 |
| New Tree Planting | $ 510.00 | $ 376.67 | $ 388.33 | $ 438.33 | $ 466.67 | $ 575.00 | $ 650.00 |
| Tree Watering | $ 350.00 | $ 550.00 | $ 640.00 | $ 595.00 | $ 800.00 | $ 765.00 | $ 800.00 |
| Service Crew Rental | $ 140.00 | $ 146.67 | $ 180.00 | $ 190.00 | $ 160.00 | $ 170.00 | $ 193.33 |
| Emergency Response | $ 290.00 | $ 275.00 | $ 270.00 | $ 435.00 | $ 330.00 | $ 330.00 | $ 345.00 |
| Root Pruning | $ 13.00 | $ 10.00 | $ 12.00 | $ 15.00 | $ 25.00 | $ 25.00 | $ 50.00 |
| Park & Slope Pruning | $ 210.00 | $ 225.00 | $ 270.00 | $ 285.00 | $ 240.00 | $ 255.00 | $ 270.00 |
| Average Total | **$ 184.37** | **$ 185.63** | **$ 212.14** | **$ 233.06** | **$ 244.38** | **$ 262.58** | **$ 288.54** |

; and

**WHEREAS,** staff reviewed, rated and ranked the seven proposals that were received in accordance with the City's procurement policies, taking into consideration factors such as pricing, the thoroughness of each proposal, quality of work with other municipalities, experience of the staff, resources and equipment available to manage the program, familiarity with the City and the location of their office as it relates to their ability to respond to emergency calls and determined the following ranking:

| Ranking | Contractor | Score |
|---|---|---|
| 1. | United Pacific Services, Inc. (UPS) | 90.75 |
| 2. | North Star Land Care, Inc. | 82.25 |
| 3. | Great Scott Tree Service, Inc. | 81.75 |
| 4. | West Coast Arborists, Inc. | 81.50 |
| 5. | Economy Tree Care, Inc. | 76.25 |
| 6. | Mariposa Tree Management, Inc. | 72.00 |
| 7. | Tiger Tree Services, Inc. | 67.25 |

; and

**WHEREAS**, United Pacific Services, Inc. ("UPS") was deemed by staff to be the lowest, most responsible bidder to provide tree maintenance services for the City's Urban Forestry Program; and

**WHEREAS**, UPS has a 2-acre shop with an office located in South Gate and can respond to emergency requests within thirty (30) minutes; and

**WHEREAS**, while UPS does not represent the lowest price, the company has the ability to address multiple work orders for the City at the same time. UPS also has the up-to-date equipment to handle complex work order request; and

**WHEREAS,** funds for this expenditure are available in the approved Fiscal Year 2020-2021 budget and will be allocated in the remaining fiscal years in the following table:

| FISCAL YEAR | FUND | AMOUNT |
|---|---|---|
| 2020-2021<br>(DECEMBER 2020 – JUNE 2021) | 2502-720-000-4269<br>(Lighting and Landscaping) | $400,000.00 |
| 2021 – 2022<br>(JULY 2021 – JUNE 2022) | 2502-720-000-4269<br>(Lighting and Landscaping) | $400,000.00 |
| 2022-2023<br>(JULY 2022 – JUNE 2023) | 2502-720-000-4269<br>(Lighting and Landscaping) | $400,000.00 |
| **TOTAL** | | $1,200,000.00 |

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** That the proposal from United Pacific, Inc. is hereby accepted and all other proposals rejected.

**Section 2.** That the City Manager, on the advice and approval of the City Attorney is hereby authorized to enter into a thirty-one (31) month (i.e. December 2020 through June 2023) service contract with United Pacific, Inc., for the management of the City's Urban Forestry Program by providing City-wide tree maintenance and other forestry related services.

**Section 3.** That a purchase order is authorized to be established for United Pacific, Inc. in the not-to-exceed amount of Four Hundred Thousand Dollars ($400,000.00) for services rendered this fiscal year.

**Section 4.** That funds for this expenditure are available in the approved Fiscal Year 2020-2021 budget in Account No. 2502-720-000-4269 and will be allocated in the remaining fiscal years as indicated above.

**Section 5.** That a copy of this Resolution shall be filed in the offices of the City Clerk, City Attorney, City Manager, Public Works-Street Maintenance and the City Controller.

**Section 6.** That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

**ADOPTED** this _____ day of _____, 2020.

_____
**MAYOR OF THE CITY OF COMPTON**

**ATTEST:**

_____
**CITY CLERK OF THE CITY OF COMPTON**

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

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council of the City of Compton, signed by the Mayor and attested by the City Clerk at a regular meeting thereof held on this _____ day of _____, 2020.

That said Resolution was adopted by the following vote, to wit:

**AYES: COUNCILMEMBERS-**
**NOES: COUNCILMEMBERS-**
**ABSTAIN: COUNCILMEMBERS-**
**ABSENT: COUNCILMEMBERS-**

_____
**CITY CLERK OF THE CITY OF COMPTON**

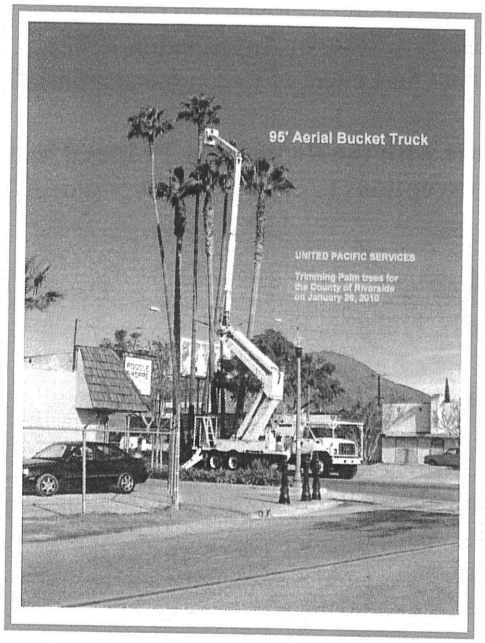
# CITY OF COMPTON

## TREE MAINTENANCE SERVICES
## REQUEST FOR PROPOSAL

**Proposal Due By:**

**No later than 5:00 p.m., Thursday, September 17, 2020**

CITY OF COMPTON
Office of the City Clerk
205 South Willowbrook Avenue
Compton, CA 90220




Submitted by: UNITED PACIFIC SERVICES, INC.

ORANGE COUNTY OFFICE:
Eric Franklin, Vice President
251 Imperial Hwy., Suite 450
Fullerton, CA 92835
(562) 691-4600 ext. 226 office, (562) 691-8839 fax
eric@unitedpac.com - email

LOS ANGELES COUNTY OFFICE
Jack Mooring, Vice President
5529 Leeds Street
South Gate, CA 90280
(562) 254-1196, office, (562) 691-8839 fax
jack@unitedpac.com - email

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4.) **Statement of Compliance**

**"This proposal is in compliance with the Request for Proposal and the City's Standard Maintenance Services Agreement" and no exceptions to either are proposed: AGREED TO BY:**

Authorized Signature: _____ Date: 09/17/2020

Gus K. Franklin, President

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**United Pacific Services, Inc.**
**5529 Leeds Street**
**South Gate, CA 90280**
**(562) 691-4600 office, ext. 225 (562) 691-8839 fax**
gus@unitedpac.com - cell (562) 254-0749

# Title Page

United Pacific Services, Inc. has reviewed "Notice of Invitation for Bid,

FOR

**CITY OF COMPTON**

**REQUEST FOR PROPOSAL**

For

**"TREE MAINTENANCE SERVICES"**

Responses to be received until

**Final submittal Date:**

**No Later than 5:00 p.m., on Thursday**
**September 17, 2020**

**Proposal addressed to:**

City of Compton
City Clerk's Office
205 South Willowbrook Avenue,
Compton, CA

**Authorized Signature:**

*Corporate seal*

Gus K. Franklin
President and CEO
***Signature Binds the Corporation***

This bid shall remain valid for a period of not less than 90 days from the date of submittal

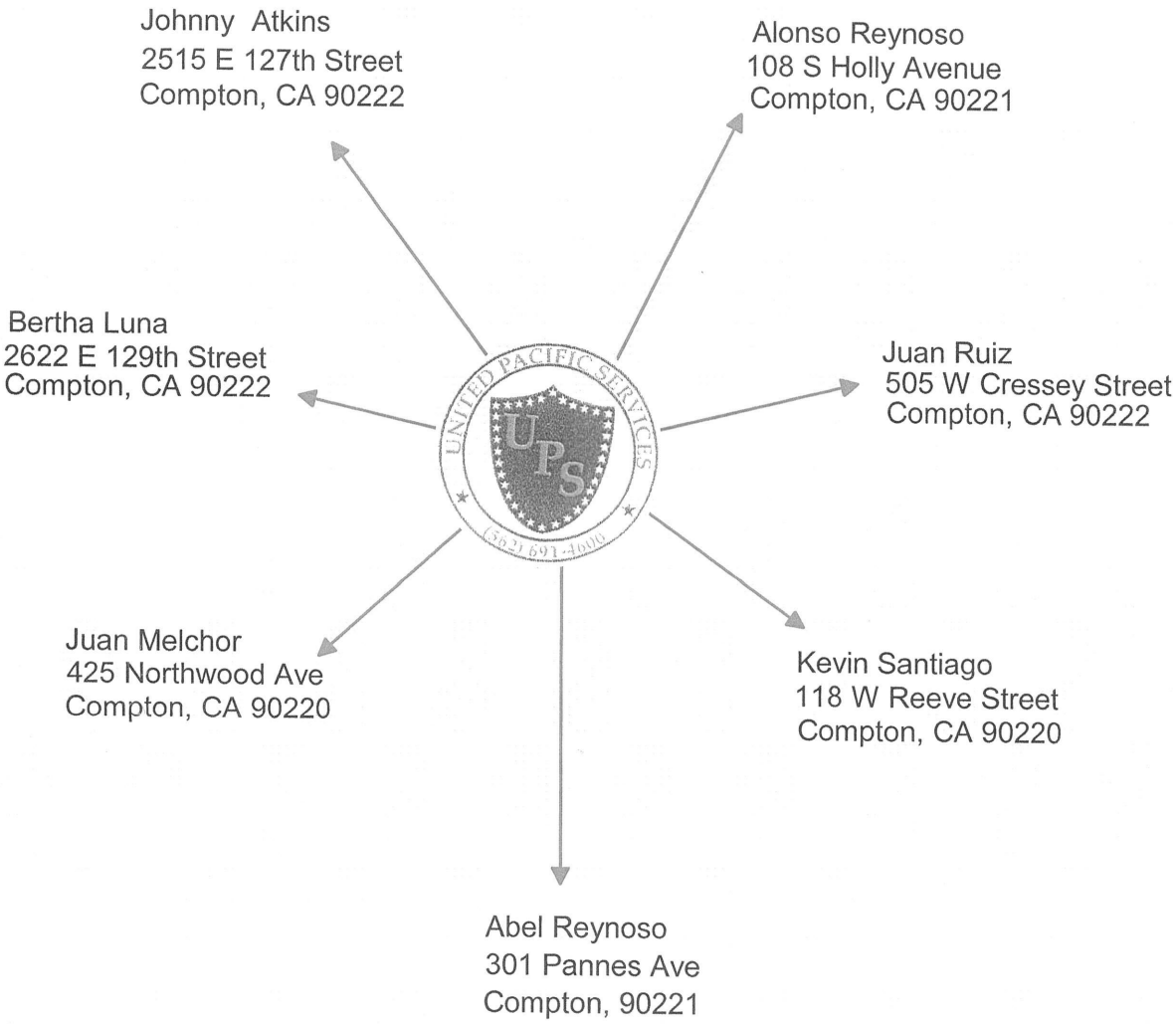
**Date:** 09-17-20

# UNITED PACIFIC SERVICES

## LOCAL EMPLOYEES WHO LIVE IN COMPTON

**United Pacific Services, Inc. (UPS) currently has Seven (7) employees who live in the City of Compton. These employees have worked for UPS for many years and they are very experienced in doing city and county tree maintenance contracts. The City of Compton will have a crew who lives in Compton that can respond to any emergency situation from fallen limbs and branches to an entire tree falling in the street.**

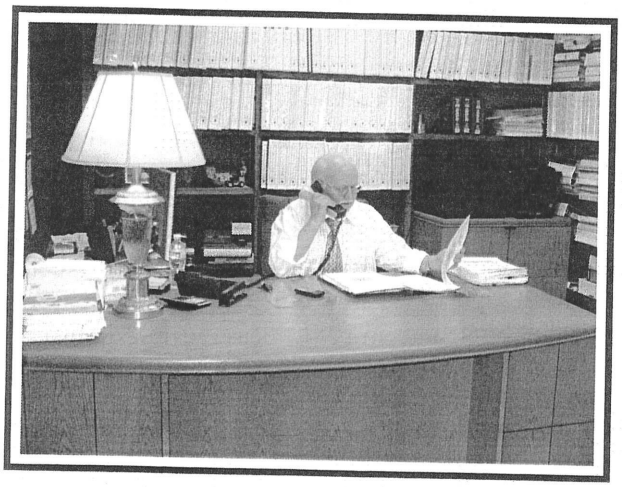
## SEVEN EMPLOYEES WHO LIVE IN COMPTON



# *UNITED PACIFIC SERVICE, INC.*

*5529 Leeds Street*
*South Gate, CA 90280*
*(562) 691-4600 office, ext 225 (562) 691-8839 fax*
**gus@unitedpac.com**


**COVER LETTER / INTRODUCTION**



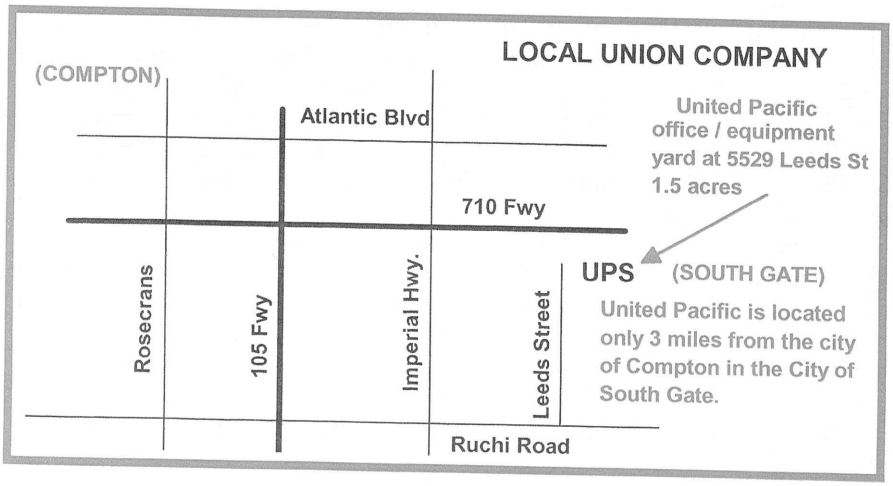
September 17, 2020

Mr. Damon Timmons
Street Superintendant
Public Works Department
City of Compton
205 South Willowbrook Avenue
Compton, CA 90220

**RE: INVITATION FOR BID - Tree Maintenance Services**
**Bid Due Date: By no later than 5:00 p.m. on Thursday, September 17, 2020**

Dear Mr. Damon Timmons,

United Pacific Services, Inc. (UPS) has completed numerous contracts for many Municipalities, Counties and State agencies. During the past forty-five years I have supervised the completion of over $135,000,000 in contracts for 125 California municipalities. During this same period of time I supervised and completed numerous contracts for the counties of San Bernardino, Riverside, Ventura, Orange, San Diego and Los Angeles. All contracts were completed on time and to specifications. We have never been assessed liquidated damages for failure to complete a contract on time or to specifications, nor have we ever had a complaint filed with the Contractors State Licensing Board against the company or the owners.




***United Pacific Services 1.5 acre office and equipment yard were we park 35 trucks and tractors is located only 3.0 miles from the City of Compton and we can respond to any emergency within 30 minutes and we are a local Union Company.***

From July of 2016 to June of 2022 we have been awarded annual and renewable contracts in the amount of $5,300,000 per year with a total value of $17,850,000 which includes the option years with the City of Downey, City of Los Angeles - Department of Water & Power, City of Highland, City of Fountain Valley, City of Pasadena, the City of Lake Forest and three contracts with the County of Los Angeles and the entire County of

Riverside. In 2018 we were also awarded a 1.6 million dollar contract with the State of California - Caltrans and we have a contract pending award with the County of Los Angeles for 1.5 million. In addition we were recently awarded a contract with the City of Lake Forest and a four year contract for the Orange County Fair Grounds. These contracts include tree trimming, tree planting, tree removal, tree watering, landscape maintenance and tree inventory using either the ArborPro and/or TreeKeeper software. If selected by the City of Compton, we will provide the city with crews that have equipment that has been certified and meets all state safety and air quality requirements to complete the tree maintenance work in a timely and professional manner. Our crews will be supervised by an ISA Certified Arborist and tree trimming will be done by certified I.S.A. Tree Trimmers. UPS is a state licensed contractor and holds both the C27 (Landscape) and C61 D49 (Tree) state contractors licenses. Both licenses are in good standing with the State of California and bonds have been posted with the State. We have also included in our proposal our QAL license, State of California Pest Control License, Agricultural Pest Control Registration number and our Pest Control Advisor License.

In our proposal I have included Thirty-four Government Endorsement Signatures, Ten Government Endorsement Signatures in 2012, Ten Governmental Endorsement Signatures rating our company's performance as Excellent in 2004 and Fourteen City Endorsement Signatures in 1981. Please review our list of Fifty-six letters of Recommendation from 1977 to 2016 and seven letters of Recommendation from various Municipalities and County agencies from 2004 to 2016. We have also included a list of 76 letters of recommendation from various government agencies for your review. We look forward to adding the City of Compton to our current and on-going contracts and believe our proven track record of accomplishments and experience in the performance of current and past contracts will provide the City with a level of confidence in our ability to successfully pursue this contract with the skills and experience you require and expect. If you have any questions or need additional information, upon review of our bid submittal, please do not hesitate to call me at (562) 691-4600 ext. 225.

**Note*

***United Pacific Services has Seven (7) employees who live in Compton and have worked for the company from 5 to 20 years and are highly experienced in doing tree maintenance contracts.***

Sincerely,

Gus K. Franklin
President

# UNITED PACIFIC SERVICES
## UNION COMPANY

**SOUTHERN CALIFORNIA DISTRICT COUNCIL**
**OF**
**LABORERS**
AFFILIATED WITH
LABORERS' INTERNATIONAL UNION OF NORTH AMERICA, AFL-CIO

SERGIO RASCON, President
ERNESTO J. ORDONEZ, Secretary-Treasurer
JON P. PRECIADO, Business Manager

4399 Santa Anita Ave. • Suite 265 • El Monte, CA 91731 • Tel (626) 350-6900 • Fax (626) 350-7383




SOUTHERN CALIFORNIA DISTRICT COUNCIL
OF
LABORERS
AFFILIATED WITH
LABORERS' INTERNATIONAL UNION OF NORTH AMERICA, AFL-CIO
SERGIO RASCON, ERNESTO J. ORDONEZ, JON P. PRECIADO

May 3, 2019

NOTICE TO CONTRACTORS

Under the terms of the 2015-2021 LANDSCAPE MAINTENANCE AGREEMENT (TREE TRIMMER), the Union is allocating the July 1, 2019, $1.25 per hour increase as follows:

| | |
|---|---|
| Wages | $0.60 |
| Health/Welfare | $0.10 |
| Pension | $0.25 |
| Vacation | $0.15 |
| CCC | $0.10 |

Based upon the above allocation, the following Wage and Fringe Benefit Schedule becomes effective July 1, 2019.

*Hourly Rates*

| *Journeyman Wage & Fringe Benefit Rates* | *Effective July 1, 2019* |
|---|---|
| Senior Trimmer Base Wage | $20.40 |
| Trimmer Base Wage | $18.40 |
| Groundsperson Base Wage | $15.65 |
| Health & Welfare | 2.45 |
| Pension | 1.75 |
| Vacation Senior Trimmer (Supplemental Dues $0.38) | 2.17 |
| Vacation Trimmer (Supplemental Dues $0.38) | 1.97 |
| Vacation Groundsperson (Supplemental Dues $0.38) | 1.82 |
| Center for Contract Compliance | .30 |

*Future Increases:*
Effective July 1, 2020 — $1.35

SOUTHERN CALIFORNIA DISTRICT
COUNCIL OF LABORERS

Jon P. Preciado
Business Manager

Feel the Power
LiUNA!




## MilitaryHire Skilled Trades Recruiting

Across the country, skilled trades businesses struggle to hire reliable employees. Meanwhile, veterans at military bases often complete their tour of duty and transition to civilian life without meaningful employment lined up. MilitaryHire's Skilled Trades Recruiting program solves both these problems.

Veterans bring a host of character traits that are difficult to beat. They are hard-working, detail-oriented, quick to learn, adaptable, often have leadership experience, and are motivated by an attitude of service to country and community. Veterans are accelerated learners. Ever since joining the military, they have had to learn and master a variety of new skills under demanding circumstances.

For a company looking for entry level workers in the skilled trades, veterans are the obvious answer, and MilitaryHire can help you hire veterans through the MilitaryHire Skilled Trades Recruiting program.

### What is the MilitaryHire Skilled Trades Recruiting program?

MilitaryHire combines the international reach of their well known veteran job board with in person, on site, recruiting trips to military bases around the country to find veterans to fill your openings. We prescreen each candidate and provide you with candidates willing and eager to join your company and learn a skilled trade.

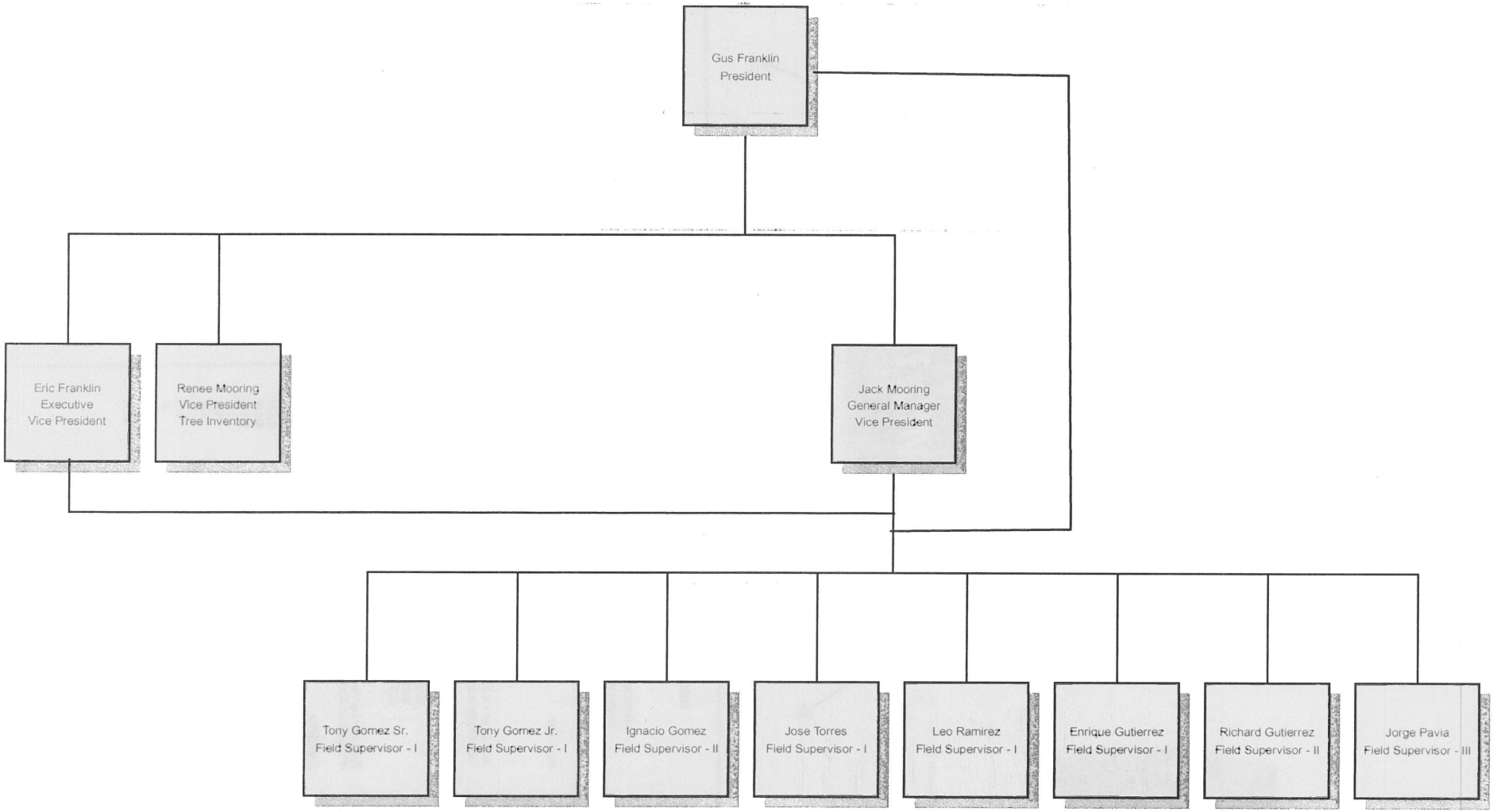
### How does the program work?

- The first step is a call with your MilitaryHire account manager to understand your hiring requirements.
- Your account manager will help you get job descriptions posted.
- Your account manager will gather information for your company's profile page
- Your account manager will provide you with information on posting a "We Proudly Hire Veterans" badge on your website.
- MilitaryHire will begin identifying veterans that meet your hiring requirements.
- Most of these veterans will be transitioning from active duty and will be located at a military base such as Ft. Hood or Ft. Bragg. Some may even be deployed overseas.
- Your account manager will send you video introductions so you can get to know the candidates.
- You select candidates for follow up video interviews.
- You select candidates to hire and extend an offer.

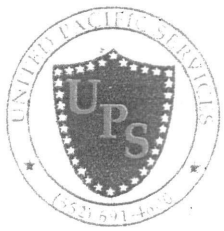
# United Pacific Services, Inc.

## Organizational Chart

## *City of Compton*



# City of Compton
## Organizational Chart
### *Assigned Crew*



General Manager
*Jack Mooring*
Certified Arborist
ISA # WE-0905

Vice President
*Eric Franklin*
Certified Arborist
ISA # WE-2158

Field Supervisor
*Jose Torres*
ISA Tree Worker
ISA # WE-1070

Tree Inventory
*Renee Mooring*
Certified Arborist
ISA # WE-10452

Luis Padilla
ISA Tree Worker
Tree trimmer
ISA # WE-11045

Atanacio Hernandez
ISA Tree Worker
Tree trimmer
ISA # WE-11099

Antonio Gomez Jr.
ISA Tree Worker
Tree trimmer
ISA # WE-11181

Ignacio Gomez
ISA Tree Worker
Tree trimmer
ISA # WE-11179

Filemone Chavez
Truck Driver
Groundman

Angel Lopez
Truck Driver
Groundman

Antonio Cornel
Truck Driver
Groundman

**EMPLOYEE QUALIFICATIONS / EXPERIENCE** UNITED PACIFIC SERVICES, INC.

***City of Compton - Assigned Crew, Urban Forestry***

**NAME OF CONTRACT:** **Request for Proposals (RFP) for Tree Maintenance Services for the City of Compton**

| | NAME OF EMPLOYEE | TITLE | YEARS OF EXPERIENCE | NAME OF CONTRACT | AMOUNT OF CONTRACT | TYPE OF WORK | YEAR |
|---|---|---|---|---|---|---|---|
| 1. | **Eric L. Franklin**<br>Cell # 562-254-0746<br>I.S.A.WE-2158AU - Utility Specialist<br>I.S.A.WE-2158 - Certified Arborist<br>ACRT. #03268 - Electrical | Vice President | 22 | 1. City of Long Beach Queensway Bay<br>2. County of Los Angeles - As- Needed Tree Maintenance<br>3. Orange County Sanitation District<br>4. City of Simi Valley<br>5. San Diego Port District Tree Maintenance<br>County of Riverside | 475,000 per year for three (3) years total 1,425,000<br>377,000 for 2009 Emergency Tree Work<br>200,000 per year total 1,000,000<br>400,000 per year total 3 million<br>225,000 per year total 1,350,000 | Landscape & Tree maintenance<br>Tree maintenance<br>Landscape & Tree maintenance<br>Tree maintenance<br>Tree maintenance | 2002 to 2010 (7 years)<br>2002 to 2018 (16 years)<br>2004 to 2009 (5 years)<br>2010 to 2018 (8 years)<br>2005 to 2010 (5 years0 |
| 2. | **Jack Mooring**<br>Cell # 562-254-1196<br>ACRT #03266 - Electrical<br>I.S.A.WE-0905A - Certified Arborist<br>I.S.A. #403 - Certified Tree Worker<br>Confined Space 07-15-03<br>I.S.A. Municipal Arborists | General Manager | 35 | 1. County of Riverside - Tree Maintenance<br>2. Port of San Diego Tree Maintenance<br>3. City of Simi Valley Tree Maintenance<br>4. City of Santa Clarita Tree Maintenance | 375,000 per year for 11 years total 4,125,000<br>225,000 per year for six (6) years total 1,350,000<br>400,000 per year Total 4,000,000<br>550,000 per year for three (3) years total 1,650,000 | Tree maintenance<br>Tree maintenance<br>Tree maintenance<br>Tree maintenance | 2005 to 2016 (11 years)<br>2004 to 2010 (6 years)<br>2008 to 2018 (10 years)<br>2007 to 2010 (3 years) |
| 3. | **Luis Padilla**<br>I.S.A. #1607 Certified Tree Worker<br>CPR 06-10-2004<br>First Aid 04-10-2004 | Crew Foreman I<br>Certified Trimmer | 24 | 1. City of Los Angeles Tree Maintenance<br>2. City of Simi Valley Tree Maintenance<br>3. L.A. River/Compton Creek/ Rio Hondo - County L.A.<br>L.A. River/Rio Hondo County of Los Angeles | 1.200,000 per year for three (3) years total 3.6 million<br>633,542 per year For eight (8) years Total 5,068,000<br>353,175 per year for three (3) years total 1,059,525 | Tree maintenance<br>Tree maintenance<br>Tree maintenance | 2015 to 2018 (3 years)<br>2010 to 2018 (8 years)<br>2001 to 2004 (3 years) |
| 4. | **Antonio Gomez**<br>I.S.A. #1617 Certified Tree Worker<br>CPR 06-14-2008<br>First Aid 06-14-2008 | Crew Foreman II<br>Certified Trimmer | 28 | 1. County of Los Angeles As-needed Tree maintenance<br>2. City of Simi Valley Tree maintenance<br>3. City of Santa Clarita Tree maintenance<br>4. County Riverside Tree maintenance | 377,000 for 2009 Emergency Tree work<br>400,000 per year total 800,000<br>550,000 per year total 1,650,000<br>375,000 per year | Tree maintenance<br>Tree maintenance<br>Tree maintenance<br>Tree maintenance | 2002 to 2010 (8 years)<br>2008 to 2010 (2 years)<br>2007 to 2010 (3 years)<br>2005 to 2010 (5 years) |
| 5. | **Atanacio Hernandez**<br>I.S.A. #1964C Certified Tree Worker<br>CPR 06-14-2016<br>First Aid 06-14-2016 | Certified Trimmer | 14 | 1. City Rancho Cucamonga As-needed Tree maintenance<br>2. City of Simi Valley Tree maintenance<br>3. City of Santa Clarita Tree maintenance<br>4. County Riverside Tree maintenance | 1,000,000 per year Emergency Tree work<br>400,000 per year total 2,400,000<br>550,000 per year total 1,100,000<br>375,000 per year | Tree maintenance<br>Tree maintenance<br>Tree maintenance<br>Tree maintenance | 2015 to 2018 (10 years)<br>2008 to 2014 (6 years)<br>2006 to 2008 (2 years)<br>2005 to 2010 (5 years) |
| 6. | **Jose Torres**<br>I.S.A. #1601 Certified Tree Worker<br>**CPR 06-14-2016**<br>**First Aid 06-14-2016** | Certified Trimmer | 30 | 1. City Rancho Cucamonga As-needed Tree maintenance<br>2. City of Simi Valley Tree maintenance<br>3. City of Santa Clarita Tree maintenanc | 1,000,000 per year Emergency Tree work<br>400,000 per year total 1,600,000<br>550,000 per year total 1,650,000 | Tree maintenance<br>Tree maintenance<br>Tree maintenance | 2008 to 2018 (10 years)<br>2004 to 2008 (4 years)<br>2002 to 2004 (2 years) |

## UNITED PACIFIC SERVICES, INC.

KEY PERSONNEL - CERTIFICATIONS for CITY OF COMPTON

| NO. | EMPLOYEE | MUNICIPAL - COUNTY - STATE YEARS OF EXPERIENCE | CERTIFICATIONS | POSITION |
|---|---|---|---|---|
| 1. | ERIC FRANKLIN | 25 | I.S.A. CERTIFIED ARBORIST LICENSE NO. # WC-2158<br>I.S.A. CERTIFIED UTILITY SPECIALIST LICENSE NO. # WC-2158<br>ACRT,LINE CLEARING - CERTIFICATION NO. # 03268<br>QAL LICENSE NO. # 35200<br>STATE CONTRACTORS LICENSE QUALIFIER # C27 | Vice President<br>Field Supervisor |
| 2. | JACK MOORING | 29 | I.S.A. CERTIFIED ARBORIST LICENSE NO. #W3-0905A<br>I.S.A. CERTIFIED TREE WORKER LICENSE NO. #403<br>ACRT,LINE CLEARING - CERTIFICATION NO. #03268 | Vice President<br>General Manager |
| 3. | GUS FRANKLIN | 45 | STATE CONTRACTOR LICENSE QUALIFIER # C61-D49<br>ACRT, LINE CLEARING - CERTIFICATION # 03263 | President |
| 4 | RENEE MOORING | 15 | I.S.A. CERTIFIED ARBORIST LICENSE NO. #WE-10452A | AREA SUPERVISOR |
| 5 | ROBERT PILZ | 20 | I.S.A. CERTIFIED ARBORIST LICENSE NO. #WE-9676A | ISA - TRAINING / INSTRUCTOR |
| 6 | JOSE TORRES | 26 | I.S.A. CERTIFIED TREE WORKER LICENSE NO. 1601 | Crew foreman - Tree trimmer |
| 7 | EVAN WHITMARSH | 12 | I.S.A. CERTIFIED TREE WORKER LICENSE NO. 2021L | Tree trimmer |
| 8 | JULIAN JIMENEZ | 21 | I.S.A. CERTIFIED TREE WORKER LICENSE NO. 446 | Tree trimmer |
| 9 | SANTOS RIVERA | 18 | I.S.A. CERTIFIED TREE WORKER LICENSE NO. 645 | Tree trimmer |
| 10 | ATANACIO HERNANDEZ | 15 | I.S.A. CERTIFIED TREE WORKER LICENSE NO. 1964C | Tree trimmer |
| 11 | TONY GOMEZ | 21 | I.S.A. CERTIFIED TREE WORKER LICENSE NO. 1617 | Crew foreman - Tree trimmer |
| 12 | LUIS PADILLA | 9 | I.S.A. CERTIFIED TREE WORKER LICENSE NO. 1607 | Tree trimmer |
| 13 | IGNAGIO GOMEZ | 24 | I.S.A. CERTIFIED TREE WORKER LICENSE NO. 1904 | Crew foreman - Tree trimmer |
| 14 | ANTONIO GOMEZ | 35 | ACRT, LINE CLEARING - CERTIFICATION NO. 03031<br>AMERICAN RED CROSS CERTIFICATION CPR 04-10-2004<br>AMERICAN RED CROSS CERTIFICATION FIRST AID 04-10-2004<br>CONFINED SPACE CERTIFICATION 07-15-03 | Crew foreman - Tree trimmer |
| 15 | JOSE TORRES | 26 | ACRT, LINE CLEARING - CERTIFICATION NO. 03031<br>AMERICAN RED CROSS CERTIFICATION CPR 04-10-2004<br>AMERICAN RED CROSS CERTIFICATION FIRST AID 04-10-2004<br>CONFINED SPACE CERTIFICATION 07-15-03 | Crew foreman - Tree trimmer |
| 16 | ENRIQUE GUTIERREZ | 27 | ACRT, LINE CLEARING - CERTIFICATION NO. 03033<br>AMERICAN CROSS CERTIFICATION CPR 04-10-2004<br>AMERICAN CROSS CERTIFICATION FIRST AID 04-10-2004<br>CONFINED SPACE CERTIFICATION 07-15-03 | Tree trimmer/crew foreman/gardene |
| 17 | JOHNNY ATKINS | 21 | IRRIGATION/TURF SPECIALIST CERTIFICATION NO. 4519 | Turf and Irrigation repair/maintenanc |
| 18 | LEO RAMIREZ | 27 | ACRT, LINE CLEARING - CERTIFICATION NO. 03034<br>AMERICAN CROSS CERTIFICATION CPR 04-10-2004<br>AMERICAN CROSS CERTIFICATION FIRST AID 04-10-2004<br>CONFINED SPACE CERTIFICATION 07-15-03 | Truck driver/crew foreman/gardene |
| 19. | FILEMON CHAVEZ | 28 | ACRT, LINE CLEARING - CERTIFICATION NO. 03037<br>AMERICAN CROSS CERTIFICATION CPR 04-10-2004<br>AMERICAN CROSS CERTIFICATION FIRST AID 04-10-2004<br>CONFINED SPACE CERTIFICATION 07-15-03 | Root pruner operator/loader operato |
| 20. | ESTABAN COHETZALTITLA | 27 | ACRT, LINE CLEARING - CERTIFICATION NO. 03038<br>AMERICAN CROSS CERTIFICATION CPR 04-10-2004<br>AMERICAN CROSS CERTIFICATION FIRST AID 04-10-2004<br>CONFINED SPACE CERTIFICATION 07-15-03 | Tree trimmer/truck driver |

# UNITED PACIFIC SERVICES, INC.

## RESUME OF KEY STAFF

**A.) NAME OF EMPLOYEE: Jack Mooring**

*** Certifications:**

1.) I.S.A. Certified Arborist # WE-0905A and I.S.A. Municipal Arborist
2.) I.S.A. Certified Tree Worker # 403
3.) Certified Line Clearing Aborist

*** Work supervised:**

1.) City of Long Beach from 2001 to 2014 ($175,000 per year - 14 years)
2.) City of Simi Valley from 2008 to 2018 ($650,000 per year - 8 years)
3.) City of Fountain Valley from 2009 to 2018 ($245,000 per year - 9 years)
4.) County of Riverside from 2011 to 2018 ($500,000 per year - 7 years)
5.) City of Los Angeles from 2013 to 2018 ($875,000 per year - 5 year)
6.) City of Los Angeles current work 2015 to 2018 ($1,200,000 per year - 3 year)

Over thirty-five years of experience of supervising contracts for thirty-two municipalities and four counties in Southern California. In addition supervised United Pacific contracts with the City of Long Beach for the Parks, Recreation and Marine including the Queensway Bay and Tidelands for thirteen years from 2001 to 2014.

**B.) NAME OF EMPLOYEE: Eric Franklin**

*** Certifications:**

1.) I.S.A. Certified Arborist # WE-2158AU
2.) I.S.A. Certified Utility Specialist # WE-2158AU
3.) QAL Qualified Applicatior License # 101277
4.) C27 State Contractors License Qualifier

*** Work supervised:**

1.) County of Los Angeles from 2006 to 2011, emergency work ($500,000 per year - 5 years)
2.) City of Santa Clarita from 2006 to 2009 ($400,000 per year - 3 years)
3.) County of Los Angeles from 2008 to 2018, landscape / tree maintenance work ($800,000 per year)

*** Tree Inventory Software supervised:**

1.) City of Fountain Valley
2.) City of Simi Valley

Over twenty-five years of experience of supervising municipal and county contracts for various cities and counties throughout Southern California. In addition supervised tree inventories for various cities

**C.) NAME OF EMPLOYEE: Renee Mooring**

*** Certifications:**

1.) I.S.A. Certified Arborist # WE-10452A and I.S.A. Municipal Arborist

*** Tree Inventory Software supervised:**

1.) City of Simi Valley
2.) City of Fountain Valley
3.) City of Vernon
4.) City of Goleta
5.) City of Downey
6.) City of Highland

Over seven years of experience of doing tree inventories / software for various cities throughout Southern California.

**D.) NAME OF EMPLOYEE: Jose Torres**

*** Certifications:**

1.) I.S.A. Certified Tree Worker # 1601
2.) Line Clearance Arborist - Electrical Hazard Awareness
3.) Line Clearance Arborist - Emergency Response and Aerial Rescue Training

*** Work supervised:**

1.) City of Highland
2.) City of Rancho Cucamonga
3.) City of Goleta
4.) City of Downey
5.) County of Riverside
6.) County of Los Angeles
7.) City of Los Angeles
8.) City of Santa Clarita

Over twenty years of experience of supervising various tree maintenance contracts for cities and counties in Southern California. In addition does emergency tree work for various cities throughout southern California. Supervised our contract for the City of Rancho Cucamonga for ten years since October of 2008 to September of 2018.

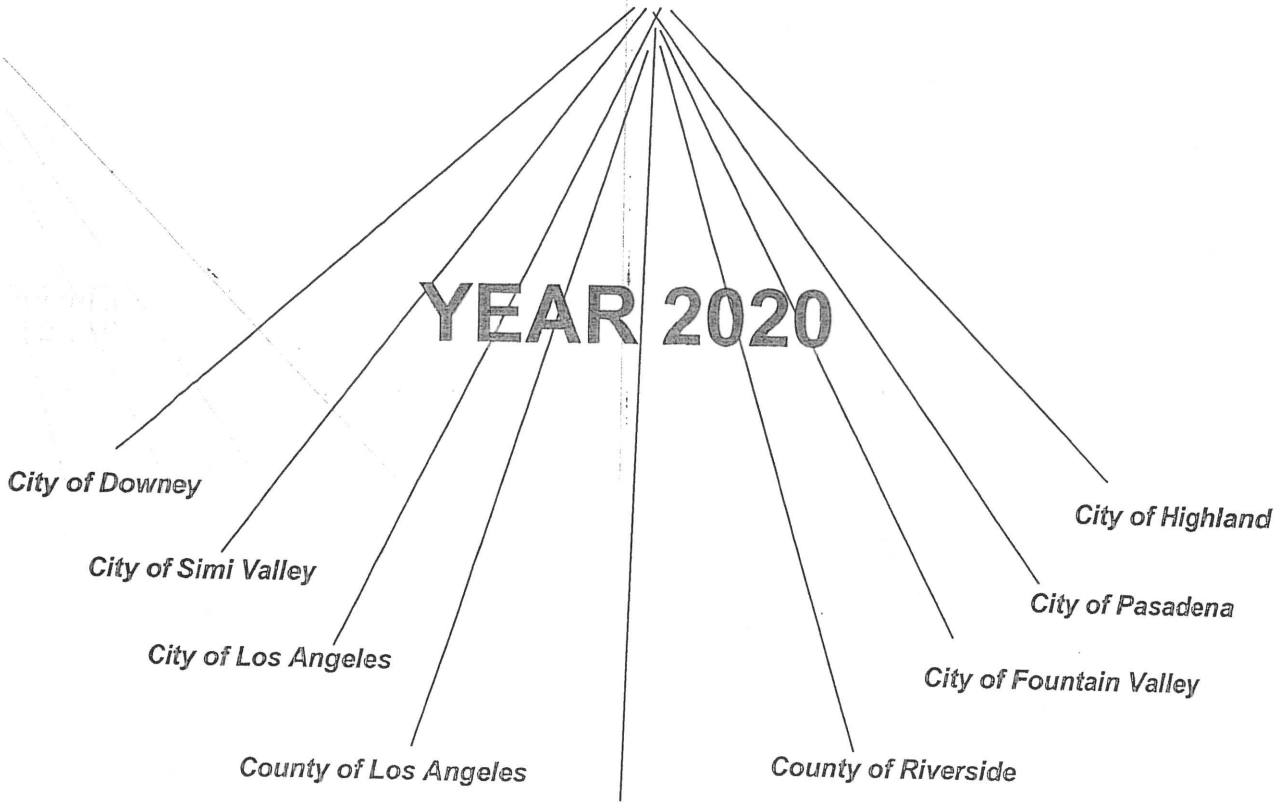
# UNITED PACIFIC SERVICE, INC.

United Pacific Services, Inc. (UPS) does emergency tree work for various cities, counties and the State of California. In addition we work with the State of California - Caltrans crews by responding to emergency and routine tree work along highways and freeways. UPS is also under contract for raising, trimming and removing dead and dying trees including responding to emergency tree work 24/7 under normal and inclement weather conditions. Our main focus is to keep trees along highways and streets raised for emergency vehicles, public transportation vehicles and public vehicles. UPS also does routine clearance of trees by power lines along transmission lines for various governmental agencies

**United Pacific Services, Inc. is a UNION COMPANY**

*Southern California District Council of LABORERS*

Affillated with Laborers' International Union of North America AFL-CIO

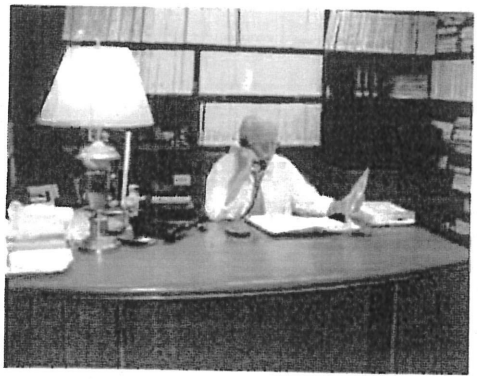


## United Pacific Services - Current References 2019 / 2020

| | Name of Contract | Name and Address of Governmental Agency | Contact Persons Name Telephone Numbers Email Addresses | Description of Work | Total Amount of Contract |
|---|---|---|---|---|---|
| 1. | LMD - Annual contract from 2014 to 2022 includes option years (8-years) | City of Simi Valley<br>500 W. Los Angeles Avenue<br>Simi Valley, CA 93065 | Emilio Blanco<br>(805) 583-6437<br>EBlanco@simivalley.org | Tree trimming and removal<br>Tree planting and watering<br>Emergency work | 3,200,000<br>(eight years) |
| 2. | Street - Annual contract from 2008 to 2016 includes option years (8-years) | City of Simi Valley<br>500 W. Los Angeles Avenue<br>Simi Valley, CA 93065 | Emilio Blanco<br>(805) 583-6437<br>EBlanco@simivalley.org | Tree trimming and removal<br>Tree planting and watering<br>Emergency work | 2,800,000<br>(eight years) |
| 3. | Annual Contract from 2011 to 2016 includes option years (5-years) | County of Riverside<br>4080 Lemon Street, 8th floor<br>Riverside, CA 92501 | Mark Hughes<br>(951) 830-6860<br>MARHUGHE@RIVCO.ORG | Tree trimming and removal<br>Tree planting and watering<br>Emergency work | 1,250,000<br>(five years) |
| 4. | Annual Contract from 2015 to 2021 includes option years (6-years) | City of Fountain Valley<br>10200 Slater Avenue<br>Fountain Valley, CA 92708 | Marco Garcia<br>(714) 742-9499<br>Marco.garcia@fountainvalley.org | Tree trimming and removal<br>Tree planting<br>Emergency work | 1,470,000<br>(six years) |
| 5. | Annual Contract from 2015 to 2020 includes option years (5-years) | County of Los Angeles<br>5525 East Imperial Highway<br>South Gate, CA 90280 | Del Ortega<br>(562) 861-0316<br>DOrtega@dpw.lacounty.gov | Tree trimming and removal<br>Landscape maintenance<br>Emergency work | 4,000,000<br>(five years) |
| 6. | 2- Three Year Contracts 2016 to 2018 | City of Los Angeles<br>200 N. Spring Street, Rm 355<br>Los Angeles, CA 90012 | Hector Banuelos<br>(213) 847-3110<br>hector.banuelos@lacity.org | Tree trimming<br>city-wide | 3,600,000<br>(2 - option years) |
| 7. | Annual Contract<br>2015 to 2020<br>five year contract | City of Highland<br>27215 Base Line<br>Highland, CA 92346 | Jim Richardson<br>(909) 863-0284<br>Jrichardson@cityofhighland.org | Tree trimming and removal<br>Emergency work<br>Tree planting | 325,000<br>(five years) |
| 8. | Annual Contract<br>2009 to 2018<br>ten years | City of Rancho Cucamonga<br>8794 Lion Street<br>Rancho Cucamonga, CA 91730 | Lucas Mitchell<br>(909) 589-4403<br>lucas.mitchell@cityofrc.us | Tree trimming and removal<br>Emergency work<br>Tree planting | 7,400,000<br>(10 years) |
| 9. | Annual Contract<br>2019 to 2024<br>five years | City of Pasadena<br>100 North Garfield Avenue, Rm S228<br>Pasadena, CA 91109 | Kenneth Graham<br>(626) 484-8536<br>kgraham@cityofpasadena.net | Tree trimming<br>city-wide | 2,906,750<br>(five years) |
| 10. | Annual Contract<br>2015 to 2020<br>five years | City of Downey<br>11111 Brookshire Avenue<br>Downey, CA 90241 | Giovanni Amador<br>(562) 417-6902<br>gamador@downeyca.org | Tree trimming and removal<br>Emergency / planting work | 2,500,000<br>(five years) |
| | | | | **TOTAL** | **$29,451,750** |

# UNITED PACIFIC SERVICES, INC.

**Gus K. Franklin, President.**



I have been contracting with various cities and counties for tree maintenance work since 1971. For over forty years I have successfully supervised the completion of contracts for 85 municipalities and county agencies at a value exceeding $92,000,000 dollars. During this time period all contracts were completed on time and to specifications. I have never been charged liquidated damages nor have any claims been filed against my General Liability Insurance. We look forward to adding new clients to our list of satisfied government agencies. Please review the following partial list of our municipal and county clients for 2012 below. I have also received 10 Government Endorsement Signatures rating United Pacific as excellent in 2004 and 14 City Endorsement Signatures in 1981 (see historical information).

## GOVERNMENT RECOMMENDATIONS - *Year 2012*

The following Government Employees certify that United Pacific Services, Inc. (UPS) has completed all contracts on time and to specifications. They recommend our company as a qualified and knowledgeable firm in the execution of GOVERNMENT tree trimming and removal contracts. We have all the necessary equipment to complete the work in a timely manner and meet contract deadlines. For additional information please contact the listed phone numbers below.

### Municipalities and County Agencies

1.) City of Long Beach
*(562) 577-8490*
*Theresa Maceyka, Park Maint. Supervisor*

2.) City of Rancho Cucamonga
*(909) 477-2730 ext. 4137*
*Dean P. Rodia, Parks & Landscape Maint. Superintendent*

3.) City of Hawthorne
*(310) 349-1662*
*Corrine Strege, Park Maintenance Supervisor*

4.) County of Riverside
*(951) 955-6899*
*Matt Sayre, Contract Supervisor*

5.) City of Fountain Valley
*(714) 593-4605*
*Dale A. Schuck, General Services Manager*

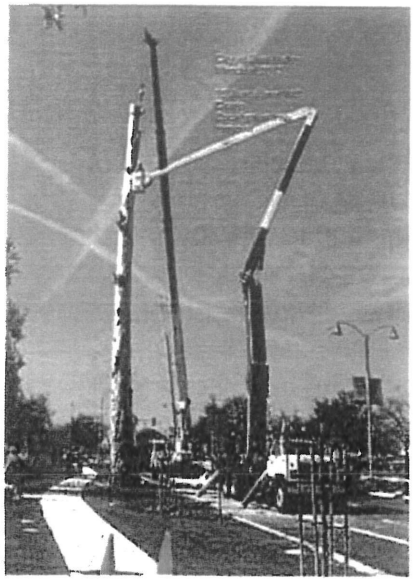
6.) County of Riverside
*(951) 830-6860*
*Mark Hughes, Landscape Maint. District (LMD) Supervisor*

7.) City of Long Beach
*(562) 577-8437*
*Oscar Deleon, Contract Monitor*

8.) County of Los Angeles
*(562) 861-0316*
*Del Ortega, Contract Supervisor*

9.) City of Jurupa Valley
*(951) 332-6464*
*Richard Bagley, Street Superintendent*

10.) City of Goleta
*(805) 968-6848*
*Millar, Public Works Manager*



# UNITED PACIFIC SERVICES, INC.
## EVALUATION REPORT

The following Government agencies were asked to evaluate United Pacific Services overall performance. This evaluation is based on past and current contracts either completed or in progress. It is based on the following:

*Poor - Fair - Satisfactory - Good - Excellent*

### Ten Government Endorsement Signatures
**January of 2004**

*Signed Signatures:*

| | | | 2 Poor | 4 Fair | 6 Satisfactory | 8 Good | 10 Excellent |
|---|---|---|---|---|---|---|---|
| 1.) | Oscar De Leon, (562) 570-4886 | City of Long Beach | ☐ | ☐ | ☐ | ☐ | ☑ |
| 2.) | Rene Sanchez, (562) 861-0316 | County of Los Angeles | ☐ | ☐ | ☐ | ☐ | ☑ |
| 3.) | Gary Striker, (310) 732-3890 | City of Los Angeles | ☐ | ☐ | ☐ | ☐ | ☒ |
| 4.) | Larry Williams, (909) 864-8732 | City of Highland | ☐ | ☐ | ☐ | ☐ | ☑ |
| 5.) | Tony Tajalli, (626) 695-7292 | County of Los Angeles | ☐ | ☐ | ☐ | ☐ | ☑ |
| 6.) | Dave Brackin, (909) 387-4043 | County of San Bernardino | ☐ | ☐ | ☐ | ☐ | ☑ |
| 7.) | Del Ortega, (626) 445-7630 | County of Los Angeles | ☐ | ☐ | ☐ | ☐ | ☒ |
| 8.) | John Osollo, (310) 732-3946 | City of Los Angeles | ☐ | ☐ | ☐ | ☐ | ☑ |
| 9.) | Saced Samie, (805) 857-7072 | State of California | ☐ | ☐ | ☐ | ☐ | ☑ |
| 10.) | Jose Ontiveros, (626) 458-3122 | County of Los Angele | ☐ | ☐ | ☐ | ☐ | ☒ |

# *City Endorsement Signatures*

Gus K. Franklin

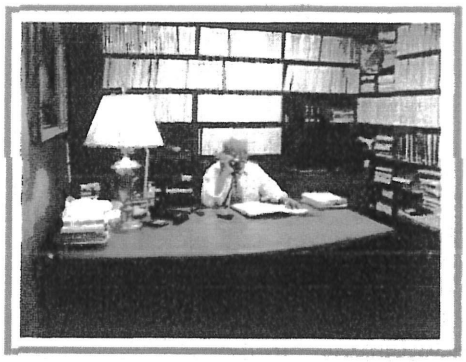
1981

To Whom it May Concern:

During the past twenty-five years I supervised the completion of over $50,000,000 in contracts for more than 70 southern California municipalities. All contracts were completed on time and to specifications. There has never been a claim on our Liability Insurance, nor has any complaint been filed against our State Contractors License. During this same period of time I supervised and completed numerous contracts for the counties of San Bernardino, Riverside, Ventura, Orange, Kern, San Diego and Los Angeles. I am recognized in California as one of the foremost contractors in the performance and completion of Governmental maintenance Contracts. Upon my request the following city officials recognized by accomplishments and Outstanding performance in the Organization, Direction, Supervision, Safety Programs and Completion of their contracts by their signed endorsements below.

*Respectively:*

1. **CITY OF GARDEN GROVE** — Lou Herz, *Park Supervisor*
2. **CITY OF YORBA LINDA** — Louie Gomez, *Street Superintendant*
3. **CITY OF CARSON** — Howard Homan, *Park Director*
4. **CITY OF SANTA ANA** — Clint Jones, *Tree Supervisor*
5. **CITY OF LYNWOOD** — Don Snavely, *Park Director*
6. **CITY OF FOUNTAIN VALLEY** — Dave Christenson, *Tree Supervisor*
7. **CITY OF LA HABRA** — Manuel Torrez, *Tree Supervisor*
8. **CITY OF LOS ANGELES** — Neil Denering, *Street Tree Superintendent*
9. **CITY OF FULLERTON** — Kathy Greco, *Park Co-ordinator*
10. **CITY OF WHITTIER** — Emmitt May, *Tree Supervisor*
11. **CITY OF PARAMOUNT** — Roger Kretzer, *Tree Supervisor*
12. **CITY OF SAN FERNANDO** — Dave Salabar, *Street Superintendent*
13. **CITY OF SO. EL MONTE** — Keito, *Park Supervisor*
14. **CITY OF BUENA PARK** — Gordon Smith, *Tree Supervisor*



Experience and References

# Seventy-four Letters of Recommendation

From

1977 to 2016

**Gus K. Franklin, President**

Supervised the completion of $125,000,000 in contracts for 135 cities, 7 Counties and Caltrans in the State of California

## CURRENT CONTRACTS: 2019

| | | | |
|---|---|---|---|
| **1. City of Rancho Cucamonga** | **4. City of Pasadena** | **7. County of Los Angeles** | **10. City of Simi Valley** |
| **2. City of Downey** | **5. City of Fountain Valley** | **8. County of Riverside** | **11. Water & Power** |
| **3. City of Highland** | **6. City of Los Angeles** | **9. Caltrans** | **12. County of L.A. - Trees** |

## LETTERS OF RECOMMENDATION FROM 1977 to 2016:

*1. City of Fountain Valley - May 26, 2016*
*2. City of Rancho Cucamonga - August 13, 2009*
*3. City of Highland - September 14, 2016*
*4. City of Santa Clarita - May 2010*
*5. City of Long Beach - Year 2012*
*6. City of Rancho Cucamonga - Year 2012*
*7. City of Hawthorne - Year 2012*
*8. County of Riverside - Year 2012*
*9. City of Fountain Valley - Year 2012*
*10. County Riverside - Year 2012*
*11. City of Long Beach - Year 2012*
*12. County of Los Angeles - Year 2012*
*13. City of Jurupa Valley - Year 2012*
*14. City of Goleta - Year 2012*
*15. City of Santa Clarita - July 8, 2008*
*16. City of Santa Clarita - June 28, 2007*
*17. Orange County - November 7, 2006*
*18. County of Los Angeles - October 25, 2006*
*19. City of Highland - January 17, 2005*
*20. Department of Transportation - January 23, 2004*
*21. City of Long Beach - January 12, 2004*
*22. County of San Bernardino - January 12, 2004*
*23. City of Los Angeles - January 12, 2004*
*24. City of Highland - January 9, 2004*
*25. City of Long Beach - Year 2004*
*26. County of Los Angeles - Year 2004*
*27. City of Los Angeles - Year 2004*
*28. City of Highland - Year 2004*
*29. County of Los Angeles - Year 2004*
*30. County of San Bernardino - Year 2004*
*31. County of Los Angeles - Year 2004*
*32. City of Los Angeles - Year 2004*
*33. State of California - Year 2004*
*34. County of Los Angeles - Year 2004*
*35. City of Pico Rivera, May 13, 1998*
*74. City of La Habra - December 5, 1977*
*38. City of Norco - March 22, 1996*
*39. City of Arcadia - June 3, 1996*
*40. City of Simi Valley - Nov 18, 1996*
*41. City of Santa Fe Springs - Nov 29, 1995*
*42. City of Santa Fe Springs - Feb 11, 1993*
*43. City of Garden Grove - Nov 12, 1990*
*44. UltraPower - February 9, 1990*
*45. City of West Hollywood - October 14, 1998*
*46. City of Newport Beach - January 22, 1982*
*47. City of Beverly Hills - October 2, 1981*
*48. City of Yorba Linda - September 8, 1981*
*49. City of Carson - September 2, 1981*
*50. City of La Habra - September 1, 1981*
*51. City of Buena Park - September 3, 1981*
*52. City of Garden Grove - June 8, 1981*
*53. City of Fountain Valley -September 4, 1981*
*54. City of Whittier - September 2, 1981*
*55. City of Garden Grove - Year 1981*
*56. City of Yorba Linda - Year 1981*
*57. City of Carson - Year 1981*
*58. City of Santa Ana - Year 1981*
*59. City of Lynwood - Year 1981*
*60. City of Fountain Valley - Year 1981*
*61. City of La Habra - Year 1081*
*62. City of Los Angeles - Year 1981*
*63. City of Fullerton - Year 1981*
*64. City of Whittier - Year 1981*
*65. City of Paramount - Year 1981*
*66. City of San Fernando - Year 1981*
*67. City of South El Monte - Year 1981*
*68. City of Buena Park - Year 1981*
*69. City of San Fernando - April 16, 1980*
*70. City of Lynwood - June 10, 1980*
*71. City of Lynwood - November 21, 1978*
*72. City of Santa Ana - April 10, 1978*
*73. City of Los Angeles - December 6, 1977*

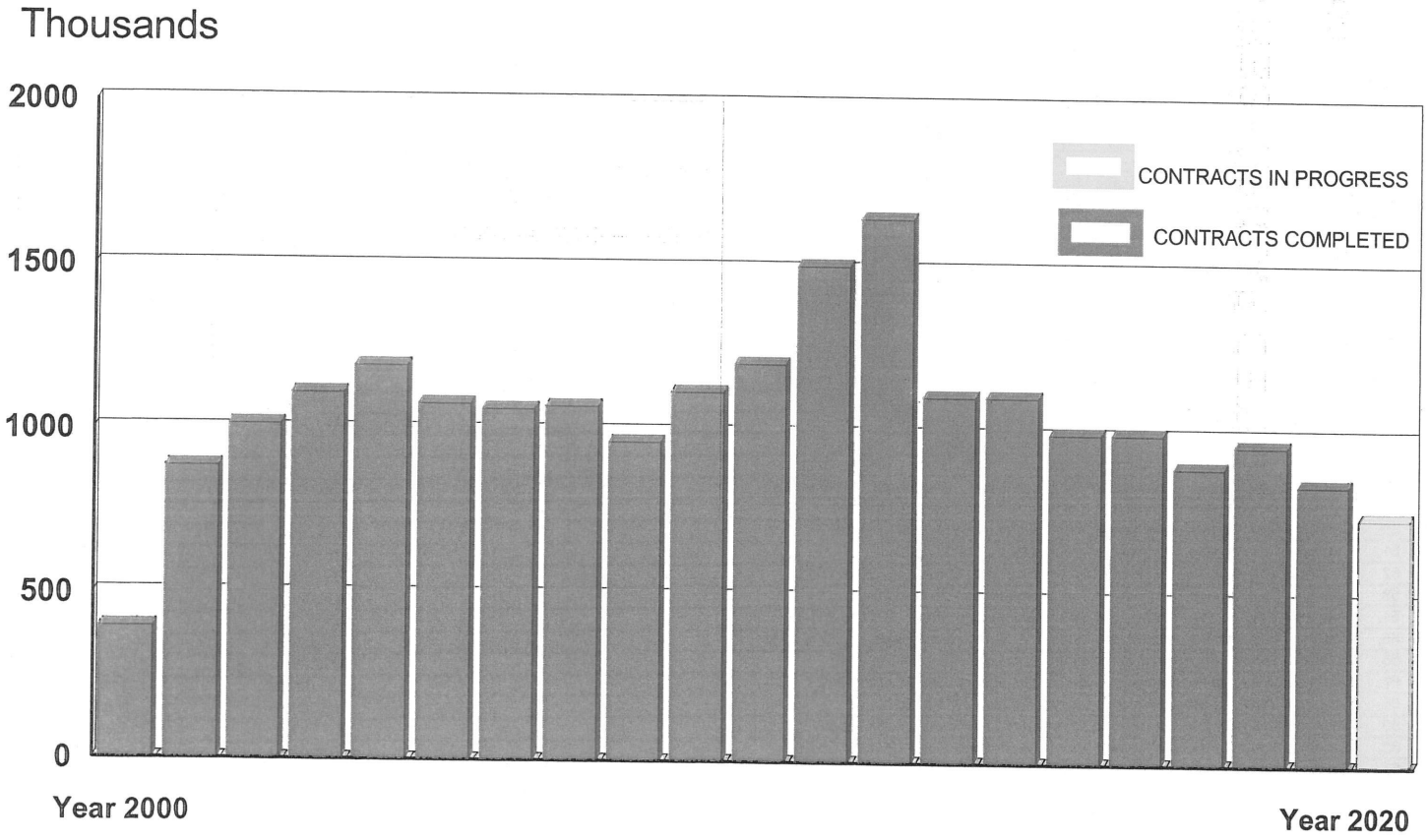
# United Pacific Services, Inc.

## County of Los Angeles

**Contracts - Completed & Renewed & In Progress**

ANNUAL GROSS SALES FROM - 2000 TO 2020

$22,770,248.00




ALL CONTRACTS WERE COMPLETED ON TIME AND TO COUNTY OF LOS ANGELES SPECIFICATIONS. UNITED PACIFIC HAS COMPLETED 87 CONTRACTS FOR THE COUNTY SINCE THE YEAR 2000 AND THREE CONTRACTS ARE CURRENTLY IN PROGRESS FOR 2019.

# COUNTY OF LOS ANGELES - CONTRACTS AWARDED / RENEWED - 98

## UNITED PACIFIC SERVICES CONTRACTS AWARDED FROM 2000 TO 2020 = $21,659,184.00

| | Contract Description and Location | Contract |
|---|---|---|
| 1. | County of Los Angeles "East Area" / 2000 - Flood Channels | $381,740.00 |
| 2. | County of Los Angeles Housing Development / 2000 - Tree Service | $16,868.00 |
| 3. | County of Los Angeles "South Area" - 2001 / 2002 - Flood Channels | $221,049.00 |
| 4. | County of Los Angeles "East Area" / 2002 - Flood Channels | $435,239.00 |
| 5. | County of Los Angeles - San Gabriel - 2002 - River | $293,000.00 |
| 6. | County of Los Angeles - 2001 / 2002 - Tree Planting | $60,325.00 |
| 7. | County of Los Angeles - L.A. River/Comp. Creek - 2001/2002 - Flood Channels | $363,200.00 |
| 8. | County of Los Angeles - L.A. River/Comp. Creek - 2003 to 2005 - Flood Channels | $726,400.00 |
| 9. | County of Los Angeles - L.A. River/Rio Hondo - 2001/2002 - Flood Channels | $353,175.00 |
| 10. | County of Los Angeles - L.A. River/Rio Hondo - 2003 to 2005 - Flood Channels | $706,350.00 |
| 11. | County of Los Angeles - East area - 2003 - Catch Basin | $123,000.00 |
| 12. | County of Los Angeles - West area - 2003 - Catch Basin | $146,000.00 |
| 13. | County of Los Angeles - Trimming / 2003 - Palms Trees | $37,770.00 |
| 14. | County of Los Angeles - "Eastern Avenue" - 2003 - Trim Trees | $12,500.00 |
| 15. | County of Los Angeles - San Gabriel 2003 and 2005 - River | $631,000.00 |
| 16. | County of Los Angeles - Trim and Remove trees 2001 / 2003 - AsNeeded Emergency Tree Work | $175,884.00 |
| 17. | County of Los Angeles - "West Area" - 2003 - Flood Channels | $105,000.00 |
| 18. | County of Los Angeles - Sanitation Department / 2004 - Hydroseed Flood Channel | $29,501.00 |
| 19. | County of Los Angeles - "South Area" - 2004 - Flood Channels | $275,000.00 |
| 20. | County of Los Angeles - "Costal Spreading Grounds" - Flood Channels - 2005 | $156,000.00 |
| 21. | County of Los Angeles - "Malibu" - 2004 - Landscape Maintenance | $50,000.00 |
| 22. | County of Los Angeles - "Malibu" - 2005 - Landscape Maintenance | $50,000.00 |
| 23. | County of L.A. - Tree Trim and Removal - 2004 - Tree Maintenance | $152,000.00 |
| 24. | County of L.A. - Tree Trim and Removal - RMD 4146010 - 2006 | $107,095.00 |
| 25. | County of L.A. - Coastal Spreading Grounds, Rio Hondo & San Gabriel - 2006 | $156,000.00 |
| 26. | County of L.A. - Malibu year 2006 | $50,000.00 |
| 27. | County of Los Angeles - Landscape Maint., L.A. River - South Area - 2005 / 2006 | $772,000.00 |
| 28. | County of Los Angeles - Malibu - year 2006 | $50,000.00 |
| 29. | County of Los Angeles - RMD 3346005 - Topanga Canyon - Tree Trim & Removal | $343,934.00 |
| 30. | County of Los Angeles - RMD 4446006 - Whittier Area - Tree Trim & Removal | $196,480.00 |
| 31. | County of Los Angeles - Coastal Spreading Grounds, Rio Hondo & San Gabriel - 2007 | $45,000.00 |
| 32. | County of Los Angeles - San Gabriel River - 2006 - Weed Abatement | $295,000.00 |
| 33. | County of Los Angeles, Malibu - year 2007 to 2008 | $50,000.00 |
| 34. | County of Los Angeles - Landscape Maint.,Montellano Slope - 2007 to 2008 | $29,000.00 |
| 35. | County of Los Angeles - L.A. River - South Area - 2006 - 2007 | $772,000.00 |
| 36. | County of Los Angeles - RMD 1546036 - E.L.A. Area - Tree Trim & Removal | $102,000.00 |
| 37. | County of Los Angeles - Landscape Maint., L.A. River - South Area - 2008 / 2009 | $772,000.00 |
| 38. | County of Los Angeles - Landscape Maint., Malibu - year 2008 to 2009 | $50,000.00 |
| 39. | County of Los Angeles - AsNeeded Emergency Tree Service - year 2008 to 2009 | $394,562.00 |
| 40. | County of Los Angeles - Landscape Maint., Montellano Slope - 2008 to 2009 | $29,000.00 |
| 41. | County of Los Angeles - Landscape Maint., Montellano Slope - 2009 to 2010 | $29,000.00 |
| 42. | County of Los Angeles - Landscape Maint., L.A. River - South Area - 2009 to 2010 | $736,000.00 |
| 43. | County of Los Angeles - Landscape Maint., L.A. River - East Area 2009 to 2010 | $60,000.00 |
| 44. | County of Los Angeles - Landscape Maint., Dominguez Gap 2010 to 2011 | $256,000.00 |
| 45. | County of Los Angeles - Landscape Maint., Malibu - 2009 to 2010 | $75,000.00 |
| 46. | County of Los Angeles - As-Needed Emergency Tree Service - 2009 to 2010 | $25,000.00 |
| 47. | County of Los Angeles - Landscape Maint., Montellano Slope - 2010 to 2011 | $29,000.00 |
| 48. | County of Los Angeles - Landscape Maint.,L.A. River - South Area - 2010 to 2011 | $736,000.00 |
| 49. | County of Los Angeles - Landscape Maint., L.A. East Area 2010 to 2011 | $60,000.00 |
| 50. | County of Los Angeles - Landscape Maint., Dominguez Gap 2011 to 2012 | $256,000.00 |
| 51. | County of Los Angeles - Landscape Maint., Malibu - 2010 to 2011 | $75,000.00 |
| 52. | County of Los Angeles - As Needed Emergency Tree Service - 2010 to 2011 | $50,000.00 |
| 53. | County of Los Angeles - North Area tree maintenance - 2011 to 2012 | $900,000.00 |
| 54. | County of Los Angeles - Landscape Maint., Montellano Slope - 2011 to 2012 | $29,000.00 |
| 55. | County of Los Angeles - Landscape Maint.,L.A. River - South Area - 2011 to 2012 | $736,000.00 |
| 56. | County of Los Angeles - Landscape Maint., L.A. East Area 2011 to 2012 | $60,000.00 |
| 57. | County of Los Angeles - Landscape Maint., Dominguez Gap 2011 to 2012 | $256,000.00 |
| 58. | County of Los Angeles - Landscape Maint., Malibu - 2011 to 2012 | $75,000.00 |
| 59. | County of Los Angeles - As Needed Emergency Tree Service - 2011 to 2012 | $50,000.00 |
| 60. | County of Los Angeles - Landscape Maint., Montellano Slope - 2012 to 2013 | $25,000.00 |
| 61. | County of Los Angeles - Landscape Maint.,L.A. River - South Area - 2012 to 2013 | $625,000.00 |
| 62. | County of Los Angeles - Landscape Maint., L.A. East Area 2012 to 2013 | $70,000.00 |
| 63. | County of Los Angeles - Landscape Maint., Dominguez Gap 2012 to 2013 | $256,000.00 |
| 64. | County of Los Angeles - Landscape Maint. Malibu - 2012 to 2013 | $75,000.00 |
| 65. | County of Los Angeles - Landscape Maint., Montellano Slope - 2013 to 2014 | $25,000.00 |
| 66. | County of Los Angeles - Landscape Maint.,L.A. River - South Area - 2013 to 2014 | $625,000.00 |
| 67. | County of Los Angeles - Landscape Maint., L.A. East Area 2013 to 2014 | $70,000.00 |
| 68. | County of Los Angeles - Landscape Maint., Dominguez Gap 2013 to 2014 | $256,000.00 |
| 69. | County of Los Angeles - Landscape Maint., Malibu - 2013 to 2014 | $75,000.00 |
| 70. | Contracts awarded from 2014 to 2017 for South Area, Malibu, East Area, Dominguez Gap | $3,153,000.00 |
| | TOTAL | $19,463,072.00 |

## County of Los Angeles contracts in progress for the years 2017 to 2020

| | CURRENT CONTRACTS | AMOUNT |
|---|---|---|
| 1. | County of Los Angeles - Landscape Maint., Montellano Slope - 2017 to 2020 | $86,328.00 |
| 2. | County of Los Angeles - Landscape Maint., L.A. River - South Area - 2017 to 2020 | $1,658,000.00 |
| 3. | County of Los Angeles - Landscape Maint., L.A. East Area 2017 to 2020 | $287,784.00 |
| 4. | County of Los Angeles - Landscape Maint., Malibu - 2017 to 2019 | $164,000.00 |
| | Sub Total | $2,196,112.00 |
| | TOTAL AMOUNT | $21,659,184.00 |

# Arbor Age

## Magazine

May, 1984




SELECTED BY THE LOS ANGELES OLYMPIC ORGANIZING COMMITTEE TO TRIM AND PRUNE ALL OF EXPOSITION PARK FEATURING OVER 1400 TREES REPRESENTING 36 DISTINCT SPECIES SITUATED ON 130 ACRES IN THE HEART OF LOS ANGELES, HEADQUARTERS AND SITE FOR THE OPENING CEREMONIES OF THE 1984 SUMMER OLYMPIC GAMES.

Peridian Group

June 22, 1984

United Pacific Corporation
12815 E. Imperial Highway
Suite A
Santa Fe Springs, CA 90670

Reference: Exposition Park, Olympics 1984

I want you to know how pleased the Los Angeles Olympic Organizing Committee and Peridian Group are with your extensive tree trimming at Exposition Park in preparation for the 1984 Summer Olympiad.

As you know, the park was in a sad state of neglect. Over 1,100 trees had not been trimmed or maintained for years and so after your crews moved through in record time under the able supervision of Gus Franklin, a transformation occurred. Now the historic park and former site of the 1932 Olympics is complete for the eyes of the world to see.

As president of United Pacific Corporation you can be proud of a job well done.

Best personal regards,

PERIDIAN GROUP

Vincent Rie Takeuchi
Project Manager

VT:jk

Landscape Architecture/Planning
17848 Sky Park Boulevard, Irvine, California 92714 (714) 261-5120
Broward East, Fort Lauderdale, Florida 33301 (305) 462-4962 5195 Las Vegas Boulevard South, Las Vegas, Nevada 89119 (702) 798-5237
Principals: Courtland Paul, Arthur Berges, Shinji Nakagawa, Gerald Pearson, Rae L. Prier, Dennis M. Taylor, Dennas Anderson, Donald Hemry, Barry Jesmer
Associates: Ronald Wong, Dennis R. Yonge, Michael McKay, Frank R. Matczynski, Robert Clark, John R. Van Derhoof, Michael A. Green

## Certificate of Merit

*This Certificate of Merit was presented to Gus K. Franklin by Peter V. Ueberroth, President of the Los Angeles Olympic Organizing Committee, in recognition and appreciation to United Pacific Corporation for our contribution to the success of the Games of the XXIII Olympiad held in Los Angeles, in 1984.*

*In 1984 I supervised the trimming of Over 1400 trees in preparation for the Opening Ceremonies of the 1984 Summer Olympic Games of the XXIII Olympiad held in the City of Los Angeles. In Recognition and appreciation for our Contribution to the success of the Games, I received the Certificate of Merit from Los Angeles Olympic Organizing Committee.*

*Sincerely,*

*Gus K. Franklin*
*President*

IN RECOGNITION AND APPRECIATION TO

*United Pacific*

FOR YOUR CONTRIBUTION TO THE SUCCESS OF THE GAMES OF THE XXIII OLYMPIAD LOS ANGELES, 1984

# *Certificate of Merit*

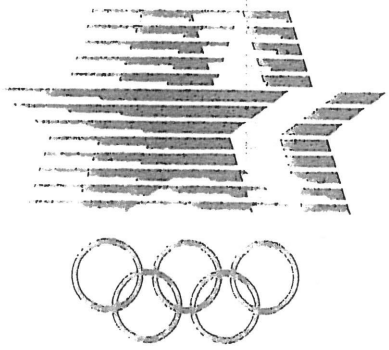
*This Cerificate of Merit was presented to Gus K. Franklin by Peter V. Ueberroth, President of the Los Angeles Olympic Organizing Committee, in recognition and appreciation to United Pacific Corporation for our contribution to the success of the Games of the XXIII Olympiad held in Los Angeles, in 1984.*

IN RECOGNITION AND
APPRECIATION TO

*United Pacific*

FOR YOUR CONTRIBUTION TO
THE SUCCESS OF THE

LOS ANGELES, 1984



LOS ANGELES OLYMPIC ORGANIZING COMMITTEE

PAUL ZIFFREN, CHAIRMAN

PETER V. UEBERROTH, PRESIDENT

HARRY L. USHER, EXECUTIVE VICE PRESIDENT
AND GENERAL MANAGER

# Certificate of Merit

City of Los Angeles

## Mayor's Certificate of Appreciation

As MAYOR of the CITY OF LOS ANGELES I am pleased to recognize the outstanding activities of the

**United Pacific Corporation**

THIS MAYORS CERTIFICATE of APPRECIATION is awarded to your organization for out-standing efforts and accomplishments which have been of great benefit to your community and particularly to the CITY of LOS ANGELES.

Date: February 8, 1991

Tom Bradley
Mayor

# UNITED PACIFIC SERVICES, INC.

**CONTRACTS COMPLETED**
**CITY - COUNTY - STATE**

*over*
***$135,000,000***
*COMPLETED*

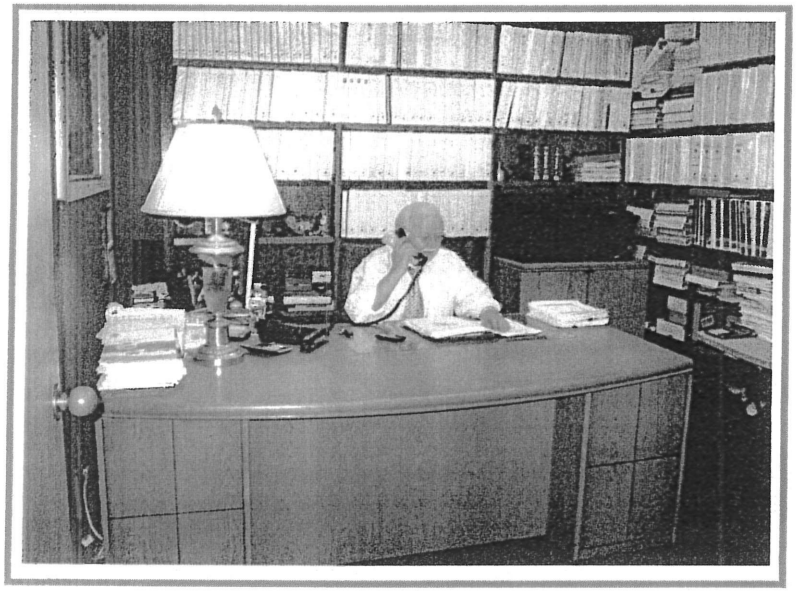
**76 Letters**
**of**
**Recommendation**
***1977 to 2016***

City of Yorba Linda - 1977
City of Los Angeles - 1977
City of Santa Ana - 1978
City of Lynwood - 1978
City of Lynwood - 1980
City of San Fernado - 1980
City of Fullerton - 1981
City of Whittier - 1981
City of Fountain Valley - 1981
City of Garden Grove - 1981
Surety Insurance - 1981
City of Buena Park - 1981
City of La Habra - 1981
City of Carson - 1981
City of Yorba Linda - 1981
City of Beverly Hills - 1981
United States Court - 1983
Veterans Administration - 1983
L.A. Olympic Committee - 1984
Peridan Group - 1984
SOS Coral Trees - 1985
City of West Hollywood - 1985
Sequoia Forest - 1990
Ultra Power Fresno - 1990
City of Garden Grove - 1990
City of Santa Fe Springs - 1991
Congress of the United States - 1991
Amwest Surety - 1994
Union Bank Priority - 1994
City of Santa Fe Springs - 1995
City of Simi Valley - 1996
City of Arcadia - 1996
City of Norco - 1996
City of Highland - 1998
City of Pico Revera - 1998
City of Yorba Linda - 1981
City of Whittier - 1981
City of Carson - 1981
City of Garden Grove - 1981
City of Los Angeles - 1981
City of Fullerton - 1981
City of Paramount - 1981
City of Santa Ana - 1981
City of Lynwood - 1981
City of Fountain Valley - 1981
City of La Habra - 1981
City of San Fernando - 1981
City of So. El Monte - 1981
City of Buena Park - 1081
City of Highland - 2016
City of Fountain Valley - 2016
City of Long Beach - 2012
City of Rancho Cucamonga - 2012
City of Hawthorne - 2012
County of Riverside - 2012
City of Fountain Valley - 2012
County of Los Angeles - 2012
City of Jurupa Valley - 2012
City of Goleta - 2012
City of Santa Clarita - 2010
City of Rancho Cucamonga - 2009
Alliant Driver Commercial - 2008
City of Santa Clarita - 2008
City of Santa Clarita - 2007
Orange County Sanitation - 2006
County of Los Angeles - 2006
City of Highland - 2005
City of Long Beach - 2004
County of Los Angeles - 2004
City of Los Angeles - 2004
City of Highland - 2004
County of San Bernardino - 2004
City of Long Beach - 2004
State of California - 2004
Department of Transportation - 2004
County of San Berardino - 2004

***Gus K. Franklin, President***
***United Pacific Services, Inc.***
***Mr. Franklin supervised the trimming of over 2,000,000 trees for over 145 Cities, Counties and the state of California since 1975 for over 45 years and has received 91 lettets of recommendation. This includes a Certificate of Merit from the City of Los Angeles in 1991 and a Certificate of Merit from the 1984 Olympic Committee.***

UNITED PACIFIC SERVICES
UPS
(562) 691-4600

( 22 )



Gus K. Franklin, President / CEO

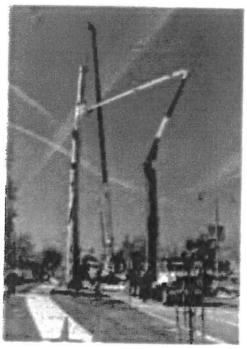
*YEAR 2020*

*CURRENT CONTRACTS*

1. *State of California $1,600,000*
2. *City of Pasadend $2,675,000*
3. *City of Fountain Valley $1,500,000*
4. *City of Los Angeles $225,000*
5. *City of Downey $3,300,000*
6. *City of Pasadena $375,000*
7. *City of Highland $400,000*
8. *County of Los Angeles $4,250,000*
9. *County of Riverside $1,500,000*
10. *City of Lake Forest $200,000*
11. *Orange County Fair $325,000*
12. *County of Los Angeles $1,500,000*

***TOTAL $17,850,000***

# Gus K. Franklin
# Fifty-six (56) Letters of Recommendation
## 39 year period - 1977 to 2016



*The following quotations have been taken from letters of recommendation that are on file and can be made available upon request. They demonstrate a long history of performing and completing governmental contracts for Cities, Counties, and State agencies in the State of California from 1977 to 2016. I have also included letters of recommendation that I have received from various Bonding Companies, Banks, a Federal Judge, Congressmen, Los Angeles Olympic Organizing Committee, Veterans Administration, S.O.S. Coral Tree Society, and other Businesses and Organizations over a 39 year period from 1977 to 2016. In the last thirty-nine years I have successfully directed, supervised and completed contracts of over $115,000,000 dollars for 110 municipalities, the State of California, and 7 California Counties.*

*Sincerely,*

*Gus K. Franklin, President*

1. City of Fountain Valley, May 26, 2016



"United Pacific Services Tree Service has maintained all of the trees in the City of Fountain Valley for the last 7 years. They provide quality staff including foreman, tree trimmers, grounds men and certified Arborists. They have maintained the high standards of service throughout their contract. They provide ISA Standard pruning methods, and many of the tree trimmers are certified tree workers. United Pacific is quick to respond to any emergency at any hour of the day which is valuable to the City as it shows the level of commitment they have for us".

Tom Eynon, Tree Supervisor, *Tom Eynon*

2. City of Rancho Cucamonga, August 13, 2009



"United Pacific Services has been with the City of Rancho Cucamonga since January 2009. During this period they have proved themselves as remarkably professional and proficient tree care providers. This is attributed to their high standards and commitment to providing excellent customer service. The maintenance crew supervisor is given a variety of tasks to be completed including pruning, removals, stump grinding and planting. They have modern vehicles and equipment at their disposal and use them efficiently and safely. Pruning is done in accordance with the International Society of Arboriculture's standards, removals are completed quickly and safely and stumps are completely ground out with the area brought to original grade. The maintenance crews are always courteous to residents, handling any of their questions politely and professionally".

Anthony Albano, Tree Maintenance Coordinator, *Anthony Albano*

3. City of Highland, September 14, 2016

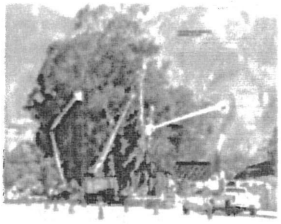
"The City Council approved a one-year extension for Tree Trimming Services at the council meeting September 13, 2016. This is the second contract extension of a potential total of five extensions as allowed by the contract. This extension is effective October 14, 2016 which will allow your contract to continue without interruption. Based on our review of the Common Labor Index for the Los Angeles Region as shown on the "Cost Indexes by City" of Engineering News Record dated November of 2015 an increase of 9.7% will be allowed for the one year renewal period. Please note that all bonds and insurance must remain in effect during the term of the Agreement including extensions or renewals. All contract provisions and requirements remain in effect for the full duration of the contract renewal period".



Jim Richardson, Public Works Manager, *Jim Richardson*

4. City of Santa Clarita, May 13, 2010

"On behalf of the City of Santa Clarita, our staff, and volunteers, I would like to take this Opportunity to thank you for your support of the 2010 Earth Arbor Day Festival. Your support is very much appreciated and greatly contributed to the overall success at our event. The City's Invaluable Partnerships with companies like United Pacific Services allow us to continue to produce great events in our community".



Ken Pulskamp, City Manager, *Ken Pulskamp*

5. City of Santa Clarita, July 8, 2008

"The Urban Forestry Division is pleased to offer its recommendation of United Pacific Services Inc., for outstanding execution of its tree maintenance contract with the City of Santa Carita. United Pacific Services' experienced staff provides excellent customer service and responds quickly to tree maintenance issues and emergencies. The company's equipment is in good condition and is able to perform the needs of our contract. United Pacific Services has fostered a successful business relationship with the city through its annual participation in the City's Arbor Day celebration. The company donates screened mulch or free trees., and provides staff to help with tree plantings performed at the event further, United Pacific Services offered the City monetary discounts for major emergency Work they performed during the October 2007 Buckweed Fire and Wind incident.



United Pacific Services has offered quality service in a timely and courteous manner, and we are pleased to recommend their services".

Robert Sartain, Urban Forestry Supervisor, *Robert Sartain*

6. Alliant Driver Commercial Group - Bonding, January 12, 2008

"We have provided bonding for United Pacific Services for over 4 years. They have exhibited an excellent track record as well as maintained a high credit rating during that time. United Pacific has obtained bonding support for up to $750,000 per project and if need be they could qualify for a larger amount. They are able to get close to $2,000,000 in aggregate bonding as well".



Jay P. Freeman, CPCU, *Jay P. Fr*

7. City of Santa Clarita, June 28, 2007



"I would like to take this opportunity to thank you for your participation in our 18th Annual Arbor Day celebration held at Central Park, on Saturday, May 19th, 2007. All of your efforts assisted the City in celebrating the environmental benefits of trees and helped to make our event a great success. Gus, thanks to you our mission to deliver a fun-filled day of activities and exhibits for the whole family was accomplished. Many thanks for all your help and contributions to our event, especially the free donations and free mulch. All of your support staff and the volunteer time they contributed are greatly appreciated".

Robert Sartain, Urban Forestry Supervisor *Robert Sartian*

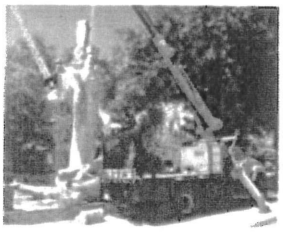
8. Alliant Driver Commercial Group - Bonding, January 12, 2008



"We have provided bonding for United Pacific Services for over 4 years. They have exhibited an excellent track record as well as maintained a high credit rating during that time. United Pacific has obtained bonding support for up to $750,000 per project and if need be they could qualify for a larger amount. They are able to get close to $2,000,000 in aggregate bonding as well".

Jay P. Freeman, CPCU, *Jay P. Freeman*

9. Orange County Sanitation District, November 7, 2006



"On behalf of the Orange County Sanitation District I would like to extend my gratitude to you and your staff for the safe and professional manner in which you addressed the potentially explosive device incident on Wednesday, October 18, 2006. Given the probable danger of such a device, the response you and your staff provided mitigated the risk of possible loss of property and most importantly protected staff in the area. Your actions served as a model for those who find themselves in a similar situation with impending danger and set a good example for others to follow".

James D. Ruth, Interim General Manager *James D. Ruth*

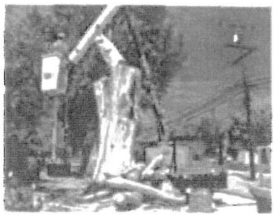
10. County of Los Angeles, Department of Public Works, October 25, 2006



"Living Wage Compliance Review; The objective of the review was to ensure that the contractor's employees working on Public Works contracts were paid the living wage and to validate the accuracy of the payroll report submitted. The review includes examining, on a test basis, payroll and other related documents provided by the Contractor. For the period reviewed we did not find any material discrepancies concerning living wage".

Raymond Low, Head, Internal Audit Group *Raymond Low*

11. City of Highland, January 17, 2005



"On behalf of the City of Highland residents and staff, I would like to extend our sincere appreciation to United Pacific for the excellent work they have done in weed abatement and tree trimming services for the City. Also, for the services at no cost performed at City Hall and on City owned properties totaling over $6,000.00 in value. Thanks again for your generous gift and we are proud to have you as part of our team".

Sam Racadio, City Manager, *Sam Racadio*

12. Department of Transportation, January 23, 2004



"I would like to take this opportunity to thank you for your efforts to consistently include Disabled Veteran Business Enterprises (DVBEs) as subcontractors on State-funded highway contracts. Your efforts to include DVBEs in contracting activities has helped the California Department of Transportation (Department) meet and exceed the mandated three percent DVBE participation goal. The Department appreciates and salutes you in supporting the DVBE Program. The Department looks forward to your partnership as we "Build California" and deliver record levels of highway improvements in 2004".

Jeff Morales, Director *Jeff Morales*

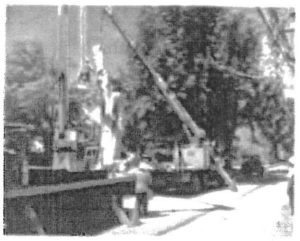
13. City of Long Beach, January 12, 2004



"United Pacific Services has been the tree-trimming contractor for Queensway Bay, the Jewel of Long Beach, for the last 3 years. They are very professional, working safely and leaving the job site clean. I have no problem recommending them fully".

Oscar De Leon, Contract Monitor, Queensway Bay *Oscar De Leon*

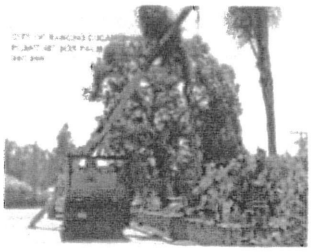
14. County of San Bernardino, January 12, 2004



"This letter is intended to affirm the excellent service that United Pacific Services provided under a Request for Proposal process for the County of San Bernardino on the range of the various fire hazard abatement activities. Their length of service was from September 2000 to August 2002. During this period their responsiveness to inquiry and provision of the men and materials needed to efficiently and effectively address all work assignments was exemplary. Their professionalism was of such high caliber that we utilize their performance as a yardstick to measure others that have followed in the same form of work provision. I highly recommend this firm, with no reservations."

David Brackin, Abatement Supervisor *David Brahin*

15. City of Los Angeles - Harbor Department, January 12, 2004



"United Pacific Services, Inc. Is currently under contract to the City of Los Angeles, Harbor Department for tree trimming, removal, and planting. Because of the excellent service received from this company, we renewed their agreement for a second year. The employees at all levels have been responsive and professional. As a result of their knowledge and experience, our trees are in better condition than they ever have been".

Gary Striker, Park Maintenance Supervisor *Gary Striker*

16. City of Pico Rivera, May 13, 1998

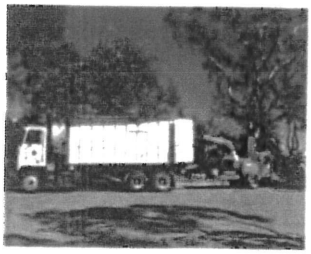


"On behalf of the City of Pico Rivera Public Works and Recreation and Community Services Department, I would like to take this opportunity to thank your company for the excellent performance demonstrated during the 1997/98 Fiscal Year Tree Trimming Project. The project was completed on time, with no damage to City property and resulted in many favorable reports from the public. It is always a pleasure to work with people who keep commitments and who maintain high standards and let the work speak for itself".

Steven Castellanos, Asst. Deputy Director of P.W. *Steven Castellanos*

17. City of Highland, January 9, 2004

"United Pacific Services, Inc. Has provided contract tree trimming/removal services for the City of Highland since April 2001. Mr. Gus Franklin, owner of United Pacific Services has been affiliated with the City and its tree trimming program since March of 1995. Mr. Franklin was very instrumental in assisting the City with our tree trimming orders, recommendations on removals, and has excellent public relations skills with residents. The City has had a very positive working relationship with Mr. Gus Franklin and his staff for several years."



Larry M. Williams, Public Works Manager *Larry M. Williams*

18. Averbeck Company, Insurance Brokers/Bonds, June 23, 1998

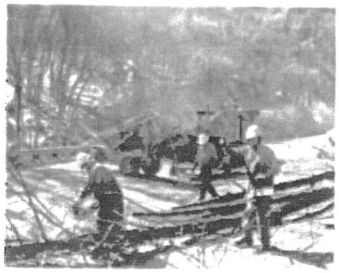
"We have provided surety credit for this account for several years. They have exhibited a tremendous track record to date and have excellent credit. They currently bond through Redland Insurance Company. Redland has provided surety credit up to the low seven figures per project. Please feel free to give a call if you should have any questions relative to the qualifications and/or bondability of this fine construction contractor".



Jay P. Freeman, Account Executive *Jay P. Freeman*

19. Department of Transportation - Caltrans, October 1, 1998

"It has been a while since completion of Contract 11-S881. But, I would like to take this opportunity thank you and your employees for the assistance in helping us to reduce our backlog of tree trimming work. This effort was a new experience for both of us and I was most pleased in your willingness in making adjustments and amendments to the contract to better meet our needs. These changes allowed us a more efficient mix of personnel and equipment to meet our needs as job requirements and work locations changed".



Jeff C. Morgan, Superintendent II *Jeff C. Morgan*

20. City of Norco, October 12, 1998

"On behalf of the City of Norco, we wish to thank you for participating in the Annual Country Jamboree. More than 8,000 people enjoyed the activities held at the Community Center along with the spectacular fireworks show held that evening. This year's Jamboree would not be possible without the generous support of organizations such as yourselves. Once again, thank you for your endless support. Your donation was truly appreciated".



Christopher L. Sorensen, Mayor *Christopher L. Sorensen*

21. Kellogg Supply, Inc., April 14, 1998

"I am glad that you are back in the industry and contemplating the thought of manufacturing product for us again. It appears that a relationship could benefit both organizations. I enjoyed the tour last week and am hopeful that a working relationship can develop".



H. Clay Kellogg IV, President *H. Clay Kellogg IV*

22. City of Highland, May 27, 1998



"Mr. Franklin's personnel have been exceptional. They are very organized when they arrive in the City, get the job done, communicate well with property owners when necessary, and if there are any complaints' make every effort to get them promptly resolved. They also communicate well with City staff and make suggestions where they feel it is in the best interest of the City to do work other then requested. I would strongly recommend Mr. Franklin's Company to any agency for tree trimming and removal services".

Larry M. Williams, Public Works Manager *Larry M. Williams*

23. City of Norco, March 22, 1996



"In discussing you company's performance with Buddy Snipes, our Public Works Supervisor, I hear nothing but praise and gratitude for the professional and efficient manner with which you and your workers handle the City's tree maintenance needs. Buddy has advised me that of the companies that have performed tree maintenance services for the City of Norco previously, Mr. Franklin's is by far the best. We greatly appreciate your approach to performing the tree maintenance service, and it is a testimony to that approach that no claims for damages or resident complaints have been received by City Staff. Again, thank you for a job well done, and it is a pleasure to be able to work with your firm for an additional year".

Joseph S. Schenk, Director of Public Works *Joseph S. Schenk*

24. City of Arcadia, June 3, 1996



"I am pleased to write this letter for your file. Your crews have just finished our annual tree contract in May, 1996. More than 4,000 trees were trimmed and the overwhelming opinion of the Arcadia residents and myself was of a job well done. At all times you had one or two foremen on the job sites. Their appearance in white shirts and their knowledge was a great help to our residents who had many questions to ask. The traffic control and cleanup lived up to contract specifications and the daily worksheets you fixed, showing the cubic yards of debris removed, were a great help with my reports. In summary, it was a pleasure doing business with you".

Robert A. Lang, Parks & Grounds Superintendent *Robert A. Lang*

25. City of Simi Valley - Award of Contract on November 18, 1996



"Total points were determined for each firm's proposal and a ranking was established. The top-rated proposal from Mr. Franklin's Company received 331 of the 360 total possible rating points. The proposal submitted by the firm rated as second place earned 279 points. Based on the points its proposal earned, Mr. Franklin's proposal was selected as the most qualified firm with the best cost proposal".

Agenda Summary, City Council Meeting of November 18, 1996

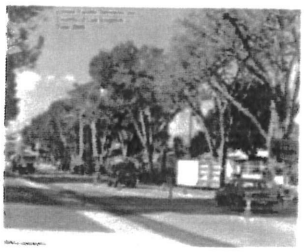
26. City of Santa Fe Springs, November 29, 1995



"In behalf of the City of Santa Fe Springs, I would like to express the City's appreciation for your participation in this year's Christmas tree recycling program. Consolidated Disposal has agreed to provide the roll-off bins needed. With this combined effort, we feel certain that the program will again become a success. I want to thank you in advance for your generosity and participation in this years program".

Luis F. Collazo, Planning and Development *Luis F. Collazo*

27. Union Bank, Priority Banking, December 8, 1994



"As of October 1994, Mr. Franklin has at his disposal, a $175,000 line of credit with this institution. Union Bank/Priority Banking is happy to be working with you and Susan. We look forward to a long and mutually rewarding relationship together".

Kelly J. Cooke, Assistant Vice President *Kelly J. Cooke*

28. Amwest Surety Insurance Company - Bond Division, September 27, 1994



"Mr. Franklin's company has been a client of Amwest Surety Insurance Company since their reentry into the Public Project Bidding Arena. Our research on the account shows it to be of the highest quality. Our research also shows that they have successfully performed all projects to date. They have performed well on Annual Maintenance Service Contracts to the $ 1 million + Job Size. I would look favorably on issuing Bid and Final Bonds in the $ 1 million + area if requested by Mr. Franklin".

Pat Dolan, Branch Manager *Pat Dolan*

29. City of Santa Fe Springs, February 11, 1993.



"Dear Mr. Franklin, On behalf of Santa Fe Springs City Council, please accept our gratitude for your contribution to the City's Christmas Tree Recycling Program. The program would not be possible without your support. Your continuing contributions and efforts toward this program helped preserve precious landfill space. Thank you again from the Santa Fe Springs City Council and residents".

Ronald S. Kernes, Mayor *Ronald S. Kernes*

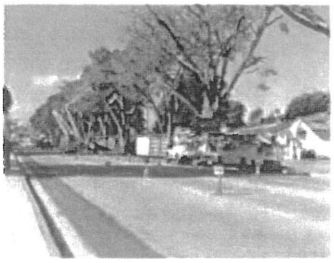
30. Congress of the United States, May 17, 1991.



"Thank you for contacting me to ask that I co-sponsor H.J.Res. 69, to designate the Oak Tree as our national arboreal symbol. Because you have asked, you'll be happy to know that I have signed on as a co-sponsor. If I may be of any further assistance, please let me know".

Estaban E. Torres, Member of Congress *Estaban E. Torres*

31. City of Garden Grove, November 12, 1990.



"On Sunday, September 16, hundreds of Garden Grove employees, along with their families and friends, enjoyed the annual City of Garden Grove Employee Picnic at Garden Grove Park. On behalf of these employees, our City Council and residents, I would like to personally thank United Pacific Corporation for its donation which helped to make our event such a success. Please accept the enclosed plaque as a symbol of our sincere thanks. Your generosity and community spirit are greatly appreciated by all who participated".

Walt E. Donovan, Mayor *Walt E. Donovan*

32. UltraPower Malaga-Fresno, February 9, 1990.



"United Pacific Corporation has exhibited a level of professionalism rarely found in this business. The company principals have been extremely forthright and honest in all their dealings with us. We have shared data and ideas which have helped both parties achieve more efficient operating levels. Their equipment is up-to-date and well-maintained which, in addition to their highly honed management skills, contributes to their consistency. United Pacific Corporation has been a valuable addition to our biomass fuel supply organization and we're looking forward to many more years of this mutually beneficial business relationship".

R.C. Rodenbach, Fuel Procurement Manager *R.C. Rodenbach*

33. Sequoia Forest Industries, February 12, 1990.



"United Pacific's state-of-the-are equipment and product processes are ranked at the top of other competitive processing plants now in operation. Their volumes have continued to increase and the product quality has been excellent. In addition to United Pacific's ability to procure and process fuel materials, their relationship with the co-generation personnel and with the truck carriers has also been excellent. United Pacific has always responded quickly and with concern in solving any problems that may occasionally appear. I would judge their performance to date as being exceptional and hope to continue our current relationship into the future".

El Kessler, Fuel Procurement *El Kessler*

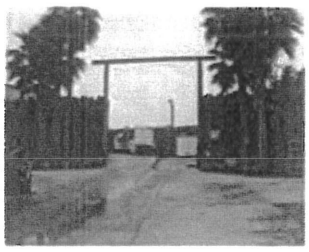
34. City of West Hollywood, October 14, 1985.



"The purpose of this communication is to share with you our sincere pleasure in the manner United Pacific is executing this contract. The modern equipment, uniformed personnel, and attention to community relations, indicates a dedicated commitment to excellence in municipal street tree trimming and tree removal. Without reservation, I commend their services and professionalism to your attention and consideration".

John Heilman, Mayor *John Heilman*

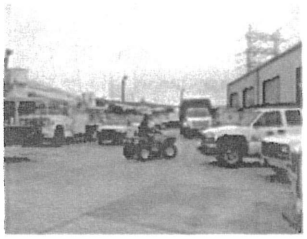
35. S.O.S. Coral Trees, September 26, 1985.



"On behalf of S.O.S. CORAL TREES, I would like to express our gratitude for the fine job that your firm did in trimming the coral trees on San Vicente Boulevard. It is my understanding that Gus, himself, directed the effort and thus deserves a large share of the credit. Again, we thank you and all of the community thanks you for your good work".

James A. Thomas, President, CORAL TREES *James A. Thomas*

36. Peridian Group, June 22, 1984.



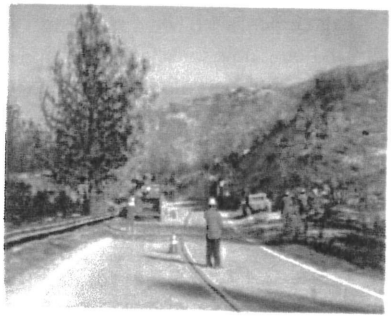
"I want you to know how pleased the Los Angeles Olympic Organizing Committee and Peridian Group are with your extensive tree trimming at Exposition Park in preparation for the 1984 Summer Olympiad. As you know, the park was in a sad state of neglect. Over 1,100 trees had not been trimmed or maintained for years and so after your crews moved through in record time under the able supervision of Gus Franklin, a transformation occurred. Now the historic park and former site of the 1932 Olympics is complete for the eyes of the world to see. As president of United Pacific Corporation you can be proud of a job well done".

Vincent Rie Takeuchi, Project Manager *Vincent Rie Takeuchi*

37. Los Angeles Olympic Organizing Committee, August 12, 1984.

"On behalf of the LAOOC Architecture and Construction Department, Ed Keen, Dan Stewart and I want you to know how grateful we are for your contribution in creating the biggest event in our lifetime. Because we all worked together as a team, we succeeded. All of our efforts have resulted in each of us becoming a part of history. Congratulations to each of you. Be proud of your contribution. As an expression of our gratitude, we are presenting you with this certificate. Display it with pride for you have earned it. Thank You and farewell. It was truly a great Olympics".

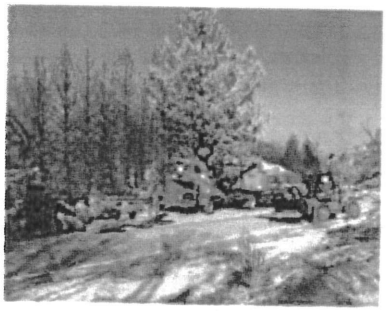
Tak Fujii, Associate Vice President *Tak Fujii*



38. Veterans Administration, October 25, 1983.

"I wish to thank and commend you on the very fine job you did pruning, thinning, and shaping the trees at the Los Angeles National Cemetery. Work was accomplished in a very short time and everything was done in a professional manner; it seemed everyone knew his job and did it with the expertise of a professional".

Juanita D. Walker, Director *Juanita D. Walker*



39. United States District Court, Chambers of Terry J. Hatter, Jr., October 4, 1983.

"Not only was the work the best we have seen with our palm trees in more than ten (10) years, but it was easily the most integrated group of workers that I have ever seen performing a city project".

Terry J. Hatter, Jr., Judge US District Court *Terry J. Hatter, Jr.*



40. City of Newport Beach, January 22, 1982.

"I would like thank you and your crews for the excellent performance during your tree trimming contract with the City of Newport Beach. The contract was completed very quickly and efficiently. Your crews worked very hard and demonstrated a high regard for public safety and private property"

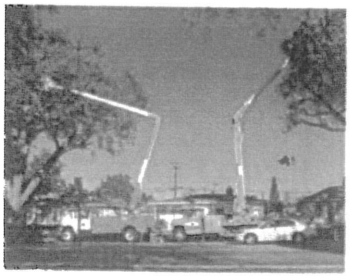
Jack Brooks, Park Superintendent *Jack Brooks*



41. City of Beverly Hills, October 2, 1981.

"Mr. Franklin has a first-class operation which has exceeded my expectations in all areas, including trimming, traffic safety and clean-up. The mobil sweeper puts the finishing touch on an already superb job".

Don Boynton, Public Works Inspector *Don Boynton*



42. City of Yorba Linda, September 8, 1981.

"The City of Yorba Linda, Public Works Department, entered into a contractual agreement with Mr. Franklin's Tree Company in 1975, and the City has been very fortunate in being able to extend their present contract to this date. Their regard for the public safety and protection of private property adjacent to work sites is apparent and excellent".

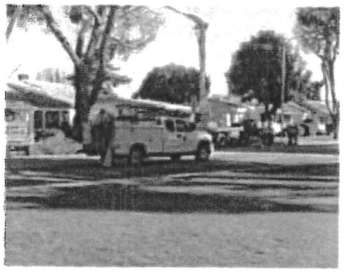
Louie Gomez, Street Superintendent *Louie Gomez*



43. City of Carson, September 2, 1981.

"During the past several years Mr. Franklin's Tree Company has been selected by the City of Carson to perform a variety of tree trimming services totaling approximately Three-hundred and Fifty-Thousand ($350,000.00) dollars. During that period of time, I am pleased to state that their work was performed most satisfactory and in accordance with the Plans and Specifications. The City of Carson found the firm to be most efficient and diligent in the prosecution of their responsibility".

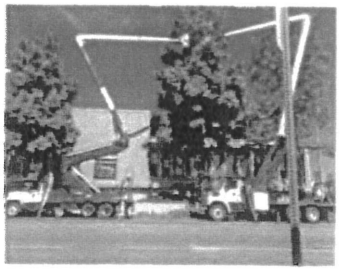
Howard B. Homan, Director of Department *Howard B. Homan*



44. City of La Habra, September 1, 1981.

"The work performed by this company has been superior in quality and quantity. Mr. Franklin has always been cooperative and very pleasant to do business with. I have found him to be highly reliable and honest, and do not hesitate to recommend his company to anyone inquiring about tree trimming contractors".

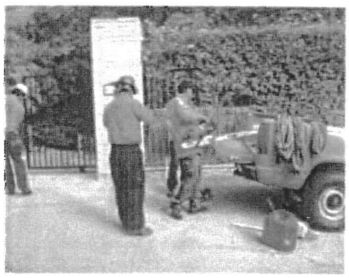
Manuel Torres, Tree Maintenance Foreman *Manuel Torres*



45. City of Buena Park, September 3, 1981.

"Mr. Franklin's Tree Company performed all of their work in a very professional and workmanlike manner, showing a high degree of experience and knowledge in arboriculture".

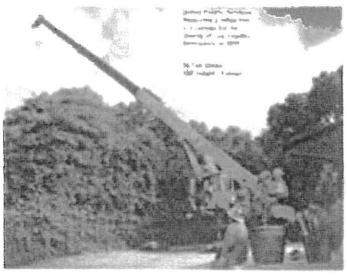
Gordon Smith, Supervisor/Street Trees *Gordon Smith*



46. Surety Insurance Company of California, May 5, 1981.

"Our Company is presently bonding Mr. Franklin, and we are prepared to extend credit to the extent of $1,000,000 in the aggregate. It is our opinion that Mr. Franklin is a capable contractor with adequate resources to finance the work he undertakes".

Madelaine Gentry, Manager, Bond Department *Madeline Gentry*



47. City of Garden Grove, June 8, 1981.

"In the first phase, which called for trimming nearly 800 trees (Elms, Peppers, and Ficus) dispersed throughout several zones, the specifications were fully met. We had only one citizen call on a damaged sprinkler which you had repaired to the satisfaction of the property owner. One of our Council Persons publicly complimented the work performed by your crews. A copy of the minutes is enclosed. Overall, the price was unbelievable and quality of work, excellent. I am confident that the second phase, calling for trimming an additional 1,500 trees, will be equally satisfactory to all concerned".

Lou Herz, Parks Superintendent *Lou Herz*



48. City of Fountain Valley, September 4, 1981.

"The manner in which Mr. Franklin coordinated the scheduling, performed the trimming and clean-up was very satisfactory. Mr. Franklin's method of utilizing a street sweeper after trimming both expedited the clean-up and made a good impression for public relations. In addition, their efficient method of operation created no citizen complaints".

David L. Christensen, Field Supervisor Maintenance *David L. Christensen*



49. City of Whittier, September 2, 1981.

"During the time that they have been under contract, they have handled the public contacts well. The company has always had the necessary bonding. The jobs have been completed in the required time. The specification for trimming has been followed as required in the contracts".

Emmett A. May, Tree Maintenance Supervisor *Emmett A May*



50. City of Fullerton, September 8, 1981.

"The work was done in difficult terrain and included a large variety of mature trees. Both the Community Services Department and Landscape Maintenance Department were satisfied with the quality of the work. The pruning operation, under the direction of foreman Chuck Patana, was very professional. The job was completed well within the contract time limit".

Kathy A. Greco, Community Services, Coordinator *Kathy A. Greco*



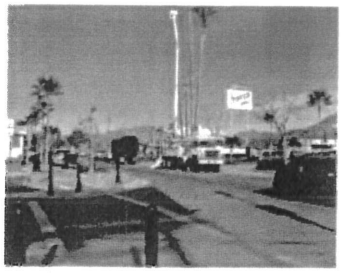
51. City of San Fernando, April 16, 1980

"The first phase in the initial year of your contract with the City of San Fernando is now completed and in behalf of the City, and myself, I wish to thank you for not only the thoughtful and courteous conduct that you and your staff displayed to all our citizenry, but also the expeditious and highly professional manner in which you completed the work. To trim, and this is predominantly a major trim, some 2,006 trees in less than six weeks, in a season of rainfall that was most intense and record breaking, must be and is considered the mark of a professional who is fully knowledgeable of every aspect of his job. It is a pleasure to have this working relationship with you and your excellent company".

Fred L. Morgan, P.E., Director *Fred L. Morgan*



52. City of Lynwood, June 10, 1980.



"Thank you for assisting this department in continuing its efforts to inform and serve the residents of Lynwood more efficiently".

Don V. Snavely, Director of Recreation & Parks *Don V. Snavely*

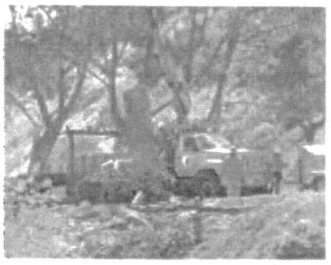
53. City of Lynwood, November 21, 1978.



"This Company has the capability of the most sophisticated and efficient street tree maintenance program. They maintain and operate a wide range of the most modern street tree equipment and vehicles with well trained crews. Mr. Gus Franklin personally supervises their operation and he has been extremely understanding and cooperative in his relationships with city employees and officials. The City of Lynwood is very pleased with the past performance of this Company and does not hesitate to endorse their services".

Don V. Snavely, Director of Recreation & Parks *Don V. Snavely*

54. City of Santa Ana, April 10, 1978.



"Your tree maintenance contract with the City of Santa Ana has now been accomplished and at this time I would like to congratulate your Company on a job well done. Regard for public safety and protection of private property adjacent to the work sites was apparent. Citizen comment while work was in progress was of a positive nature. Excellent communications were established and maintained with our tree Supervisor, Jess Standridge, and when on several occasions it was necessary to return for additional work at a specific location your response was immediate. In all aspects this contract was executed in a highly professional manner. It's been a pleasure to have worked with you".

Robert E. Gresham, Director *Robert E. Gresham*

55. City of Los Angeles, December 6, 1977.



"All tree work performed by Mr. Gus Franklin was most satisfactory, and completed well within the time called for in the contracts".

Joseph L. Louthan, Superintendent *Joseph L. Louthan*

56. City of La Habra, December 5, 1977.



"This is to verify that the Tree Company under the ownership of Gus Franklin has done (2) contracts for us this year, consisting of a total of 640 trees, trimmed to our specification. All work performed by this Company was done to our specifications and to our satisfaction".

Manuel F. Torres, Tree Maint. Foreman *Manuel F. Torres*

# United Pacific Services, Inc.

## *State Contractors license*



STATE OF CALIFORNIA
dca
DEPARTMENT OF CONSUMER AFFAIRS

CONTRACTORS
STATE LICENSE BOARD
ACTIVE LICENSE

License Number **790590** Entity CORP

Business Name UNITED PACIFIC SERVICES INC

Classification(s) C27 C61/D49

Expiration Date 01/31/2021 www.cslb.ca.gov

Printed on: 11/1/2018 3:21:34 PM

To verify most current certification status go to: https://www.caleprocure.ca.gov

DGS
CALIFORNIA DEPARTMENT OF
GENERAL SERVICES

# Office of Small Business & DVBE Services

**Certification ID:** 33376

**Legal Business Name:**
UNITED PACIFIC SERVICES INC

**Doing Business As (DBA) Name 1:**
United Pacific Services, Inc.

**Doing Business As (DBA) Name 2:**
United Pacific Services, Inc.

**Address:**
251 IMPERIAL HWY STE 450
FULLERTON
CA 92835

**Email Address:**
eric@unitedpac.com

**Business Web Page:**
www.unitedpac.com

**Business Phone Number:**
562/691-4600

**Business Fax Number:**
562/691-8839

**Business Types:**
Construction , Service

| Certification Type | Status | From | To |
|---|---|---|---|
| SB | Approved | 10/10/2018 | 10/31/2020 |

Stay informed! KEEP YOUR CERTIFICATION PROFILE UPDATED!
-LOG IN at CaleProcure.CA.GOV

Questions?
Email: OSDSHELP@DGS.CA.GOV
Call OSDS Main Number: 916-375-4940
707 3rd Street, 1-400, West Sacramento, CA 95605

WELCOME!

TCIA

YOUR ROAD MAP TO A SUCCESSFUL **TREE CARE** BUSINESS!

Tony,
Thank you for your membership and the confidence you have placed in the Tree Care Industry Association (TCIA). TCIA is a trade association of more than 2,400 commercial tree care firms and affiliated companies worldwide. You have received this card because you are an employee of one of these companies.

Flip this mailer over to learn how to navigate your exclusive member benefits!

TCIA MEMBER

TREE CARE INDUSTRY ASSOCIATION

Tony Gomez Jr.
United Pacific Services, Inc.

Member ID #: 239443 Member Since: 4/14/2005
Membership Expires: 7/31/2021



WELCOME!

TCIA

YOUR ROAD MAP TO A SUCCESSFUL **TREE CARE** BUSINESS!

Gus,
Thank you for your membership and the confidence you have placed in the Tree Care Industry Association (TCIA). TCIA is a trade association of more than 2,400 commercial tree care firms and affiliated companies worldwide. You have received this card because you are an employee of one of these companies.

Flip this mailer over to learn how to navigate your exclusive member benefits!

TCIA MEMBER

TREE CARE INDUSTRY ASSOCIATION

Gus Franklin
United Pacific Services, Inc.

Member ID #: 83523 Member Since: 4/14/2005
Membership Expires: 7/31/2021

DEPARTMENT OF PESTICIDE REGULATION
LICENSING/CERTIFICATION PROGRAM

# QAL

QUALIFIED APPLICATOR LICENSE

LICENSE #: 101277 EXPIRES: 12/31/2020
Categories: BC Issued: 1/1/2019

**ERIC L FRANKLIN**
4931 E ASHFORD AVE
ORANGE, CA,92867

This License must be shown to any representative of the Director or Commissioner upon request.

SIGNATURE

This person is qualified to apply or supervise the application of pesticides pursuant to Division 6, Chapter 8 of the Food and Agricultural Code in the catagories ndicated on the face of this card.

This License does not authorize any person to engage for hire in the Business of pest control. A DPR Pest Control Business License is required, in addition to this Qualified Applicator License to engage in the Business of Pest Cantrol for Hire.

License Categories

A. Residential, Industrial, and Institutional
B. Landscape Mainténance
C. Right of Way
D. Plant Agriculture
E. Forest
F. Aquatic
G. Regulatory
H. Seed Treatment
I. Animal Health
J. Demonstration and Research
K. Health Related
L. Wood Preservation
M. Antifouling-Tributylin
N. Sewer Line Root Control
O. Field Fumigation
P. Microbial Pest Control

# DEPARTMENT OF PESTICIDE REGULATION
## LICENSING/CERTIFICATION PROGRAM

# PCA

## AGRICULTURAL PEST CONTROL ADVISER LICENSE

**LICENSE #: 75857**
Categories: ABDEG

**EXPIRES: 12/31/2020**
Issued: 1/1/2019

(39)
**TIMOTHY J ISLE**
164 STANFORD LANE
SEAL BEACH, CA,90740

**This License must be shown to any representative of the Director or Commissioner upon request.**

# *County of Los Angeles*

No. 200000418

# AGRICULTURAL PEST CONTROL REGISTRATION

For Calendar Year Ending December 31, 2020

United Pacific Services, Inc.
5529 Leeds St, South Gate, CA 90280
(562)691-4600 x226

**THIS CERTIFIES** that the above-named individual or firm has been duly registered in accordance with Section 11732 of the California Food and Agricultural Code, and is entitled to engage for hire in the County of Los Angeles in the business of pest control of the types listed below:

(40)

B-LANDSCAPE MAINTENANCE

C-RIGHT OF WAY

Agent: Eric L Franklin
State Business License No.: 32512
Date: January 1, 2020
Revised PUEa-05 (12-19)

Agricultural Commissioner/Director of Weights and Measures
County of Los Angeles

# CALIFORNIA DEPARTMENT OF PESTICIDE REGULATION

1001 I STREET
SACRAMENTO, CALFORNIA 95814

ISSUED: January 01, 2018
**EXPIRES: December 31, 2019**

## Pest Control Business - Main
## LICENSE

LICENSE NO. 32512

Invalid if insurance and/or qualified person(s) lapse before expiration date.

Mailing Address

UNITED PACIFIC SERVICES, INC.
5529 LEEDS ST
SOUTH GATE, CA 90280

Business Location

UNITED PACIFIC SERVICES, INC.
5529 LEEDS ST
SOUTH GATE, CA 90280

POST THIS LICENSE PROMINENTLY IN PUBLIC VIEW
THIS LICENSE IS NOT TRANSFERABLE – ANY CHANGE IN OWNERSHIP REQUIRES A NEW LICENSE

---

1. Please make sure the information on your license is correct.
2. Notify us immediately of any changes to your business (e.g., name, address, insurance carrier or qualified person).
3. If you lose your license, then you may request a new one for a $20 fee.
4. Please refer to the license number located in the middle of the page when contacting us.
5. For more information, please contact us at (916) 445-4038 or at <licensemail@cdpr.ca.gov>. Or you may write to

**Department of Pesticide Regulation**
**Pest Management and Licensing Branch**
**Licensing and Certification Program**
**P.O. Box 4015**
**Sacramento, California 95812-4015**

OSP 15 137571

# Licensing and Certification Current Valid Licenses (U) - Business

| Business Name | Type | Number | Main or Branch | Business Address | City | County | Issued or Renewed | Expires |
|---|---|---|---|---|---|---|---|---|
| U.S. LAWNS OF SACRAMENTO | PCM | 39345 | MAIN | 3655 OMEC PARK DR | RANCHO CORDOVA | SACRAMENTO | 1/1/2020 | 12/31/2021 |
| U.S. WATER SERVICES INC | PCM | 38753 | MAIN | 13109 ARTIC CIR | SANTA FE SPRINGS | STANISLAUS | 1/1/2020 | 12/31/2021 |
| UGOTT PEST CONTROL | PCM | 37019 | MAIN | 4200 EASTON DR | BAKERSFIELD | KERN | 1/1/2020 | 12/31/2021 |
| UJIHARA LANDSCAPE, INC. | MGB | 35493 | MAIN | 13144 EAST END AVE | CHINO | | 1/1/2020 | 12/31/2021 |
| ULTIMATE LANDSCAPE MANAGEMENT CO., INC. | MGB | 35755 | MAIN | 700 E SYCAMORE | ANAHEIM | ORANGE | 1/1/2020 | 12/31/2021 |
| ULTRA DIVERSIFIED, INC. | PCM | 30379 | MAIN | 25015 AVENUE 104 | TERRA BELLA | TULARE | 1/1/2020 | 12/31/2021 |
| UNIQUE PEST SOLUTIONS | PCM | 45242 | MAIN | 1434 LA COSTA CT | MADERA | MADERA | 1/1/2020 | 12/31/2021 |
| UNIQUE PLANT RENTALS, INC. | MGB | 35151 | MAIN | 16415 S AVALON BLVD | GARDENA | LOS ANGELES | 1/1/2020 | 12/31/2021 |
| UNITED AG PERSONNEL MANAGEMENT INC | PCM | 39285 | MAIN | 141 N K ST | TULARE | TULARE | 1/1/2020 | 12/31/2021 |
| UNITED CHEMICAL | PDM | 34202 | MAIN | 899 TUOHY AVE | EXETER | TULARE | 1/1/2020 | 12/31/2021 |
| UNITED LABOR SERVICES, INC. | PCM | 41548 | MAIN | 415 AVENIDA CASTRO | DELANO | KERN | 1/1/2020 | 12/31/2021 |
| UNITED MINERAL AND CHEMICAL CORPORATION | PBM | 44928 | MAIN | 160 CHUBB AVE STE 206 | LYNDHURST | OUT OF STATE | 1/1/2020 | 12/31/2021 |
| UNITED PACIFIC SERVICES, INC. | PCM | 32512 | MAIN | 5529 LEEDS ST | SOUTH GATE | LOS ANGELES | 1/1/2020 | 12/31/2021 |
| UNITED PHARMACAL CO., INC. | PBM | 34772 | MAIN | 3705 PEAR ST | SAINT JOSEPH | OUT OF STATE | 1/1/2020 | 12/31/2021 |
| UNITED RIGHT OF WAY | PCM | 32504 | MAIN | 1502 W BROADWAY RD | PHOENIX | OUT OF STATE | 1/1/2020 | 12/31/2021 |
| UNIVERSAL LABOR SOLUTIONS, INC. | PCM | 45134 | MAIN | 1129 CLINTON ST | DELANO | TULARE | 1/1/2020 | 12/31/2021 |
| UNIVERSAL PEST SERVICES | PCM | 38218 | MAIN | 1373 SAN MARCOS DR | SAN JOSE | SANTA CLARA | 1/1/2020 | 12/31/2021 |
| UNRUH, JOHN | PCM | 30094 | MAIN | 5433 N SULTANA | ATWATER | MERCED | 1/1/2020 | 12/31/2021 |
| UPTON, DERRICK | PCM | 32857 | MAIN | 6694 AVENUE 22 1/2 | CHOWCHILLA | MADERA | 1/10/2020 | 12/31/2021 |
| URBAN CORPS OF SAN DIEGO COUNTY | PCM | 38951 | MAIN | 3127 JEFFERSON ST | SAN DIEGO | SAN DIEGO | 1/1/2020 | 12/31/2021 |
| URBAN ENVIRONMENTS LANDSCAPE SERVICES | MGB | 38875 | MAIN | 1373 MORRILL AVE | SAN JOSE | SANTA CLARA | 1/10/2020 | 12/31/2021 |
| URBAN HABITAT | MGB | 39544 | MAIN | 51-255 CALLE HUENEME | LA QUINTA | RIVERSIDE | 1/16/2020 | 12/31/2021 |
| URBAN-GRO, INC. | PDM | 41166 | MAIN | 1751 PANORAMA POINT UNIT G | LAFAYETTE | OUT OF STATE | 1/1/2020 | 12/31/2021 |

## Contractor Information

**Legal Entity Name**
UNITED PACIFIC SERVICES, INC.
**Legal Entity Type**
Corporation
**Status**
Active
**Registration Number**
1000010147
**Registration effective date**
7/1/2020
**Registration expiration date**
6/30/2023
**Mailing Address**
251 IMPERIAL HWY., STE 450 FULLERTON 92835 CA United States ...
**Physical Address**
5529 LEEDS STREET SOUTH GATE 90280 CA United States of America
**Email Address**
**Trade Name/DBA**
**License Number(s)**
CSLB:790590
CSLB:790590

## Registration History

| Effective Date | Expiration Date |
|---|---|
| 6/13/2018 | 6/30/2019 |
| 6/15/2017 | 6/30/2018 |
| 6/16/2016 | 6/30/2017 |
| 6/24/2015 | 6/30/2016 |
| 2/17/2015 | 6/30/2015 |
| 7/1/2019 | 6/30/2020 |
| 7/1/2020 | 6/30/2023 |

## Legal Entity Information

**Corporation Number:**
2101106
**Federal Employment Identification Number:**
**President Name:**
GUS K FRANKLIN
**Vice President Name:**
**Treasurer Name:**
SUSAN K FRANKLIN
**Secretary Name:**
SUSAN K FRANKLIN
**CEO Name:**

**Agent of Service Name:**
GUS K FRANKLIN
**Agent of Service Mailing Address:**
251 IMPERIAL HWY., STE 450 FULLERTON 92835 CA United States of America

## Workers Compensation

**Do you lease employees through Professional Employer Organization (PEO)?:** No

**Please provide your current workers compensation insurance information below:**

| | PEO Name | PEO Phone | PEO Email |
|---|---|---|---|
| PEO Information | | | |

Insured by Carrier
**Policy Holder Name:**UNITED PACIFIC SERVICES, INC.**Insurance Carrier:**CYPRESS INSURANCE COMPANY**Policy Number:** UNWC003915**Inception date:**6/30/2019**Expiration Date:**6/30/2020

# INTERNATIONAL SOCIETY OF ARBORICULTURE

## CERTIFIED ARBORIST™

*Eric Franklin*

Having successfully completed the requirements set by the International Society of Arboriculture, the above named is hereby recognized as an ISA Certified Arborist®




Luana Vargas
Director of Credentialing Services
International Society of Arboriculture

Caitlyn Pollihan
Executive Director
International Society of Arboriculture

| WE-2158AU | 14 May 1998 | 30 Jun 2022 |
|---|---|---|
| Certification Number | Certified Since | Expiration Date |

ANSI ACCREDITED

#0847
ISO/IEC 17024
Personnel Certification Program
ISA Certified Arborist®

( 44 )

# INTERNATIONAL SOCIETY OF ARBORICULTURE

## CERTIFIED ARBORIST UTILITY SPECIALIST™

*Eric Franklin*

Having successfully completed the requirements set by the
International Society of Arboriculture, the above named
is hereby recognized as an ISA Certified Arborist Utility Specialist®




Luana Vargas
Director of Credentialing Services
International Society of Arboriculture

Caitlyn Pollihan
Executive Director
International Society of Arboriculture

| WE-2158AU | 18 Sep 1999 | 30 Jun 2022 |
|---|---|---|
| Certification Number | Certified Since | Expiration Date |

# INTERNATIONAL SOCIETY OF ARBORICULTURE
# TREE RISK ASSESSMENT QUALIFICATION

## Eric Franklin

Having successfully completed the requirements established by the International Society of Arboriculture, the above named is hereby recognized as ISA Tree Risk Assessment Qualified.

ISA QUALIFICATIONS

Kevin Martlage
Director of Credentialing
International Society of Arboriculture

6 Jun 2018
Issue Date

Caitlyn Pollihan
Executive Director
International Society of Arboriculture

6 Jun 2023
Term of Validity End Date

# INTERNATIONAL SOCIETY OF ARBORICULTURE

## CERTIFIED ARBORIST™

*Jack Durwood Mooring*

Having successfully completed the requirements set by the International Society of Arboriculture, the above named is hereby recognized as an ISA Certified Arborist®

(47)

Luana Vargas
Director of Credentialing Services
International Society of Arboriculture

Caitlyn Pollihan
Executive Director
International Society of Arboriculture

ANSI ACCREDITED

#0847
ISO/IEC 17024
Personnel Certification Program
ISA Certified Arborist®

| WE-0905AM | 29 Jul 1995 | 30 Jun 2022 |
|---|---|---|
| Certification Number | Certified Since | Expiration Date |

# INTERNATIONAL SOCIETY OF ARBORICULTURE

## CERTIFIED ARBORIST MUNICIPAL SPECIALIST™

*Jack Durwood Mooring*

Having successfully completed the requirements set by the
International Society of Arboriculture, the above named
is hereby recognized as an ISA Certified Arborist Municipal Specialist®




Luana Vargas
Director of Credentialing Services
International Society of Arboriculture

Caitlyn Pollihan
Executive Director
International Society of Arboriculture

| WE-0905AM | 1 Aug 2016 | 30 Jun 2022 |
|---|---|---|
| Certification Number | Certified Since | Expiration Date |

# INTERNATIONAL SOCIETY OF ARBORICULTURE
# TREE RISK ASSESSMENT QUALIFICATION

## Jack Durwood Mooring

Having successfully completed the requirements established by the International Society of Arboriculture, the above named is hereby recognized as ISA Tree Risk Assessment Qualified.

ISA QUALIFICATIONS

Kevin Martlage
Director of Credentialing
International Society of Arboriculture

6 Jun 2018
Issue Date

Caitlyn Pollihan
Executive Director
International Society of Arboriculture

6 Jun 2023
Term of Validity End Date

# INTERNATIONAL SOCIETY OF ARBORICULTURE

## CERTIFIED ARBORIST™

(50)

Renee Lucille Mooring

Having successfully completed the requirements set by the Arborist Certification Board of the International Society of Arboriculture, the above named is hereby recognized as an ISA Certified Arborist®

Jim Skiera, Executive Director
International Society of Arboriculture

Kevin Martlage
Director of Professional Development
International Society of Arboriculture

| WE-10452AM | 26 Jun 2014 | 30 Jun 2020 |
|---|---|---|
| Certification Number | Certified Since | Expiration Date |

# INTERNATIONAL SOCIETY OF ARBORICULTURE

## CERTIFIED ARBORIST MUNICIPAL SPECIALIST™



**Renee Lucille Mooring**

Having successfully completed the requirements set by the Arborist Certification Board of the International Society of Arboriculture, the above named is hereby recognized as an ISA Certified Arborist Municipal Specialist®

Jim Skiera, Executive Director
International Society of Arboriculture

Kevin Martlage
Director of Professional Development
International Society of Arboriculture

| WE-10452AM | 15 Aug 2016 | 30 Jun 2020 |
|---|---|---|
| Certification Number | Certified Since | Expiration Date |

# INTERNATIONAL SOCIETY OF ARBORICULTURE
# TREE RISK ASSESSMENT QUALIFICATION

## Renee Lucille Mooring

Having successfully completed the requirements established by the International Society of Arboriculture, the above named is hereby recognized as ISA Tree Risk Assessment Qualified.

ISA QUALIFICATIONS

Kevin Martlage
Director of Credentialing
International Society of Arboriculture

6 Jun 2018
Issue Date

Caitlyn Pollihan
Executive Director
International Society of Arboriculture

6 Jun 2023
Term of Validity End Date

# Diploma

## TLC Wildlife Aware

*This award is proudly presented to:*

## Renee Mooring

By Sims Tree Learning Center, for successfully completing all of the requirements to become a Wildlife Aware Graduate.

Susan M. Sims
Signed

May 11, 2016
Awarded On

ISA
International Society of Arboriculture

*Renee Mooring*

has completed

# Tree Identification & Selection

## IDENTIFICATION PRINCIPLES

COMPUTER-BASED TRAINING MODULE
for
**Arborist, Tree Worker, or Board-Certified Master Arborist Certification**

| WE10452A | 1/15/2016 |
| --- | --- |
| arborist certification number | date |

(54)

# Wildlife Protector Certification

is hereby awarded to:

## Renee L. Mooring

for training in wildlife awareness and protection

Wildlife Training Institute
Certification Number: 705
Valid Through May 8, 2017

Megan A. Morris, Program Director

# Certificate of Completion

*This certifies that*

**Atanacio Hernandez**

*has completed all training requirements for*
*TCIA's "Aerial Rescue Training Program" and,*
*in recognition thereof, is presented this certificate of completion.*

TCIA™
VOICE OF TREE CARE

## Tree Care Academy

TREE CARE INDUSTRY ASSOCIATION
Tree Care ACADEMY
Aerial Rescue
Training Program
GRADUATE

***4 ISA CEUs- TC-08-020***
***4 CTSP CEUs- Contact Irina Kochurov***

Representative of Certifying Company

1/2/19
Date

This certificate is valid for three years after date of issuance.

(56)

# CERTIFICATE OF TRAINING

*This Certificate recognizes*

**Victor Gaona**

**For successfully completing the**
**North American Training Solutions Workshop**

***Line Clearance Arborist***
***Emergency Response and Aerial Rescue Training***

Scott Prophet – President
North American Training Solutions

November 16th 2012
Date of Issue

NORTH AMERICAN TRAINING SOLUTIONS

# CERTIFICATE OF TRAINING

*This Certificate recognizes*

**Esteban Cohetzitla**

**For successfully completing the**
**North American Training Solutions Workshop**

***Line Clearance Arborist***
***Emergency Response and Aerial Rescue Training***

Scott Prophet – President
North American Training Solutions

November 16th 2012
Date of Issue

NORTH AMERICAN TRAINING SOLUTIONS

American Red Cross
Training Services

# Certificate of Completion

Holly Monahan

has successfully completed requirements for

**First Aid/CPR/AED Instructor**

Date Completed: 8/24/2020
Validity Period: 2 - Years

Conducted by: American Red Cross

To verify certificate, scan code or visit redcross.org/digitalcertificate and enter ID.

Learn and be inspired at LifesavingAwards.org

00BF4J8

( 58 )



**American Red Cross**
Training Services

# Certificate of Completion

Renee Mooring

has successfully completed requirements for

**First Aid/CPR/AED Instructor**

Date Completed: 8/24/2020
Validity Period: 2 - Years

Conducted by: American Red Cross

(59)




To verify certificate, scan code or visit redcross.org/digitalcertificate and enter ID.

Learn and be inspired at LifesavingAwards.org



00BF4GR

# CITY OF COMPTON

## Tree Trimming and Tree Maintenance Services

## WORK PLAN / QUALITY CONTROL PLAN

Submitted by:
Gus K. Franklin, President/CEO
United Pacific Services, Inc.
(562) 254-0749 cell
gus@unitedpac.com

# Quality Control Plan

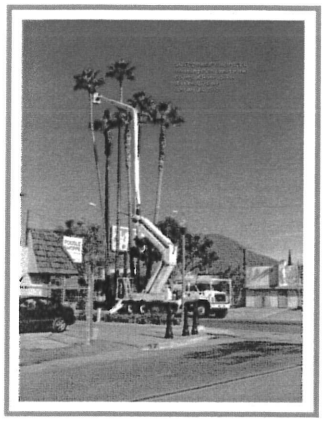
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City of Compton


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# *QUALITY CONTROL PLAN*

## Management Team

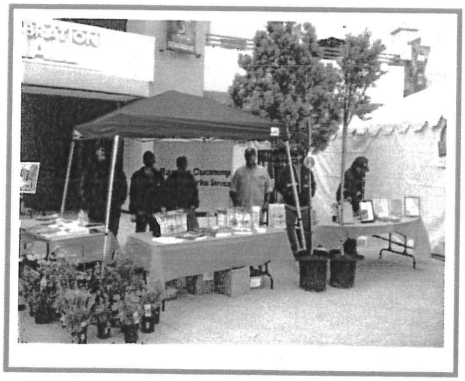


United Pacific Services, Inc. (UPS), has assigned Jack Mooring and Jose Torres. as Supervisors to the tree maintenance project for the **City of Compton.** Overseeing the project will be Eric Franklin, Vice President of Operations.

1.) **Mr. Jack Mooring**, Vice President / General Manager has over 20 years experience in Tree maintenance projects and is a *I.S.A. Certified Arborist (# WC-0905), I.S.A. Certified Tree Worker (#WC-403), Certified by the National Arborist Association (#NAA-03268) and Certified in Cardio-Pulmonary Resuscitation (#AHA-24194).* Currently he is supervising various contracts with the County of Los Angeles, County of Riverside, City of Fountain Valley, and the City of Long Beach.

2.) **Mr. Jose Torres** is are current on-site Crew Manager/Foreman for our current contract with the City of Downey for over the past four years and has many years experience of supervising the completion of numerous governmental tree maintenance contracts including the City of Rancho Cucamonga. Mr. Jose Torres is an *I.S.A. Certified Tree Worker (WE-11070)T).* Mr. Torres will be overseeing the project and will also be actively involved in the city's tree inventory program. Mr. Torres has supervised the completion of tree maintenance contracts for over 3 municipalities and the County of Riverside. Currently he is in charge of our contract with the City of Downey.

3.) **Mr. Eric L. Franklin**, Executive Vice President will be overseeing the project. Mr. Franklin has supervised the completion of landscape and tree maintenance contracts for over 45 municipalities in Southern California. Mr. Franklin is a *I.S.A. Certified Arborist (#WC-2158), Certified by the National Arborist Association (#NAA-03265), and Certified in Cardio-Pulmonary Resuscitation (#AHA-24191). Mr. Franklin is also a Certified Arborist/Utility Specialist by the I.S.A.*



Mr. Franklin, Mr. Mooring, and Mr. Torres have full authority to make any and all decisions concerning additional tree work and represent United Pacific in all decisions concerning this project. They can immediately make decisions on the job site and have the authority to execute any agreement concerning additional tree work or changing a work order or responding to any type of service request call.

MANAGEMENT TEAM

| | | |
|---|---|---|
| PROJECT SUPERVISORS: | Jack Mooring - | Jose Torres |
| PROJECT DIRECTORS: | Eric Franklin - | Gus Franklin (owner) |

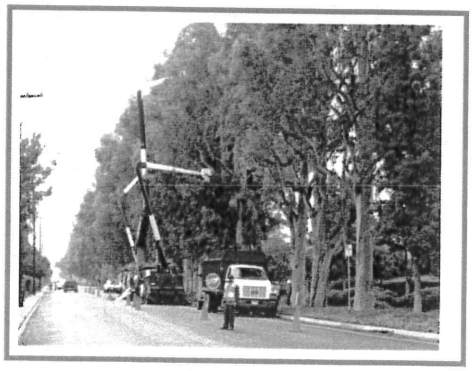
## PERFORMANCE OF WORK

A. Daily - Weekly - Monthly Supervision:

1. Report to Government representative on a daily basis if performing work on the contract.
2. Supervise tree maintenance crews to maintain quality control.
3. Supervise planting crew to maintain proper quality control.
4. Supervise tree removal crew to maintain proper quality control.
5. Supervise traffic control.
6. Report any damages or injuries within one hour of occurrence.
7. Immediately respond to any public complaints or questions concerning project within one hour of occurance or as directed by Staff.
8. Final inspection of work to insure proper clean-up on a daily basis.
9. Maintain daily records of hours worked by each employee and work completed.
10. UPS's authorized representative shall meet with the **City of Compton (Compton)** representative for the purpose of reviewing the week's work, receiving special instructions, and to discuss any problems encountered on the job. Also UPS shall on each Friday submit to **Compton** a weekly copy of daily work reports throughout the term

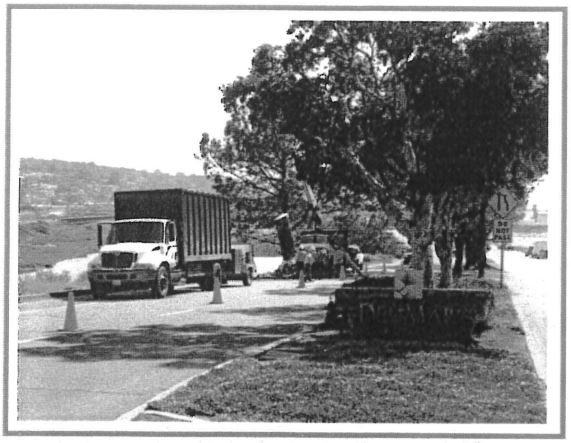
contract or as directed by staff. In addition, UPS shall advise the representative of the following Week's schedule. Daily work records shall be formatted for easy translation into the City's program or computer tree software or as directed by staff.

11. UPS will notify the Governmental Agency of any changes in start date of each maintenance operation at least 24 hours in advance. Should UPS discontinue work for any reason, the Governmental Agency must be notified immediately as to the rationale behind the shut-down and the restarting date of operations.



B. **Work Schedule:**

1. UPS will start the tree maintenance project within ten (10) working days of award of contract or as directed by city staff. UPS will, prior to commencing work, submit and gain approval of a weekly work schedule indicating the order, location, and completion of work based on the information provided by **City of Compton**
2. UPS will notify the Governmental Agency of the work schedule on a daily and weekly basis. This schedule will be submitted for approval in writing at least 72 hours prior to the commencement of any work on the contract or as directed by the Agency representative.
3. UPS must notify the public 24 to 72 hours in advance prior to restricting street parking or access to work area. UPS will post No-Parking signs with date of work to be performed including notification of tree trimming, tree planting, or tree removal on each sign only with authorization by the Agency.
4. As soon as notified by **City of Compton** of award of contract UPS will meet with the Agency Representative to develop a preliminary work schedule for accomplishing the work on a weekly and monthly basis or as directed by the Agency staff. Tree maintenance-schedule will be



modified, as necessary, during the course of the contract, based on the tree maintenance needs.

C. **Tree Work Performed:**

1. Tree work performed will be according to the latest edition of the Pruning Standards of the Western Chapter ISA and to the International Society of Arboriculture Tree Pruning Guidelines and to the American National Standards Institute (ANSI) A300 and any Governmental Agency specifications.

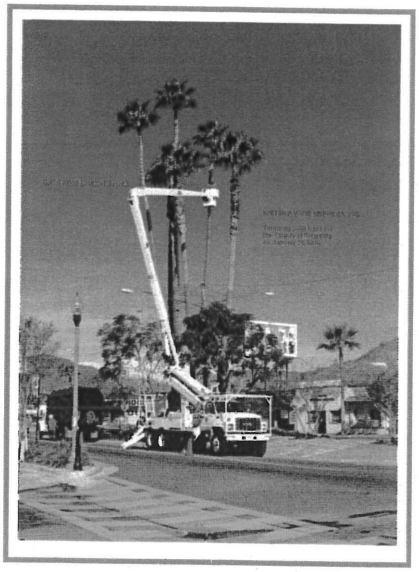
2. Trees shall be either or both Full Prunned, Crown Raised, Crown Cleaned, Crown Reduction, Palm Pruning to city specifications. The trimming shall provide a symmetrical shape and aesthetically pleasing appearance when necessary typical of the species. In addition, trees shall be trimmed to provide a minimum clearance of (16.0) feet over the roadway and/or adjacent curb and eight (8) feet over walkways and/or pavement or as required by the City. Eleven (11) feet is required over equestrian trails. Trees shall also be trimmed to remove any obstruction around traffic control devices, traffic signs and streetlights and/or adjacent structures by 5 feet in all directions or as directed by city staff. Additional trimming shall be performed to mitigate any extreme effect of the clearance trimming and provide an aesthetic appearance. The specific techniques employed shall be consistent with industry practice for the size and species of tree being trimmed. All dead, broken, damaged diseased or insect infested limbs shall be removed at the trunk or main branch. All cuts shall be made sufficiently close, 1/2 inch, to the parent stem so that healing can readily start under normal conditions. All limbs 2" or greater shall be undercut to prevent splitting. The remaining limbs and branches shall not be split or broken at the cut. All crossed or rubbing limbs shall be removed unless removal will result in large gaps in the general outline of the tree. All trees shall be thinned of smaller limbs to distribute the foliage evenly.

3. UPS will maintain a written log of all complaints including the date, time of occurrence, location, problem, and action to be taken pursuant thereto or reasoning for non-action. Log is to be reviewed by **Compton**

at he end of each day or as directed by the Agency. Pictures are to be taken at time of incident.

4. UPS will maintain good public relations at all times. Work will be conducted in a manner which will cause the least possible interference and annoyance to the public. Work shall be performed with employees that are experienced in tree work and supervised by a Certified Arborists.

5. Hazardous Tree Notifications: UPS will report to **City of Compton** Arborist / representative any tree defects or hazardous trees within 2 hours.



6. Any activities found by the Governmental Agency to be unacceptable will be rectified immediately. All other complaints shall be abated within 24 hours of occurrence by UPS.

7. UPS will be responsible to see that private property and vehicles at work locations are not endangered or damaged during the course of work.**the City's** authorized representative will serve as mediator between the contractor and public if property or vehicular damage should occur during the course of work. Sign stands, delineators and/or cones shall be used to identify work site for vehicular and pedestrian safety.

8. UPS will exercise precaution as necessary when working adjacent to aerial utilities. In the event that aerial utility wires present a hazard to UPS's personnel or others near the work site, work is to immediately cease and the appropriate utility company notified by UPS. UPS will only employ employees that are certified in electrical line clearing thru the ACRT, Inc. Institute of Arboriculture and Urban Forestry under their Electrical Awareness Program. This certification is recognized by the National Arborist Association and meets all Federal Cal-OSHA regulations.

9. Sprinkler repair will be made immediately. All UPS Supervisor's trucks are equipped to handle most sprinkler repairs as they occur.

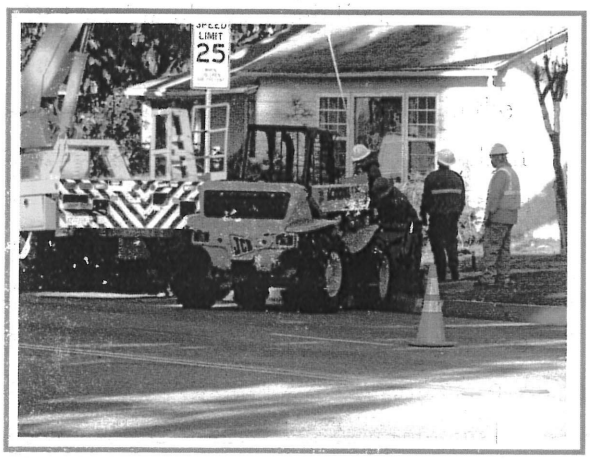
10. No hooks, gaffs, spurs or climbers will be used by anyone employed by UPS for tree trimming without the express written approval by

**City**. Plants or other material growing on the trees shall be removed at ground level at time of tree trimming.

11. Final pruning cuts shall be made without leaving stubs. Cuts shall be made in a manner to promote fast callous growth.

12. When trimming fungus, diseased or fire blight-infested limbs or palm fronds, all pruning tools shall be cleaned after each cut with an approved disinfectant for palm trees within the work area. All palm trees trimmed shall be to I.S.A. Specifications and as directed in Bid Proposal.

13. UPS will not top any tree in the work area except by specific direction from the Agency's department representative.




**D. Hours of work :**

1. UPS will observe all holidays recognized in the contract specifications and shall provide inspection for a 40 hour workshift (7:00 a.m. to 4:00 p.m.or as directed by the contract) Monday through Friday. No maintenance functions that generate excessive noise which would cause annoyance or interference to public of the area shall not be commenced before 7:00 a.m. UPS shall reimburse the Governmental Agency at rates established by the Contract for inspection in excess of the foregoing, including legal holidays. This shall be a deduction from final payment.

2. Night, Saturday, Sunday, and Holiday Work: No work shall be performed at night, on Saturdays, Sundays, or on the eleven legal holidays, to wit: New Years Day, President's Day, Dr. Martin Luther King Day, Memorial day, 4th of July, Labor Day, Veterans Day, Thanksgiving Day, the Friday following Thanksgiving Day, Christmas Eve, and Christmas. This does not apply to emergency work or special conditions and/or events or as directed by the Agency Representative. UPS will schedule operations in accordance with the business hours and Representative. NO WORK SHALL BE PERFORMED WITHOUT THE PERMISSION OF THE PUBLIC WORKS DIRECTOR OR THE FACILITIES AND LANDSCAPE / TREE DIVISION OR HIS/HER REPRESENTATIVE FOR All WORK PERFORMED IN **CITY OF COMPTON**

3. Before performing any work at said times, UPS shall give notice to the Governmental Agency so that proper inspection may be provided and so that appropriate noise and lighting standards may be imposed. "Night," as

used in this paragraph, shall be deemed to include the hours from 5:00 p.m. to 7:00 a.m. of the next succeeding day.

4. No maintenance functions that generate excess noise which would cause annoyance to the public in the area shall be commenced before 7:00 a.m. A noise level limit of 75 decibels at a distance of twenty-five feet applies to all tree equipment on or related to the job operated by UPS crews.

5. The general hours of operation shall be 9:00 AM to 2:00 PM on major streets and 7:00 AM to 4:00 PM on residential streets with respect to any chipping, cutting, or other operations generating harsh or unusual noise. The days of operation shall be Monday through Friday under the guidelines established in the Bid Proposal. The Governmental Agency's authorized representative shall determine the work hours for each area based on the possibility of changing or special conditions.

**E. Clean - up:**

1. UPS shall clean all job sites when work is completed, including the raking of leaves, twigs, etc. from the lawns and parkways and the sweeping of streets.

2. Each day's scheduled work shall be completed and cleaned up and under no circumstances shall any brush, grass, leaves, debris or equipment be left on the street overnight unless authorized by the Agency's Representative, her/his designee.

3. Agency's authorized representative, shall be the sole judge as to the adequacy of the clean up.

**F. Equipment on job site:**

1. Aerial equipment will be certified. Said test and / or examination will be met with the requirements of the State of California, Division of Occupational Safety and Health, G.I.S.O. Title 8, G.I.S.O. Title 8, Article 24-3636 through 3648 and all referenced applicable A.N.S.I. Standards contained therein.

2. UPS employees are enrolled in the Department of Motor Vehicles Employee Pull Notice Program.

3. Equipment is inspected daily with full maintenance every 12 weeks.

**G. Labor / Pay Scale:**

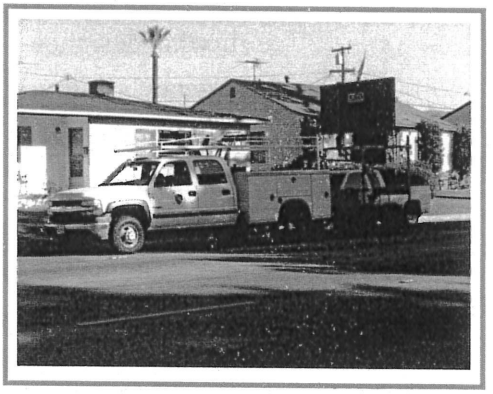
1. Pay scale is based on the Prevailing Wage Rates as required in the State of California under Section Titled: Tree Trimmer / Groundmen of labor cosection 1771. Only if required by the Governmental Agency

2. UPS employs a well balanced ethnic crew (85% minority) and firmly believes in equal employment opportunities for all employees.

3. UPS cross trains its employees and offers opportunities in all phases of the work during the tree maintenance project.
4. UPS shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him/her in connection with the tree maintenance project.

## H. Safety Requirements:

1. UPS will observe all applicable Cal/OSHA and Public Works safety requirements while working on the contract.
2. UPS employees shall be required to wear safety equipment such as glasses, gloves, head gear, skin creams, respirators, etc.
3. UPS crews / employees shall be uniformed with safety greem shirts or safety green reflective vests with dark blue pants while performing tree maintenance operations on the contract. Gang attire, gang affiliation symbols, loose clothing, etc., shall not be permitted.
4. UPS crews / employees shall be prohibited from any type of horseplay, shoving, pushing, etc. This type of behavior will not be tolerated by UPS. All UPS crews / employees must conduct themselves in such a way that creates a good public image. All contact with the public and Public Works employees shall be made in a courteous and businesslike Manner.



## I. Best Management Practices:

1. UPS shall implement the following BMP's for the prevention of storm water pollution in conjunction with all its activities and operations while working on the contract.
2. Waste Management

## J. Project Safety Official:

1. UPS shall designate in writing a Project Safety Official who shall be thoroughly familiar with the UPS Injury and Illness Prevention Program (IIPP) and Code of Safe Practices (CSP).
    a. Solid Waste Management
    b. Hazardous Waste Management

c. Sanitary / Septic Waste Management, Vehicle and Equipment Management.

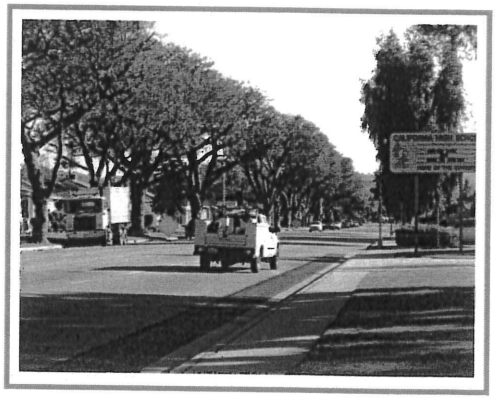
d. Vehicle and Equipment Cleaning

b. Vehicle and Equipment Fueling

c. Vehicle and Equipment Maintenance

2. Training

a. Employee / Subcontractor Training



3. UPS shall make available at all times its Project Safety Official to abate any potential safety hazards and he will have the authority to shut down an operation, if necessary.

## K. Disposal of Materials:

1. All tree branches, grass, limbs, and any type of greenwaste produced as a result of UPS's operations will be recycled into a soil amendment.
2. Weight slips or load slips for all material removed from the tree maintenance project will be submitted once a month as proof of final disposal to a recycling facility for documenting reusage per AB 939
3. All tree branches chipped and/or mulched shall be made available free of charge to the Governmental Agency.
4. All tree trimming material shall be disposed at a greenwaste recycling facility in Santa Fe Springs, CA or at Inland Empire Composting in Fontana, CA sites and the Viramontes Recycling site in Riverside, CA.

## L. Compliance with Laws and Regulations:

1. UPS shall keep employees fully informed of and shall observe and comply with, and shall cause any and all persons employed to observe and comply with, all State, Federal, County and City, laws, ordinances, regulations, orders, and decrees which in any manner affect the conduct of the work.

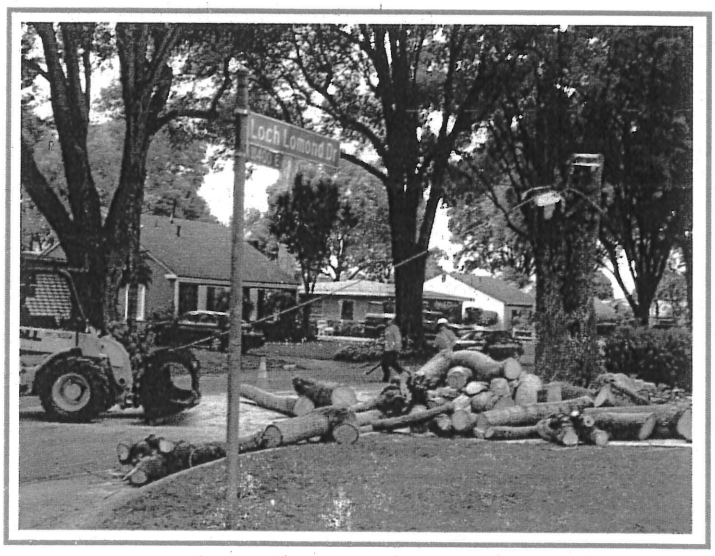
## M. Drug Free Workplace:

1. UPS will publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in Contractor's workplace, specifically the job site or location included in this contract, and specifying the actions that will be taken against the employees for violation of such prohibitions.
2. UPS has established a Drug-Free Awareness Program to inform employees about the dangers of drug abuse in the workplace.

3. UPS's existing policy of maintaining a drug-free workplace and the penalties that will be imposed upon employees for drug abuse violations occurring in the workplace. Taking appropriate personnel action against such an employee, up to and including termination.

## N. Public Safety / Traffic Control:

1. UPS shall furnish, erect and maintain such lights, barricades, bridges and other devices as required by the City, State, Federal, and County "Public Safety" of the Standard Specifications. Should the Governmental Agency point out the inadequacy of warning devices or should the City approve the location of warning devices, such action shall not relieve UPS of responsibility for public safety, nor abrogate UPS's obligation to furnish and pay for these devices.
2. All construction signs to be used on the job site and on the approaches to the job site shall conform to those standards set forth by the State of California, Business and Transportation Agency, Department of Transportation, Manual of Traffic Controls, latest edition and WATCH Work Area Traffic Control Handbook.




3. Barricades shall be effectively reflectorized by having not less than one-half of the top board of the barricade covered with reflectorized sheeting surface or two 3-inch diameter reflector units. All other types of delineators shall have reflectorized sheeting, other reflective surfacing, or 3-inch unit reflectors.
4. All warning flashers shall be kept in good working order and each flasher shall have some type of reflective surface.
5. No material or equipment shall be stored where it will interfere with the safe passage of public traffic, and at the end of each day's work and at other times when tree operations are suspended for any reason, UPS shall remove all equipment and other obstructions from that portion of the roadway open for use by the public traffic.
6. Spillage resulting from hauling operations along or across any public traveled way shall be removed immediately.
7. Whenever UPS's operations require one-way traffic or create a condition

hazardous to the public traffic, UPS shall provide and station competent flagmen whose sole duties shall consist of directing the movement of traffic through or around the work. UPS shall also furnish such flaggers as are necessary to give adequate warning to traffic or public of any dangerous conditions as included in the various items bid.

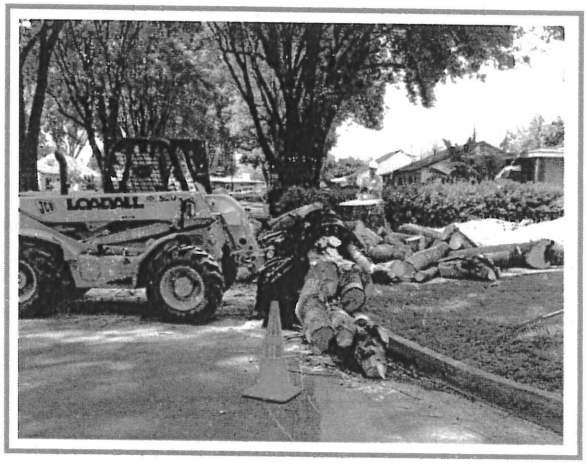
8. Under no circumstances will any street be closed to thru traffic unless authorized by the Agency Representative.

## O. Payment/Monthly Reports:

1. United Pacific will submit all invoices to **City of Compton** by location , work type, additional work, special work, work completion date, pricing, and other appropriate data determined by the contract.
2. Information will be submitted on computer disk format along with hard copies to the appropriate Agency Inspector or as directed by **City of Compton.**

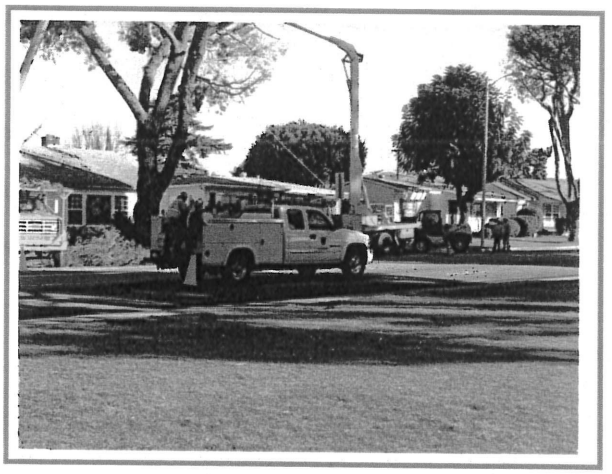
## P. Computer Database:

1. United Pacific shall develop and provide electronic media of relational database of the tree inventory in Microsoft Access 2000 or higher and provide front-end Graphical User Interface (GUI) application to display, query and generate reports of the tree data on the ArborPro Software.




2. Tree inventory system database shall be capable of linking to the existing database or to ArborPro and/or TreeKeeper tree inventory software.
3. UPS shall incorporate a tree inventory system database, tree inventory software utilizing the ArborPro Database into the Government's database.

4. UPS shall provide not less than two training session in the use and manipulation of the street tree database, with staff to include hands-on demonstrations.



5. As trees are trimmed, removed or replaced under this Contract, UPS shall update the computer database records indicating the date of the most recent service provided and vital statistics of the individual tree. UPS shall update the database on a weekly basis and furnish both a hard copy and a digital copy of the database on a weekly basis.

**Q. Additional Services:**

1. UPS shall perform unscheduled tree trimming/maintenance services of trees not already included in this contract include, but not limited to general tree trimming, aesthetic tree trimming, clearance - raising of trees, palm tree trimming, high-voltage line clearance, tree removal, stump removal, root pruning, root barrier installation, and planting 15 gallon, 24-inch box, 36-inch box, 48" box trees or larger, with or without root barriers, removal and disposal of waste materials, and all appurtenant work thereto necessary for the satisfactory completion of the required services.
2. UPS shall transport and dispose of all tree wastes in accordance with all City, County, State and Federal requirements. The disposal site(s) and the procedures to report the total tonnage of the tree wastes shall be the same as those listed for AB 939 requirements.

**R. Emergency Services During Work Hours:**

1. UPS shall respond to any emergency situation that requires immediate tree trimming/maintenance services. These situations may include, but not limited to tree trimming/removal due to damage inflicted by high winds, storms, floods, traffic collisions, and other emergency call outs. UPS shall respond to these emergency requests within two (2) hours of notification time or as directed by the terms of the contract.
2. Regular Work hours are Monday to Friday from 7:00 a.m. To 4:00 p.m. or to contract specifications. Payment for any emergency services during work

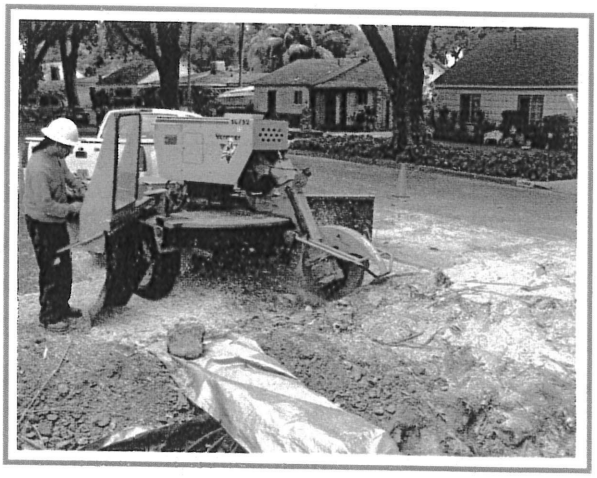
hours shall be made at the contract unit price for the total actual work hours required to complete the assigned tasks and shall include full compensation for all materials, labor, equipment, tools, and incidentals as stated in the bid proposal under section Cost Sheet.

S. **Emergency Services After Hours:**

1. Emergency after hours outside of regular hours, include weekends, holidays and evenings (Monday to Friday, 7:00 p.m. To 5:00 a.m.). The **City of Compton** can call upon UPS to respond to an emergency situation that requires immediate tree trimming/maintenance services.
2. Emergency situations may include, but not limited to tree trimming/removal due to damage inflicted by high winds, storms, floods, traffic collisions, and others emergency call outs. UPS is required to respond to these emergency services requests within two (2) hours of notification time or to the contract specifications.
3. Payment for any emergency services required outside regular working hours shall be made at the Contract Price or at an agreed to price with the **the City of Compton** for the total work hours required to complete the assigned tasks and shall include full compensation for all materials, labor, equipment, tools, and incidentals.

T. **Brochure/letter:**

1. If necessary, UPS will provide the Governmental Agency with a "Public Notice of any Tree Trimming work" for approval before starting any work on the contract. These brochures will be available in both English and Spanish.

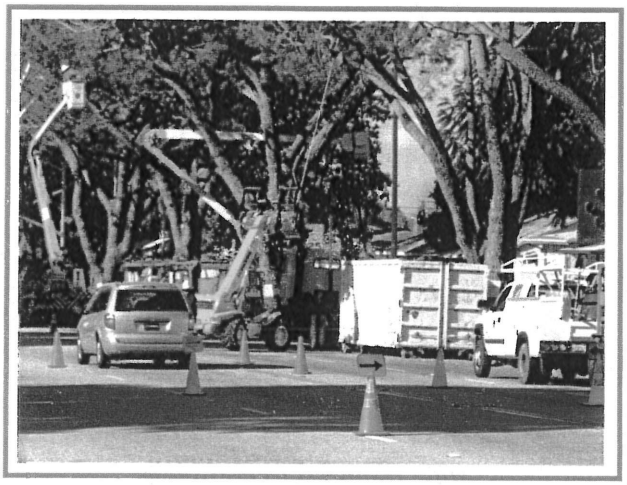


U. **Photographs:**

1. UPS will supply the Governmental Agency Representative photographs of "Before and After" tree trimming and/or tree removal or planting that are suitable for reproduction if requested by the Agency.
2. UPS will supply the Governmental Agency representative photographs of any damages that occur to public and or private property or persons within 24 hours of occurance.

## V. Complaint Log:

1. UPS will keep a manual complaint log with the locations and names of any and all complaints that could occur in the performance of this contract.
2. The complaint log will have the address, name, time, date, type of complaint, action taken, remarks and any other information required to properly document the complaint



**City of Compton, Special Provisions:**
**REQUEST FOR PROPOSALS for TREE MAINTENANCE/SERVICES AGREEMENT**
**Note :**
***Compton has special provisions in regards to tree trimming, emergency tree work, tree pladnting, tree inventory and tree removal within the contract. United Pacific Services has incorporated these special provisions into our proposal with the understanding that all tree maintenance work performed for the City by any and all crews of United Pacific will be govern and directed under and by these special provisions.***

## X. Crews/Equipment:

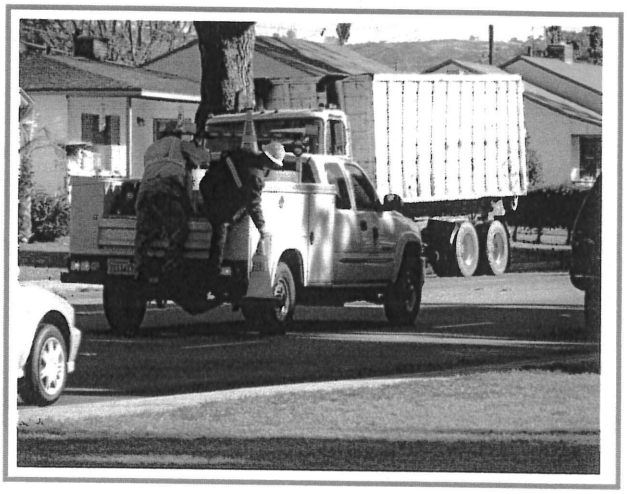
1. United Pacific will maintain a minimum of a 4 to 8 man crew while working on the contract. Each crew will have a minimum of 2 aerial bucket trucks, 1 to 2 chipper trucks, 1 to 2 tree chippers and 1 to 2 pick-up trucks. Additional equipment includes a roll-off truck, stump grinder, tractor loader, brush chipper, and root prunner.
2. UPS will provide a 24 hour emergency crew(s) ready to respond to any and all related work 7 days per week while under contract within two hours of notification by **Compton** or as directed in contract.
3. UPS will provide a Certified Arborists to assist the Agency on any and all matters concerning tree maintenance issues.
4. UPS will provide Certified Tree Workers to the Governmental Agency while work is being performed on the contract..
5. UPS will provide experience personnel certified to do Electrical Line work as specified in the contract.

## Y. Certified Arborist / Certified Pesticide Advisor:

1. UPS will provide a Certified Arborist to assist the Governmental Agency on any and all matters concerning tree maintenance and tree related issues including planting, irrigation repair, slope maintenance, tree and hedge maintenance and ground cover maintenance.
2. UPS will provide a Certified Pesticide Advisor / Agricultural Pest Control Adviser to assist and advise the Agency on any and all matters concerning the use of any herbicide and pesticide in the performance of this contract.

## Z. Traffic Control Plan:

1. UPS shall prepare and submit a Traffic Control Plan for project work on the contract. The Traffic Control Plan shall be submitted to the appropriate Government Department.



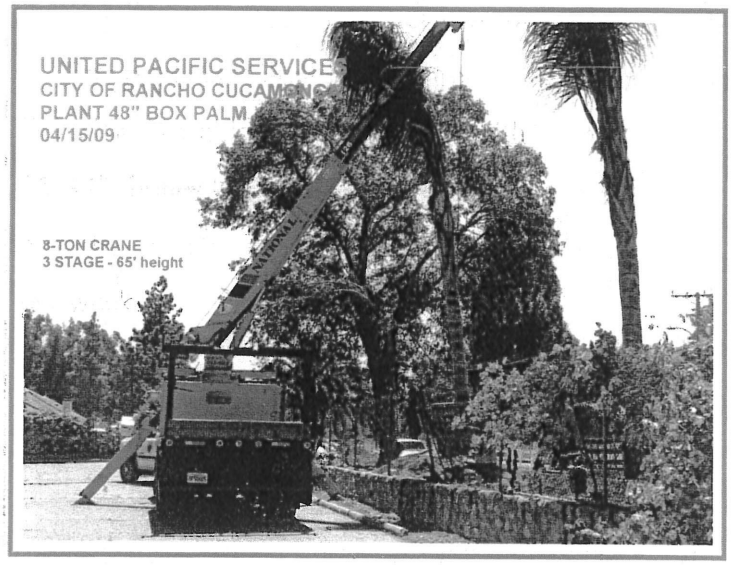
2. UPS shall obtain and pay for all Traffic Control Permits. In addition UPS shall obtain all other permits incidental to the work, or made necessary by its operation, including but not limited to, those permits required for night work and demolition (tree removal).

## AA. "On Call" Messages - Cell Phone Communication:

1. "On Call" Messages shall be telephonic messages transmitted by the Governmental Agency's authorized representative to UPS describing tree maintenance or other work to be accomplished under this Contract. All such telephonic messages will be followed by confirming facsimile (fax) and/or electronic mail (e-mail) messages.
2. UPS's authorized representative shall be personally available to receive such telephonic, fax, and e-mail messages from the Government's Project Inspector or his authorized representative seven days per week during regular daytime work shifts, and shall have an answering service and/or equipment to receive and record such messages at all other times, 24 hours a day 7 days a week.

3. UPS shall submit a written response, via fax and/or e-mail, and a telephonic response to each "On Call" message no later than the same day the telephonic "On Call" message was received.
The UPS response shall include confirmation of schedule or proposal of alternate schedule.

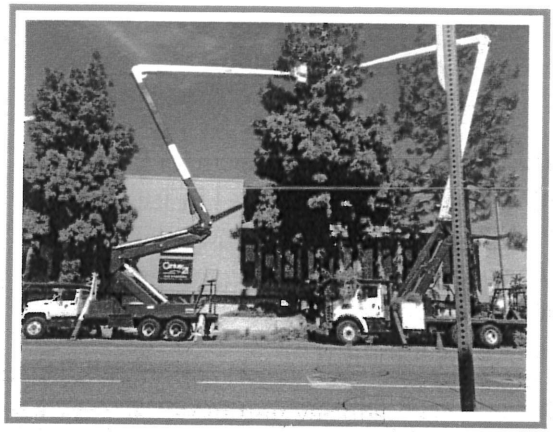
4. UPS shall provide a Mobil Cell phone to the Authorized Project Inspector in order to communicate with UPS staff. This Cell phone will be linked and be able to communicate with 15 cell phones to all UPS Managers and crew foreman 24 hours per day 7 days per week.




**BB. Emergency phone and cell numbers:**

| | | |
|---|---|---|
| **United Pacific Services** | **Office** | **(562) 691-4600** |
| | **Fax** | **(562) 691-8839** |
| **Gus Franklin, *President*** | **Home** | **(562) 691-1844** |
| | **Cell** | **(562) 254-0749** |
| **Eric Franklin, *Vice President*** | **Home** | **(714) 637-5125** |
| | **Cell** | **(562) 254-0746** |
| **Jack Mooring, *Vice President / General Manager*** | **Home** | **(714) 525-8821** |
| | **Cell** | **(562) 254-1196** |
| **Tony Gomez, *Field Supervisor*** | **Home** | **(323) 566-2127** |
| | **Cell** | **(562) 254-0067** |

## CC. WORK / BUSINESS STATEMENT:



United Pacific Services, Inc. (UPS) provides municipal/county tree maintenance for various cities and county agencies in southern California. We have a long history of completing government contracts that started with the City of La Habra in 1974. Since that period of time the owner and President of UPS, Gus K. Franklin has supervised the completion of more then $145,000,000 in government contracts. All contracts were completed on time and to specifications. We currently have long term and renewable contracts with the Counties of Los Angeles and County of Riverside including various municipalities. We have a proven track record and have invested over $5.8 million in specialized tree maintenance equipment since the year 1999. We are committed to completing each contract to specifications with certified I.S.A. Arborists and I.S.A. Certified Tree Workers. In addition all of our equipment shall be certified and meet safety standards set by the State of California. Please review the list below that gives you an overview of our ability to meet contract specifications and deadlines.

- Completed over $145,000,000 in government contracts during the past 45 years
- Business line of Credit with Bank of California since 2015
- UPS has invested $5,500,000 in specialized tree maintenance equipment since the year 2000.
- UPS Employs I.S.A. Certified Arborists and I.S.A. Certified Tree Workers
- President of UPS received 65 letters of recommendation from various governmental agencies.
- UPS received 20 municipal, county and state endorsement signatures in 2004 and 2012
- President of UPS received 14 municipal endorsement signatures in 1981
- UPS has a 1.5 acre maintenance facility located in the City of South Gate
- UPS has 24 aerial bucket trucks from 55' to 100' in height
- UPS has 5 roll-off trucks and 8 roll-off containers and a 50' walking floor trailer
- UPS has a C61/D49 and C27 California Contractors State License
- UPS has 10 large dump/chipper trucks
- UPS has over 85 trucks and trailers that support our daily crew operations
- UPS has General Liability and Auto Insurance for up to $5,000,000 per contract
- UPS has completed 74-contracts for over $21 million for the County of Los Angeles
- UPS has successfully completed over 200 government contracts for tree maintenance work
- Our main office is over 1.5 acres (over 90,000 square feet) located in the City of South Gate
- UPS has never been terminated from any government contract (county, state and city) and has completed all contracts on schedule and to specifications.
- UPS is a bonded company.
- During the past 40 years the President of UPS has successfully supervised the completion of municipal, county and state contracts for over 120 governmental agencies.
- UPS maintains a Drug Free work place
- UPS employs 15 Certified Utility Line Clearance Arborists
- UPS has a State of California Pest Control Business License

- UPS has a Agricultural Pest Control Registration number
- UPS has a QAL-Qualified Applicators License
- UPS uses trained personnel with a Pest Control Advisor License.

## DD. INTERNAL AND SUPPORT STAFF:

United Pacific Services (UPS) maintains support staff for doing routine office functions from monitoring daily crew production and doing routine reports generated from our tree inventory software programs for each of our contract cities. We are in constant contact with city staff in order to update their software system(s). In addition we employ backup personnel in order to meet contract deadlines and to provide daily services to our client governmental agencies. We can always be reached 24/7 and have the support of a well balanced and trained office staff. We continue to explore new and innovative ideas that will enhance our operations and support our client cities. This has enabled us to become very competitive in bidding contracts and has given our field crew(s) and city staff the support necessary to maintain a well balanced tree maintenance program.




## EE. INTERNAL TRAINING PROGRAM FOR EMPLOYEES:

United Pacific Services (UPS) offers all of our employees a continuing training program to enhance their overall abilities in the field. This includes the proper techniques in the trimming of over 100 different species of trees found in California. We have on going safety training in the proper use of aerial equipment, chippers, dump trucks, stump grinders, root pruners, tractor loaders, aerial cranes, chain saws and other specialized tree maintenance equipment. We continually promote safety training for all of our employees including the training necessary to become a I.S.A. Certified Arborist, a I.S.A. Certified Tree worker and a Certified Crane operator. We also have on-going training for our employees to become Certified and obtain a QAL license in the proper techniques of using, mixing and spraying agricultural and horticultural pesticide chemicals. In addition we offer an extensive training program using home study programs / videos in communication and dealing with property owners and the public while working in the field. Our employees are also trained and certified by CAL-Osha regulations and they are also certified and trained in Electrical Hazard Awareness and Emergency Response / Aerial Rescue Certifications.

## FF. SAFETY TRAINING PROGRAMS:

- Safety Incentive Programs
- Aerial certification
- Crane operation certification
- Chipper operation certification
- Dump truck operation certification
- Certified Electrical training - certification
- Video training - ISA, TCIA and Landscape Association of Southern California
- Safety Incentive Programs
- Bonus Programs
- CAL-OSHA safety training
- Tailgate Safety Meetings
- Irrigation certification / videos
- Tree planting certification / videos




## GG. FIRM' CUSTOMER SERVICE PROGRAM:

United Pacific Services, Inc. (UPS) has a full staff of full time employees who have been trained in dealing with the public. If any residence or property owners have questions concerning our tree maintenance program they can call our direct number at 562.691.4600, ext. 201 and ask for Ms. Renee Mooring. Ms. Mooring has the experience of dealing with the public and can answer any questions concerning our tree maintenance and inventory program. In addition any property owner can also call our General Manager who is in charge of setting up our crews in the field for additional information. Mr. Jack Mooring can be reached on his cell phone at 562.254.1196 or they can call Jack at our main office at 562.691.4600, ext. 106. We firmly believe that communication with the public is extremely important and having a first class Customer Service Program is very important to UPS.

## HH. PUBLIC COMPLAINTS OR DAMAGE TO PROPERTY:

United Pacific Services, Inc. (UPS) can respond to any complaint within one hour of notification and most of the time immediately. Any property damages and/or claims will be handled within 24 hours of notification with full resolution most of the time the same day. We believe that working for the city/county also entails developing a good public relations with the citizens / residence of the city/county to resolve any claims or misunderstanding of the work being performed. We realize and understand that developing good public relations is very important as we work with and for the city and county in completing our tree maintenance contract. Therefore we have set up a 24/7 phone numbers for the public and residence of the city/county to call in case any question need to be answered. They can call 562.691.4600, ext. 225, President, ext. 224, Vice President, ext. 226,

Operations Vice President and finally ext. 206, Vice President / General Manager of Field Operations and ext. 201, Office Administrator and Assistant to the President.

## II. EMERGENCY RESPONSE CAPABILITIES

United Pacific Services Inc. (UPS) can respond to any emergency within one to two hours of notification 24 hours per day seven days per week. We have support equipment and backup equipment parked at our main office facility and in addition we have equipment parked at various county facilities and city yards ready to respond to any emergency seven days per week 24 hours per day. All emergencies should be directed to our field Supervisors that can be reached on their cell phones at Gus Franklin at. 562.254.0749, Jack Mooring at 562.254.1196, Eric Franklin at 562.254.0746, Leo Ramirez at 562.2543158, Antonio Gomez at 562.254.0067, Antonio Gomez Jr. At 562.254.1963, Ignacio Gomez at 562.254.3446, Jose Torres at 562.244.2890, Richard Gutierrez at 562.244.2632 and Enrique Gutierrez at 562.254.3117.

## JJ. EQUIPMENT MAINTENANCE FACILITY:

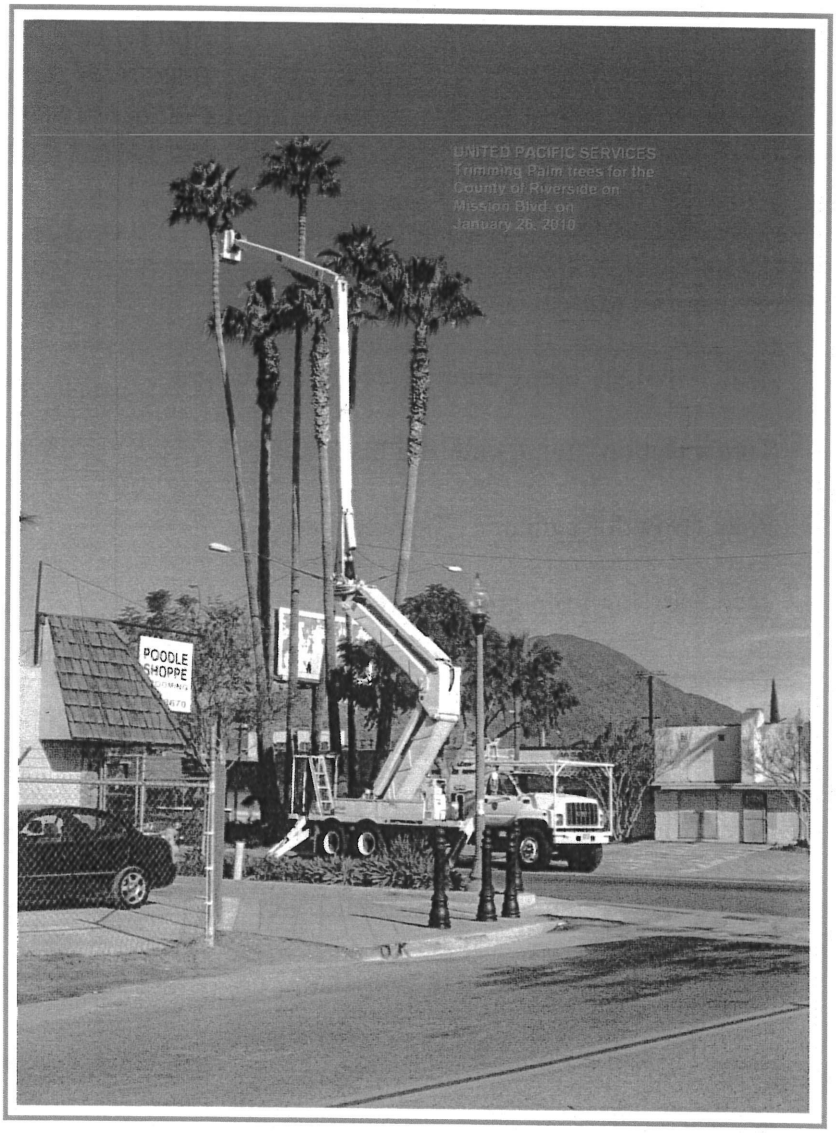
United Pacific Services, Inc. Maintains a full service equipment maintenance facility at 5529 Leeds Street in the City of South Gate. This is a 1.5 acre yard with buildings and all necessary repair equipment to maintain over 65 vehicles and specialized tree equipment.

## KK. PROPOSED PROGRAM:

Gus K. Franklin President of United Pacific Services, Inc. (UPS) has successfully supervised the completion of over $135,000,000 in government contracts for over 125 cities 8 counties and the State of California-Caltrans during the past 45 years. In 1981 fourteen cities highly endorsed Mr. Franklin followed by ten governmental agencies in 2004 and again 10 governmental agencies in 2012. In addition Mr. Franklin has received ninety-one letters of recommendations from various cities, county and state agencies. The leadership of UPS is based on successfully completing millions of dollars in bonded contracts without any penalities or liquadated damages for failue to complete a contract on time or to specifications. With this extensive background UPS has the ability and knowledge to create a well balanced tree maintenance program for any city or county agency. If awarded the contract Mr. Franklin along with highly trained staff will evaluate the condition of the trees and make a recommendation that is based on the condition of the cities and/or counties Urban Forestry. Our evaluation will be done by I.S.A. Certified Arborists with over 25 years of experience in completing government contracts. Our recommended program will be based on the condition of the trees and the annual budget. Working with city/county staff and UPS staff we will create a tree maintenance plan that meets the requirements of the city/county and the community. UPS believes in developing a close working relationship with city/county staff while developing a Urban Forestry maintenance plan that meets the needs of the county and at the same time concentrates on targeting the removal of dangerous dead trees and split and broken limbs for safety reasons.

## LL. ABILITY TO RECOMMEND AND MEET PROJECT SCHEDULES:

In order to meet project schedules UPS proposes to meet with **City of Compton** staff prior to starting the contract to develop a tree maintenance program together that meets the maintenance needs of the city. Our recommendations will be based on doing a complete tree evaluation throughout the city in order to determine the condition of the city's urban forest. Our survey will include locating any broken limbs throughout the city and any dead trees that could cause a potential liability to the city. Our survey and evaluation of the city's street and park trees will be a joint effort between our staff at UPS with input from city staff. Upon completion of our field inspection of each tree we will make recommendations to the city based on the city's annual tree maintenance budget. Our survey and recommendation will be completed by an I.S.A. Certified Arborists with over 25 years of experience in government contracts and will include target trimming of potentially dangerous trees throughout the city. After we complete our recommendation and with city authorization and approval we will employ an eight man crew with three aerial bucket trucks, two chipper dump trucks, two chippers, a one-ton pickup and a one-ton crew cab with all necessary support equipment including stump grinders, root pruners, crane trucks, tractor loaders, roll-off trucks and additional specialized tree equipment. Once we start the contract we will keep our crew working full time forty hours per week until all tree work is completed. Our crew will also be supported with an additional crew, if necessary, of equal size that can be moved into the city on a twenty-four notice. Our ability to meet contract deadlines is based on successfully completing over $100,000,000 in city, county and state contracts during the past forty years for over 100 governmental agencies. Our comprehensive Survey is only done with the approval of the City of Lake Elsinore and can target various areas of the city at an hourly rate.



## LL.-1 TREE HEALTH SERVICES




***United Pacific offers the below services to all of its city and county clients. The rate is based on either an hourly rate, an inch diameter or per linal foot. The cost is based on the current Market rate for these services and can be negotiated for a lower amount based on the quantity of work to be completed between the city and United Pacific.***

| | | | |
|---|---|---|---|
| 1. | Bark-banding - spray trunk of tree to a 4' height | hourly rate | $75.00 |
| 2. | Tree injection - Fungicide and Insecticide | hourly rate | $85.00 |
| 3. | Plant Growth Regulator - Trunk banding | hourly rate | $85.00 |
| 4. | Tree Spraying from ground level | hourly rate | $80.00 |
| 5. | Tree Spraying from aerial bucket truck | hourly rate | $110.00 |
| 6. | Insecticide Trunk Banding | hourly rate | $85.00 |
| 7. | Plant Growth Regulator Soil Application | hourly rate | $85.00 |
| 8. | Insecticide or Fungicide Soil Application | hourly rate | $85.00 |
| 10. | Trunk Injection - Insecticide/Miticide | per diameter inch | $10.00 |
| 11. | Trunk Injection - Fungicide | per diameter inch | $10.00 |
| 12. | Trunk Injection - Insecticide and Fungicide | per diameter inch | $10.00 |
| 13. | Surface root grinding | per linal foot | $20.00 |
| 14. | Root pruning 18" depth | per linal foot | $25.00 |
| 15. | Installing sod / top soil when needed (does not include material) | hourly rate | $85.00 |
| 16. | Hydroseeding | hourly rate | $110.00 |

## LL-2 CERTIFIED CREW ASSIGNED TO CONTRACT:

**I.S.A. Certified Employees**

I.S.A. Certified Arborist

| | | |
|---|---|---|
| 1.) | Eric Franklin | WE-2158AU |
| 2.) | Jack Mooring | WE-0905A |
| 3.) | Renee Mooring | WE-10452A |

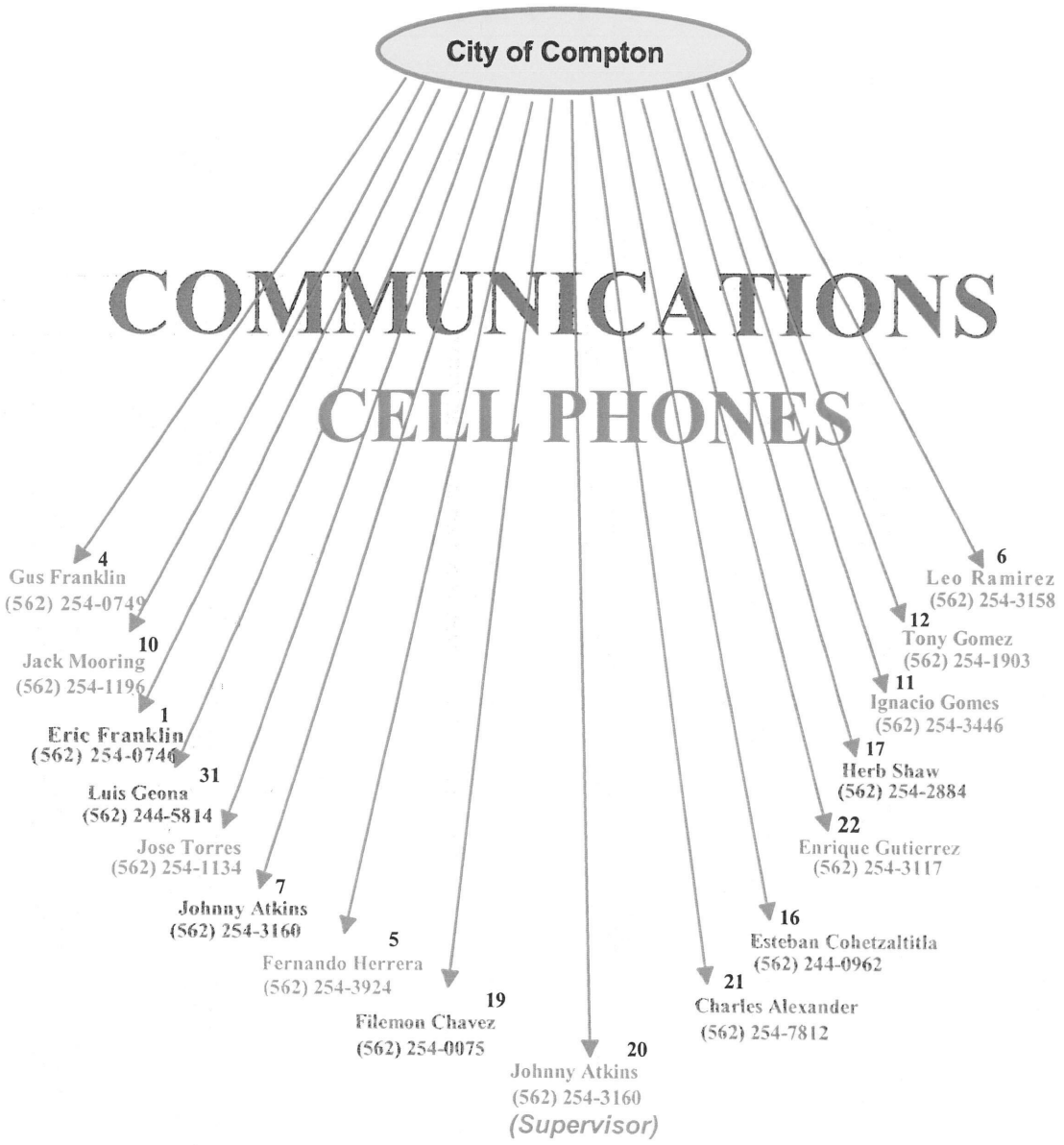
L.C.A. Line Clearance Arborist - Electrical Hazard Awareness Training

| | | | |
|---|---|---|---|
| 1.) | Wilfredo M. Guevara | 7.) | Estaban Cohetzaltitla |
| 2.) | Juan Carlos Ruiz | 8.) | Leo Ramirez |
| 3.) | Jack Mooring | 9.) | Ignacio Gomez |
| 4.) | Enrique Munoz | 10.) | Juan Manzo |
| 5.) | Salvadore Padilla | 11.) | Luis Gaona |
| 6.) | Antonio Gomez | 12.) | Jorge Gaona |

I.S.A. Certified Tree Workers

| | | |
|---|---|---|
| 1.) | Antonio Gomez | CTW-1817 |
| 2.) | Jose Torrs | CTW-1601 |
| 3.) | Ignacio Gomez | CTW-1904 |
| 4.) | Luis Padilla | CTW-1607 |
| 5.) | Atanacio Hernandez | CTW-1964 |
| 6.) | Evan Whitmarsh | CTW-2021 |

The above list of I.S.A. and L.C.A. Employees have been assigned to the City full time and on an as-needed basis depending on the work load given to us by the City. They have many years of experience of completing contracts for over 100 cities and 5 counties including the City of Rancho Cucamonga for 10 years and the City of Simi Valley for 15 years. These employees have worked for United Pacific for an average of from 10 to 20 years and have the experience to handle routine tree maintenance work and emergency work during any type of inclement weather conditons 24/7.




**MOBILE UNIT NUMBERS**

24 Hour Emergency

Monday to Friday

Saturday / Sunday

**CELL PHONE NUMBERS**

## MM. CAPABILITY TO PERFORM ALL PROPOSED SERVICES:

United Pacific Services, Inc. (UPS) has invested over $5.8 million in specialized tree equipment during the past ten years. In addition we have successfully completed over $135,000,000 in government contracts over the past forty years. We have received 74 letters of recommendation from various city, county and state agencies and have also received 34 endorsement signatures from various cities, counties and state agencies starting with fourteen (14) city endorsement signatures in 1981, ten (10) endorsement signatures in 2004 and finally ten (10) endorsement signatures in 2012. We are currently under long term and renewable contracts with six cities and have been awarded five long term and renewable contracts with the County of Los Angeles. We have a long history of successfully completing all government contracts on time and to specifications. Therefore we have a proven track record and can meet all contract deadlines on time and to specifications. We have received various awards for outstanding excellence in completing tree trimming contracts including our award for the 1984 Summer Olympic Games for trimming 1,400 trees in preparation for the opening Ceremonies of the 1984 Summer Olympic Games of the XXIII Olympaid held in the City of Los Angeles. Please review our proposal to better understand our background in the tree maintenance industry. We specialize in doing municipal and county contracts and can provide a first class operation that has a long history of completing contracts in southern California.



ROPOSER'S NAME: UNITED PACIFIC SERVICES, INC.

DDRESS: 5529 Leeds Street, South Gate, CA 90280

ELEPHONE: (562) 691-4600

**STATE BELOW THE INFORMATION FOR ALL EQUIPMENT THAT WILL BE DEDICATED AND/OR DESIGNATED PRIMARY BACKUP TO THIS SERVICE**

ease list one (1) item per line; DO NOT submit an equipment list in your own format. This form may be reproduced in order to list all quipment.

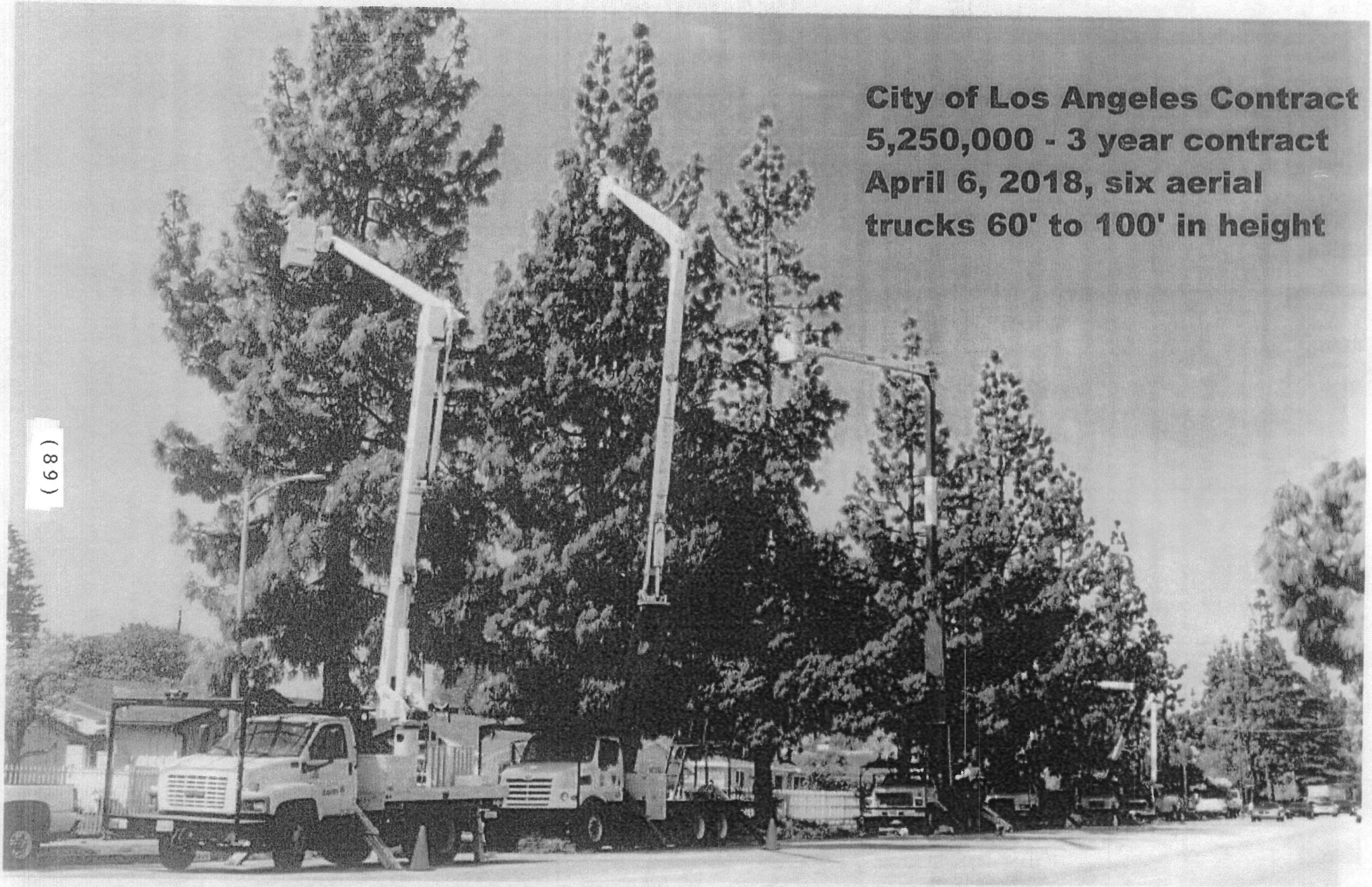
| PE OF EQUIPMENT | MAKE OF EQUIPMENT | MODEL | YEAR | SERIAL NUMBER | CONDITION OF EQUIPMENT | OPERATIONAL/ NONOPERATIONAL | LOCATION | DESIGNATION Check one | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | DEDICATED | PRIMARY BACKUP |
| Ton P/U Crew Cab | FORD | F150 | 2010 | 1FTFW1CV1AFB88015 | Excellent | Operational | South Gate Yard | | X |
| Ton P/U Ex Cab | GMC | 1500 HD | 2005 | 1GTEC19V35Z226666 | Excellent | Operational | South Gate Yard | X | |
| Aer Bucket Truck | FORD | F750 | 2008 | 3FRXF75T98V668023 | Excellent | Operational | South Gate Yard | X | |
| R ruck | International | Transtar | 2008 | 1HSHXSBR68J642290 | Excellent | Operational | South Gate Yard | X | |
| Ae ket Truck | FORD | F750 | 2008 | 3FRXF75T25V076313 | Excellent | Operational | South Gate Yard | X | |
| Aerial Bucket Truck | FORD | F750 | 2009 | 3FRXF75B59V190806 | Excellent | Operational | South Gate Yard | | X |
| Tractor Loader | JCB | 525-60 | 2016 | JCB5A41RL01709865 | Excellent | Operational | South Gate Yard | X | |
| Tractor Loader | JCB | 531-70 | 2015 | JCB6AAWGT02346442 | Excellent | Operational | South Gate Yard | | X |
| sh Chipper w/Winch | Vermeer | BC1800XL | 2015 | 1VRY151Z5G1006066 | Excellent | Operational | Sotuh Gate Yard | X | |
| Aerial Bucket Truck | GMC | C8500 | 2002 | 1GDT7H4C72J504839 | Excellent | Operational | South Gate Yard | | X |
| Aerial Bucket Truck | Sterling | Acterra | 2002 | 2FZHATAK61AH73486 | Excellent | Operational | South Gate Yard | | X |
| Ton Crane Truck | FORD | F750 | 2003 | 3FDXF75H83MB07055 | Excellent | Operational | South Gate Yard | X | |
| Dump Truck | Peterbilt | 337 | 2019 | 2NP2HM6X2KM263313 | Excellent | Operational | South Gate Yard | X | |
| Dump Truck | Peterbilt | 337 | 2019 | 2NP2HM6X9KM263731 | Excellent | Operational | South Gate Yard | | X |
| Ton Pesticide Truck | GMC | 2500 HD | 2004 | 1GCHC24U04E306417 | Excellent | Operational | South Gate Yard | | X |
| Dump Truck | Frieghtliner | M2 | 2010 | 1FVACWDT7ADAP0855 | Excellent | Operational | South Gate Yard | X | |
| Aerial Bucket Truck | FORD | F750 | 2008 | 3FRXF75D08V671255 | Excellent | Operational | South Gate Yard | X | |




(88)

UNITED PACIFIC CREW TREMMING TREES FOR THE CITY OF DOWNEY IN 2017 USING A 95' AND 85' AERIAL BUCKET TRUCKS

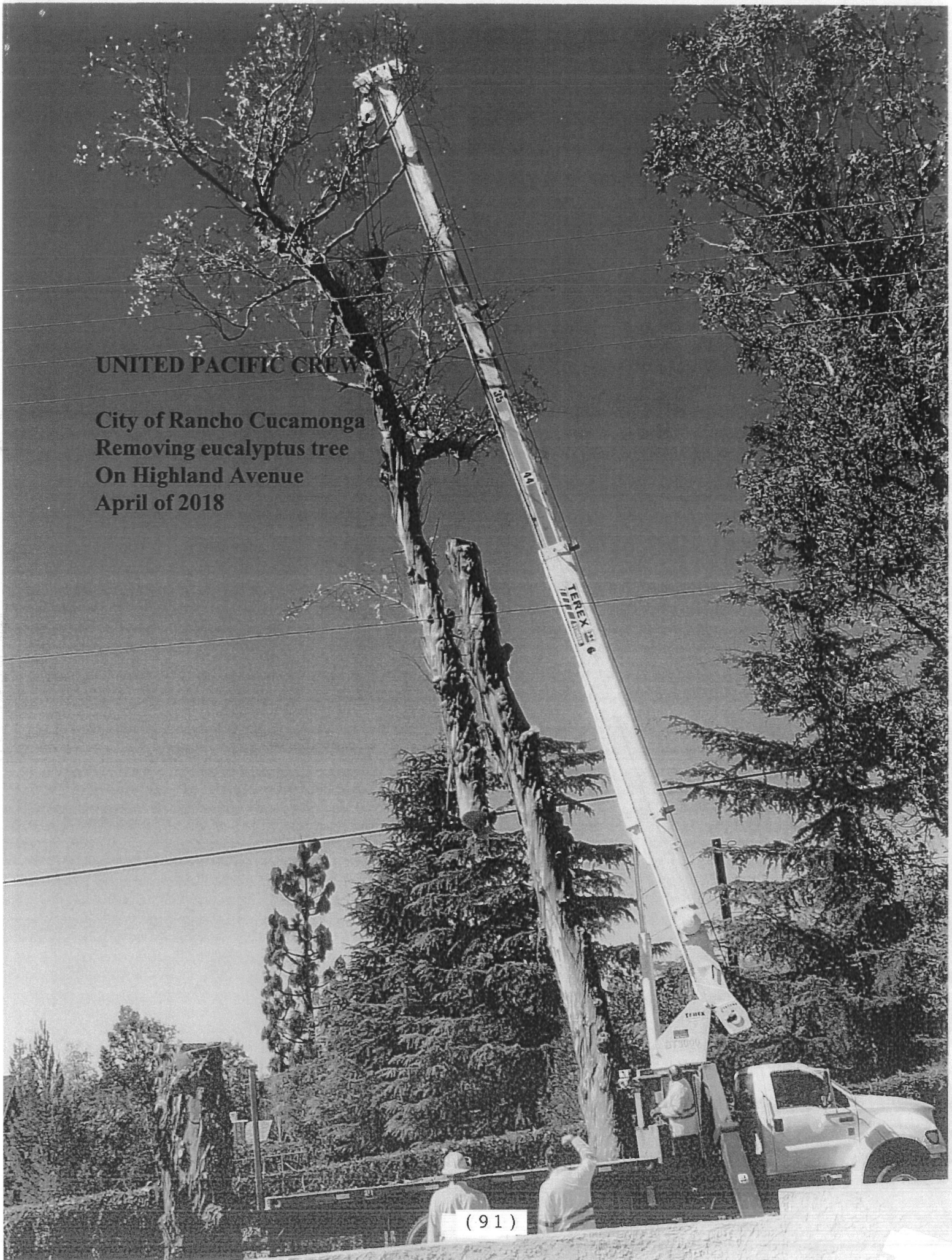
(206)


City of Los Angeles Contract
5,250,000 - 3 year contract
April 6, 2018, six aerial
trucks 60' to 100' in height

(68)

(200)

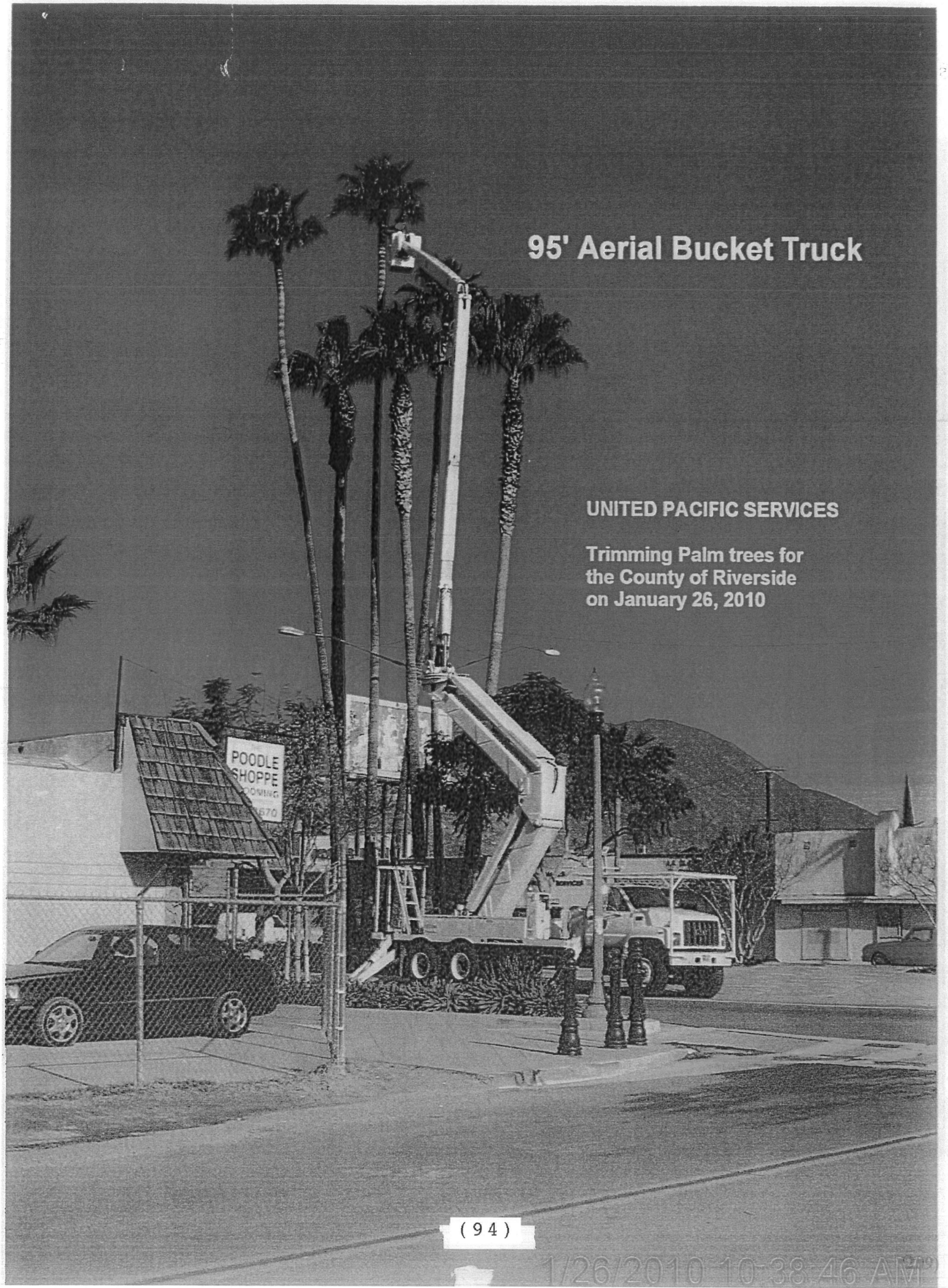

(06)
NEW PETERBILT / 50' WALKING FLOOR TRAILER


UNITED PACIFIC CREW
City of Rancho Cucamonga
Removing eucalyptus tree
On Highland Avenue
April of 2018
TEREX


City of Simi Valley
March of 2012
95' Aerial Truck
140' Crane Truck

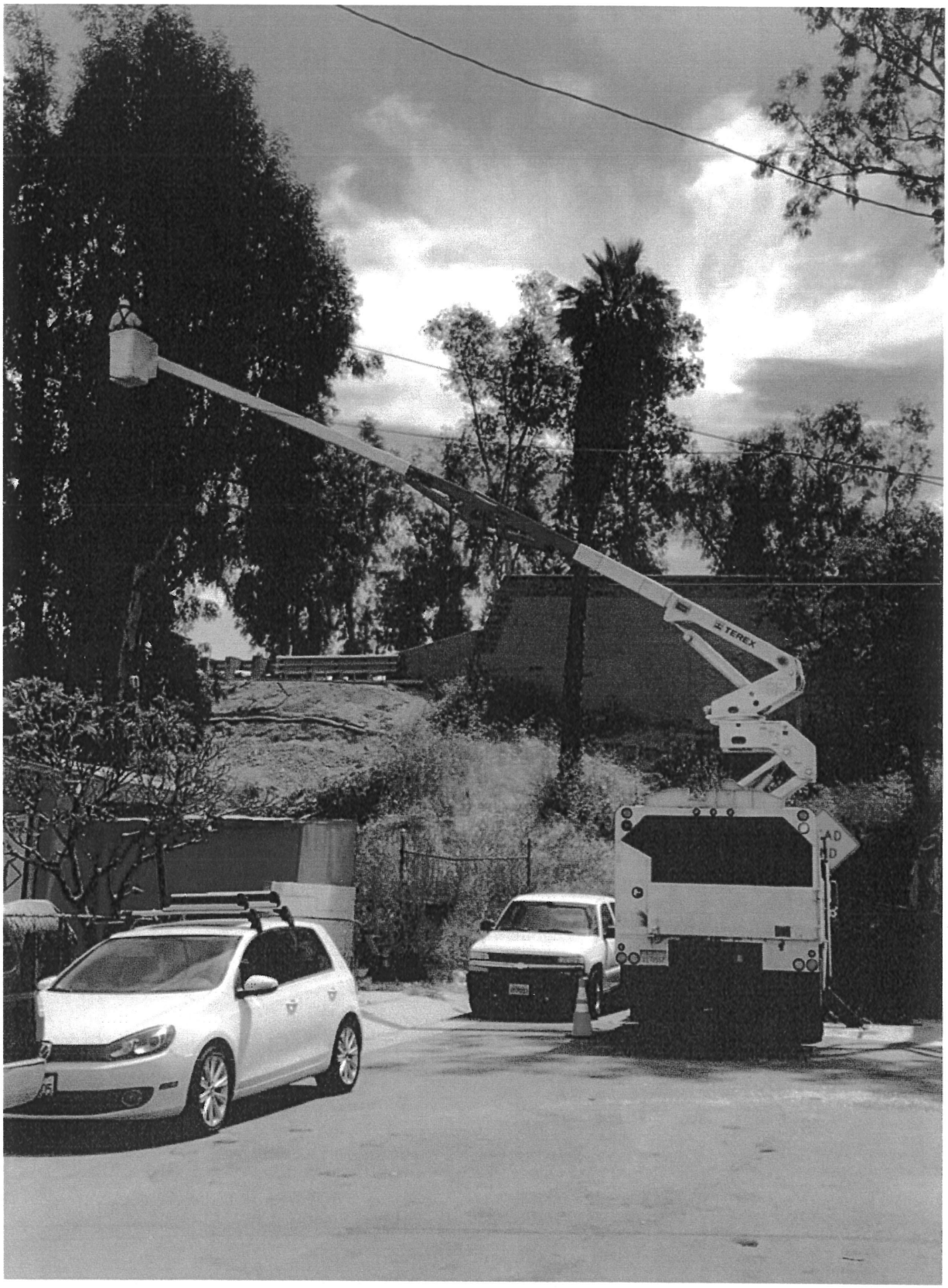



(93)

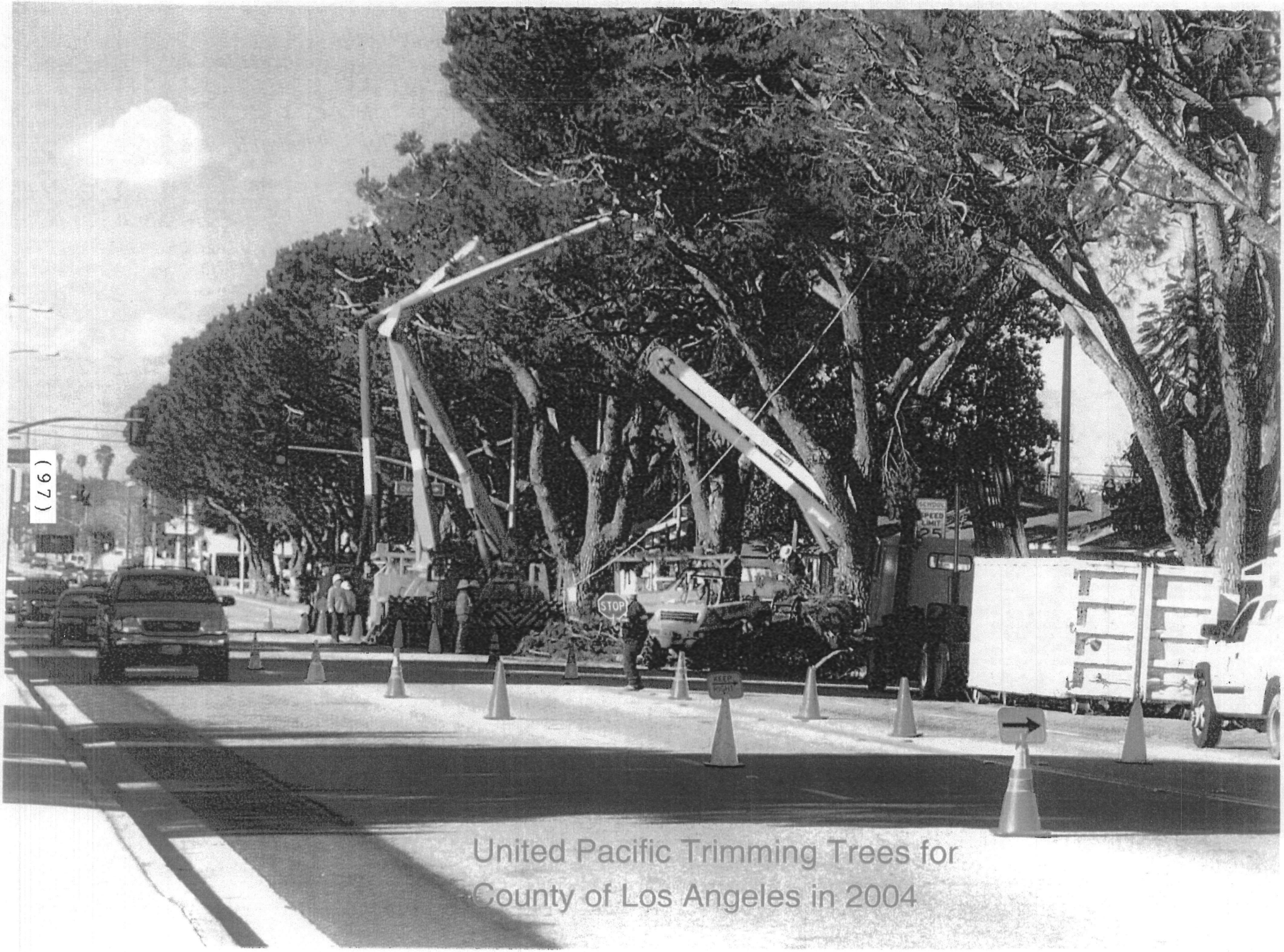





1/26/2010 10:38:46 AM


TEREX


(96)




( 97 )

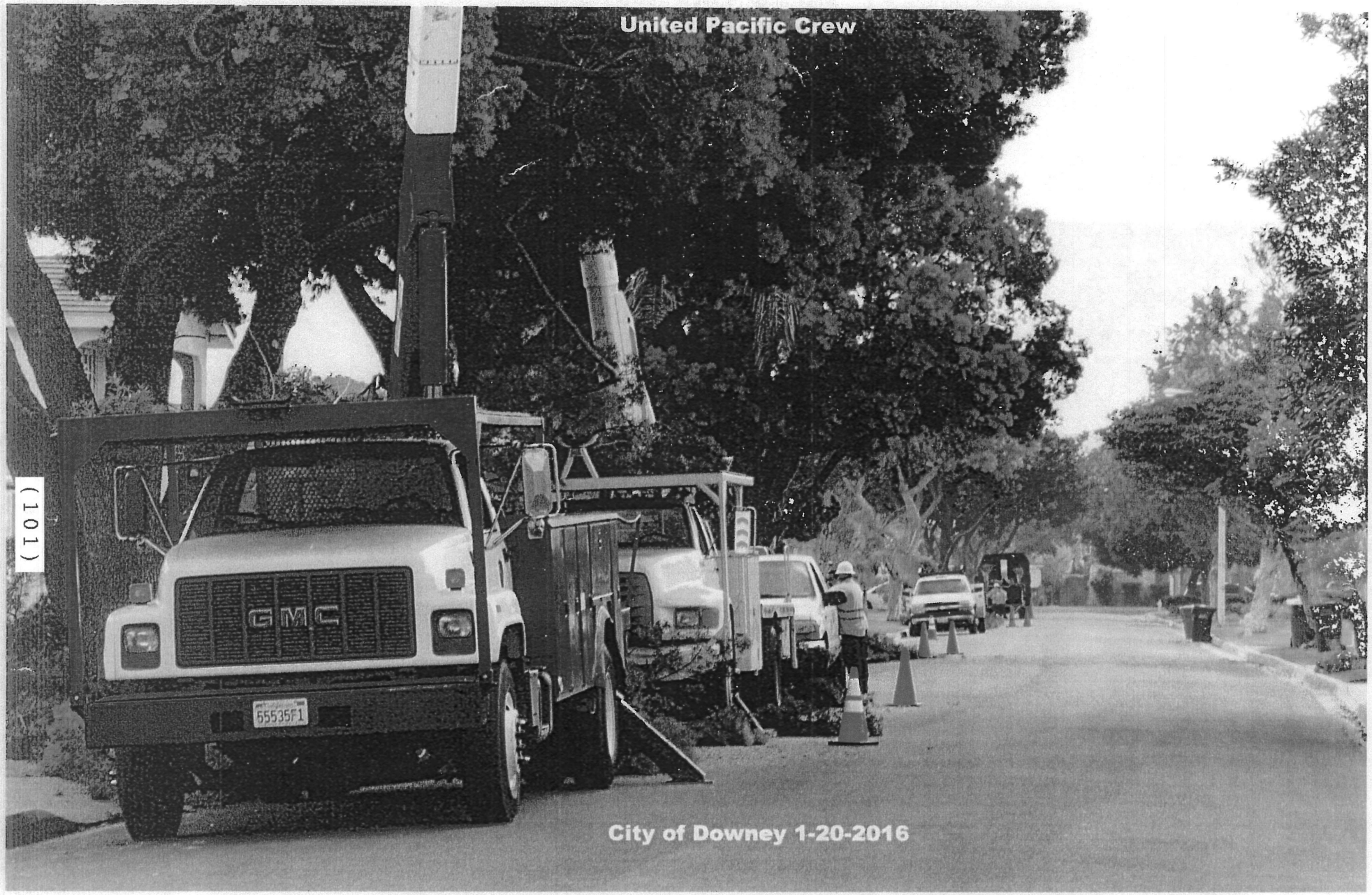
United Pacific Trimming Trees for
County of Los Angeles in 2004


City of Rancho Cucamonga
Tree Crew
August of 2018

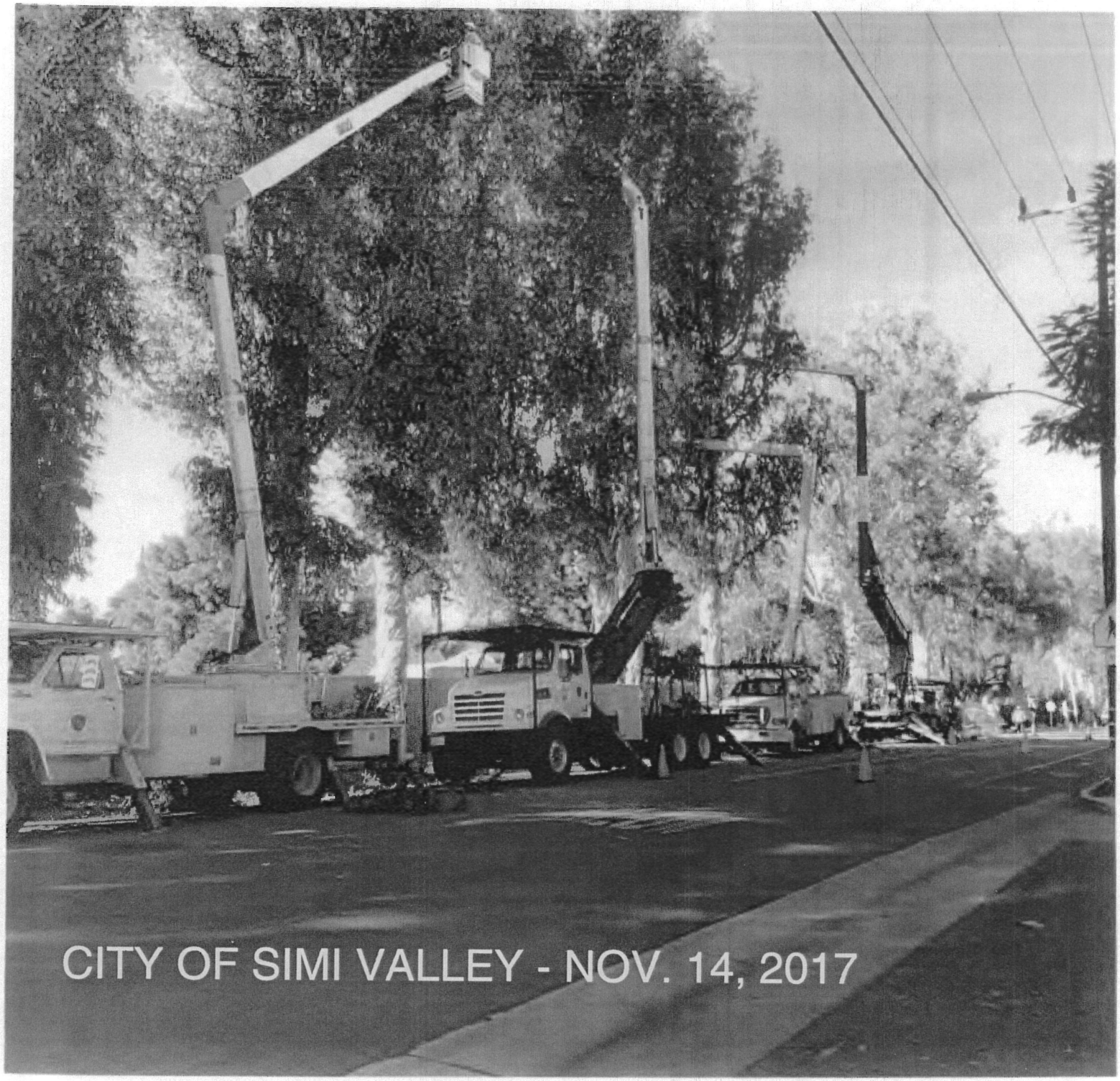

City of Simi Valley
March of 2012
95' Aerial and 140' Crane
Eucalyptus tree removal




(100)

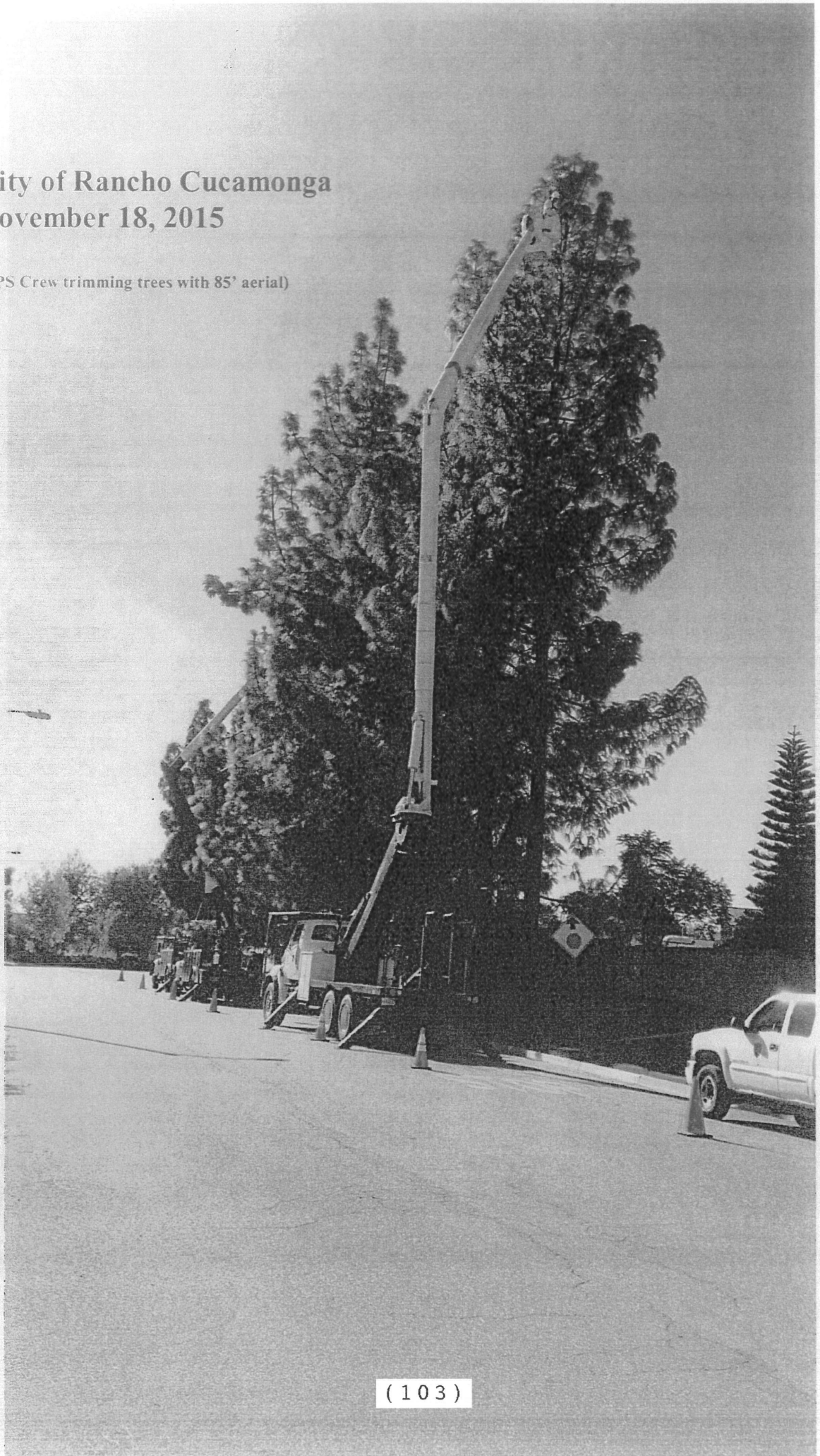



(101)


CITY OF SIMI VALLEY - NOV. 14, 2017

City of Rancho Cucamonga
November 18, 2015

(UPS Crew trimming trees with 85' aerial)






(104)




(105)

UNITED PACIFIC SERVICES

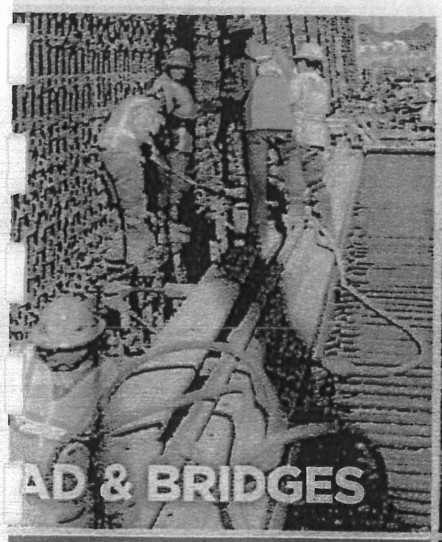
SOUTH GATE FACILITY

# SOUTHERN CALIFORNIA DISTRICT COUNCIL OF LABORERS

Laborers' International Union of North America

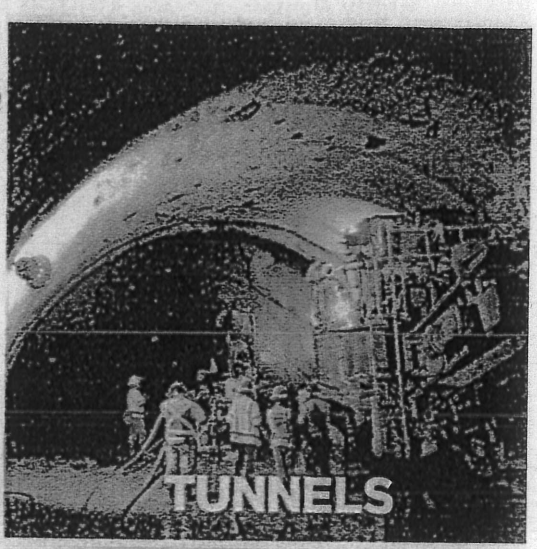
# LiUNA!

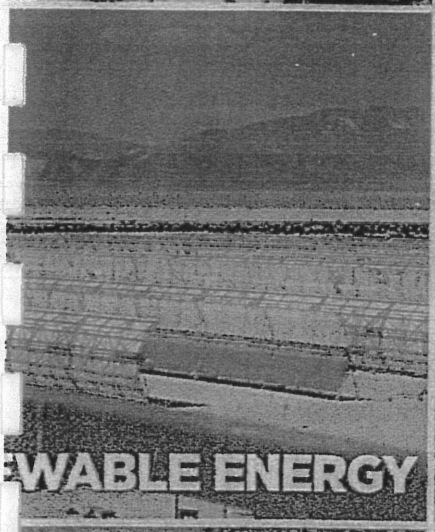
*Feel the Power*

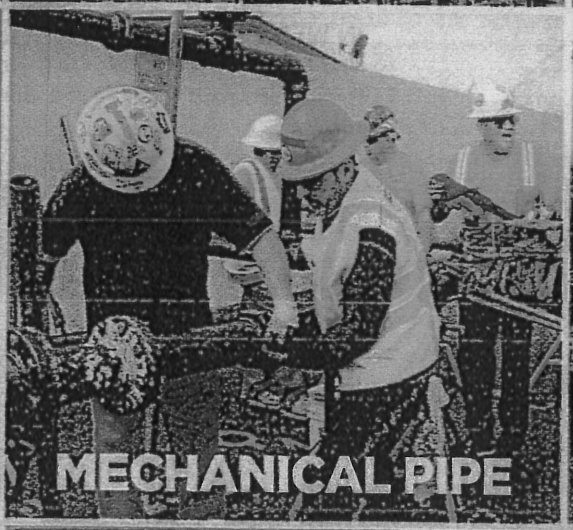






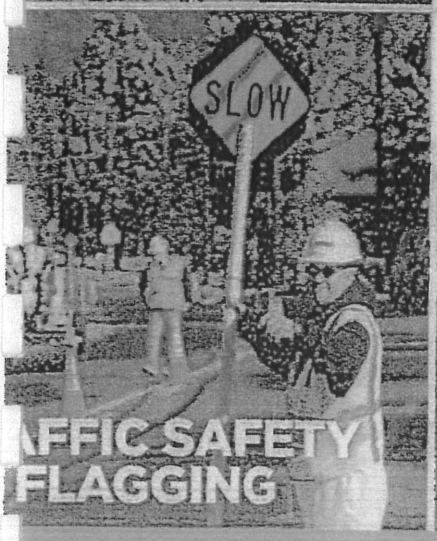


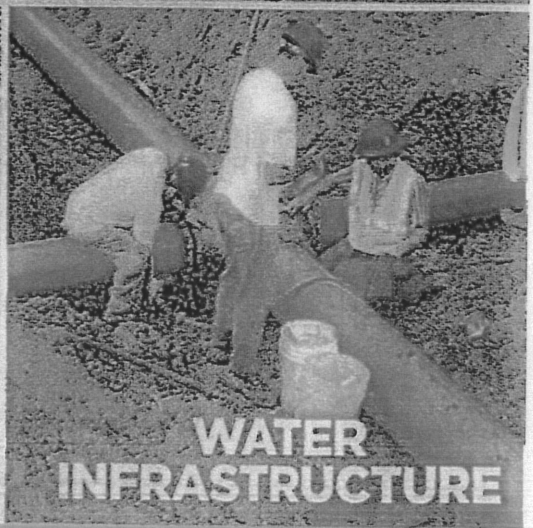












# Secretary of State
## Certificate of Status

I, ALEX PADILLA, Secretary of State of the State of California, hereby certify:

| | |
|---|---|
| **Entity Name:** | UNITED PACIFIC SERVICES, INC. |
| **File Number:** | C2101106 |
| **Registration Date:** | 01/28/1999 |
| **Entity Type:** | DOMESTIC STOCK CORPORATION |
| **Jurisdiction:** | CALIFORNIA |
| **Status:** | ACTIVE (GOOD STANDING) |

As of July 5, 2020 (Certification Date), the entity is authorized to exercise all of its powers, rights and privileges in California.

This certificate relates to the status of the entity on the Secretary of State's records as of the Certification Date and does not reflect documents that are pending review or other events that may affect status.

No information is available from this office regarding the financial condition, status of licenses, if any, business activities or practices of the entity.

**IN WITNESS WHEREOF**, I execute this certificate and affix the Great Seal of the State of California this day of July 6, 2020.

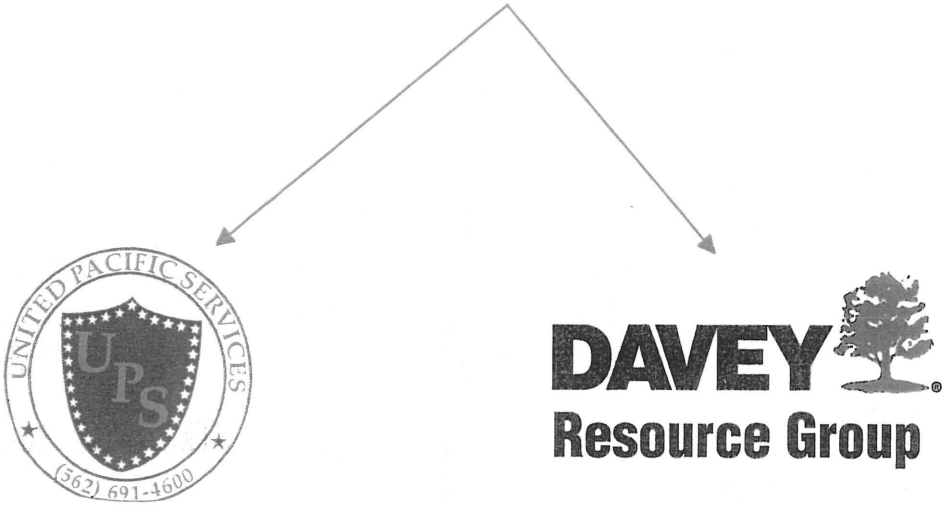
**ALEX PADILLA**
**Secretary of State**

**Certificate Verification Number:** 4RP9EMZ

To verify the issuance of this Certificate, use the Certificate Verification Number above with the Secretary of State Certification Verification Search available at *bebizfile.sos.ca.gov/certification/index*.

# TreeKeeper Tree Inventory Software

**On-Line Web Based System**




*For a free demonstration of the "TreeKeeper" web based tree inventory software please go on the internet To: www.TreeKeeperonline.com and register as a guest.*

**ANY QUESTIONS PLEASE CONTACT:**

*Anne Fenkner*
**PROJECT MANANGER**
**Davey Resource Group**
**(916) 214-5908**

*Renee Mooring*
**Vice President / Tree Inventory**
**United Pacific Services, Inc.**
**(562) 244-0665**

## REFERENCES:

Giovanni Amador
Street Tree Supervisor
City of Downey
(562) 417-6902

Laura Bauernfeind
Forester (Principal Grounds Maintenance Supervisor)
City of Los Angeles Recreation and Parks Department
213-485-3675

Dorothy Abeyta
Special Districts Urban Forester
City of San Jose
408-794-1924

Michael Gerold-Neumann
Urban Forester
City of Roseville
916-774-5579

# TreeKeeper® Suite

Davey Resource Group, a division of The Davey Tree Expert Company, has offered the TreeKeeper® tree management software system to customers across North America for more than 20 years. Utilizing this technology, we have successfully provided urban and community forest management solutions to some of the industry's most discerning clients, including municipalities, universities, cemeteries, and theme park attractions. Our TreeKeeper® management software system was designed by arborists and urban forestry professionals to meet the demands of their peers and other professional tree managers. The depth of functionality, including a fully customizable design model, robust reporting capabilities, a web-based operating platform, and interactive mobile and community applications is what separates TreeKeeper® from other software programs.

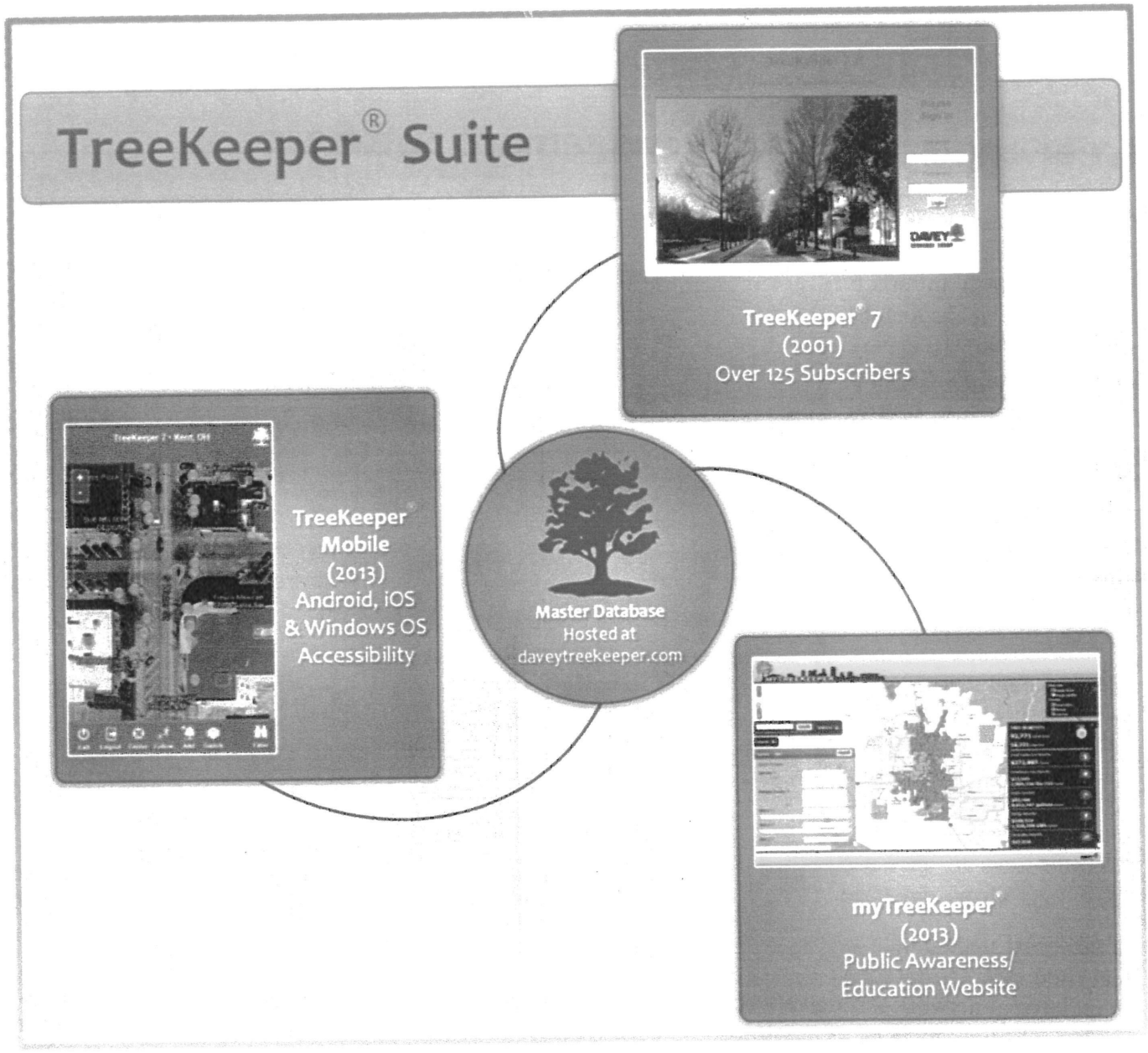
Our ability to listen to our clients and understand their needs in tracking dynamic tree data has driven the evolution of TreeKeeper® to where it is today. Our internal geographic information system (GIS) and information technology (IT) group works directly with local GIS and IT departments. We recognize their need to use and access data outside of the main TreeKeeper® system and we have built several data extraction methods to accomplish this. Together, these components form the TreeKeeper® Suite.

Davey Resource Group has developed the TreeKeeper® Suite to have different points of access based on user need. The suite includes the TreeKeeper® 7 (TK7) version, which has been a market leader since its introduction in 2001. The suite also includes two new features: *TreeKeeper® Mobile* and *myTreeKeeper®*. *TreeKeeper® Mobile* is an application that allows access to the TreeKeeper® database from an Android™ OS, iOS, or Windows® mobile device. *myTreeKeeper®*, based off the i-Tree Streets model, is a public awareness website through which communities can share information about the benefits of the urban forest as well as individual trees of interest. All three of these software systems utilize the same database so any transaction on the underlying data occurs in real time, reflecting immediately in each system.

Davey Resource Group has built this suite as a series of modules, with each module available separately, to allow clients to acquire the specific tools to meet their needs. Davey Resource Group continues to add depth to these modules and introduces new modules as technology and urban forestry needs change over time.

The advantages of the TreeKeeper® Suite include:

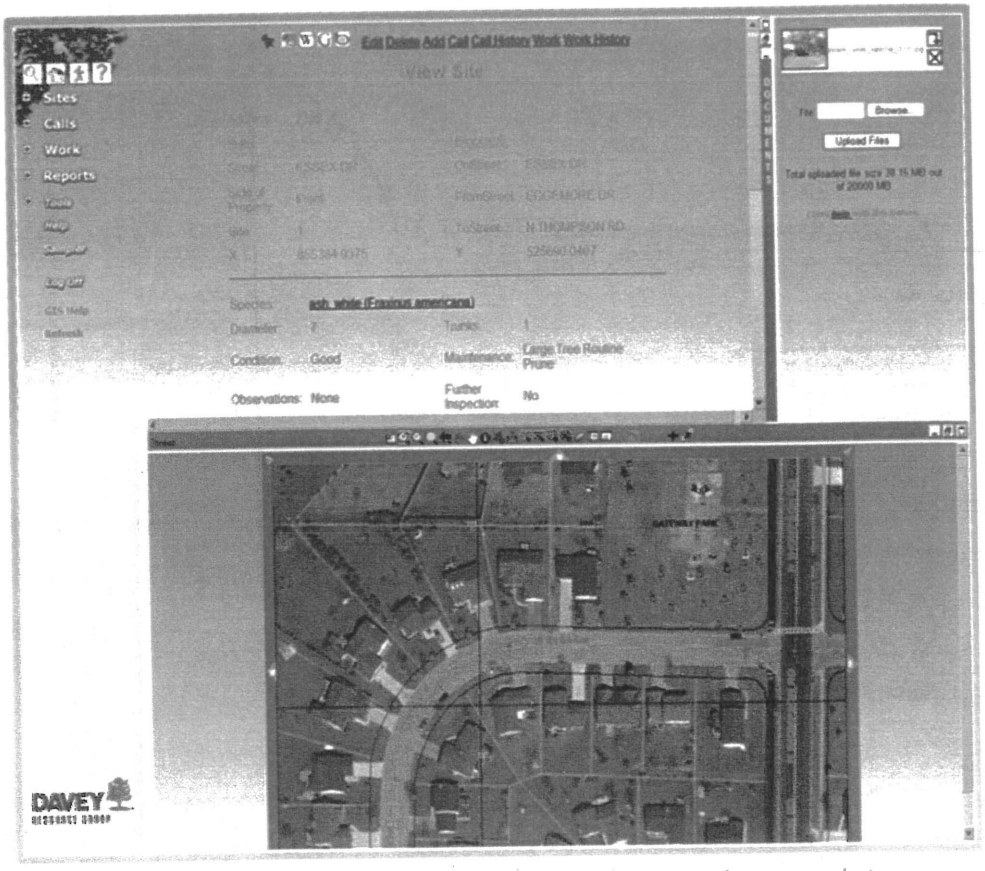
- The ability to accommodate multiple users simultaneously, each with their own access level privileges (from read-only to full access) administered by you.
- The ability to allow team members with a security clearance access to the program from any computer with an Internet connection.
- Complete retention of data ownership, even if you decide that TK7 is not feasible to use anymore.




The TreeKeeper® Suite

# TreeKeeper® 7, Tree Management Software

TK7 software is a comprehensive, state-of-the-art approach to urban forest management operations. TK7 is Davey Resource Group's flagship product and is a central piece of the TreeKeeper® Suite. TK7 is our most robust and well-rounded tree management software to date offering unique add-ons and data field options.




The View Site Screen, with attributes, associated images, and map snapshot.

This high-performance software facilitates the utilization and management of tree inventory databases and work records. It allows multiple users to access a large, centralized database to view and update data in real time over the Internet or an internal network through a web browser. With TK7, users can generate and monitor work orders, track production, track work performed on each tree, calculate maintenance activity costs, and plan for budgets and additional work.

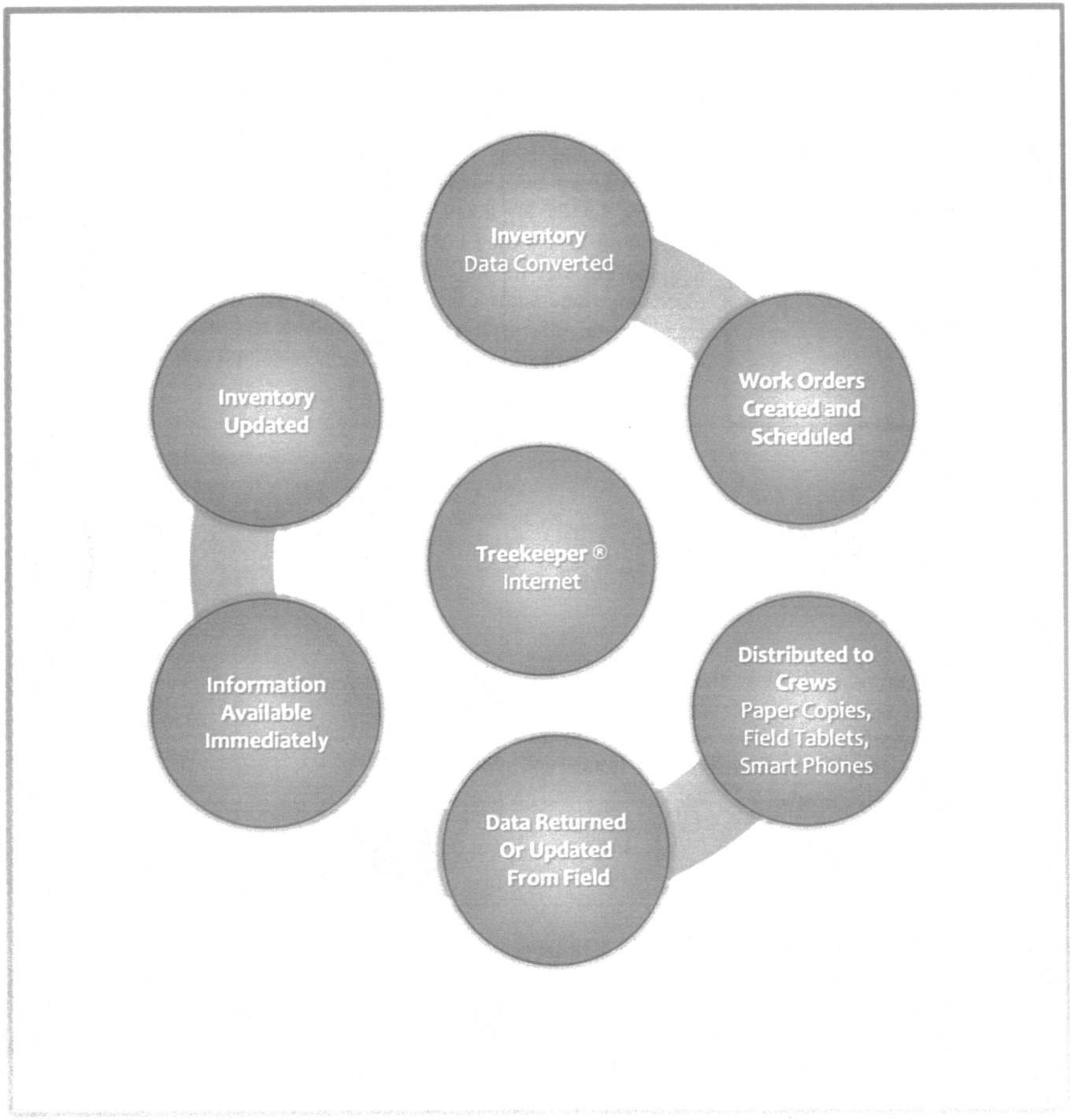
The TK7 system is optimized to work with forests of tree data at once with streamlined editing tools and data handling processes. Tools exist within the system to manipulate several sets of records at a time so the user does not need to address multiple changes of the database one record at a time.

A newer feature includes the ability for TK7 to link directly to treebenefits.com (the National Tree Benefit Calculator). In addition, the trunk method valuation formula that supports the USDA Community Tree Assessment is built in for appraisals.

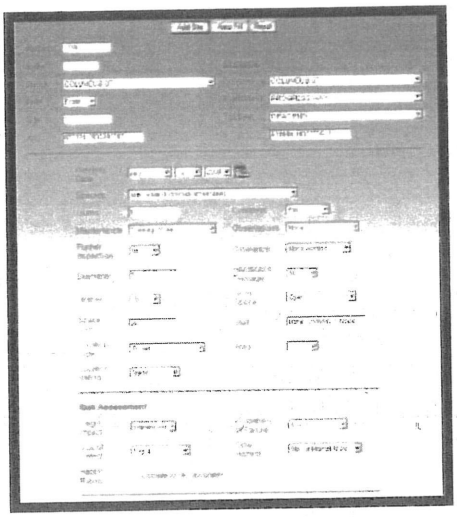
TK7 is flexible enough that it can use GIS information, if available, but functions just as effectively if GIS information is not available.

Try Davey Resource Group's TreeKeeper® 7 management software hands-on at www.davey.com/tk7.

The diagram below illustrates the ultimate goal of TreeKeeper® 7, which is to help make the tree inventory a living database. Given the kinetic nature of trees, users need an effective way to capture inventory updates due to reassessment or tree maintenance.



# TreeKeeper® 7 Primary Functions



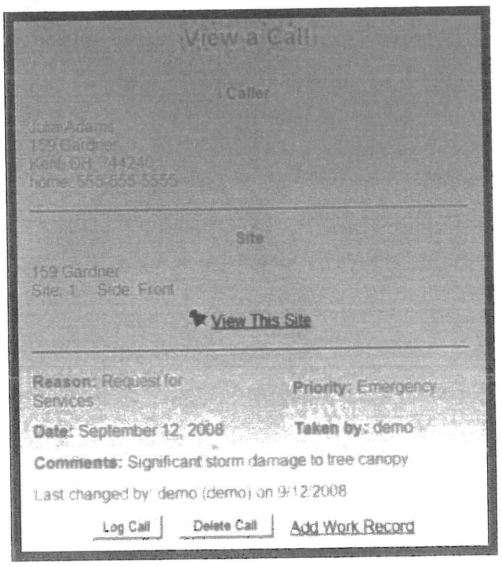
*Edit Inventory Information*

## Tree Sites

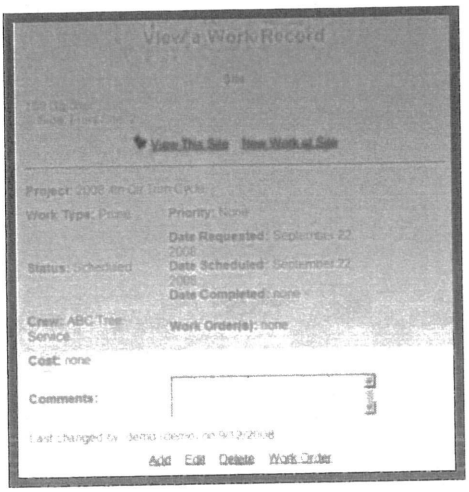
The "Sites" feature allows the user to add new tree site information or view and manage existing data. The user can search through the entire database using a single data field to identify a specific site. Once a site has been identified ("site matches"), you can view, edit, or delete details, log a call, or create a work record. Adding a site is done with a single click, and details may be copied from a neighboring site to facilitate data entry. Digital photos or other electronic documents can be added to each tree site. In addition, standardized editing shortcuts are available to quickly update the site as existing trees are removed, stump grinded and replanted.

## Call Manager

The "Calls" feature will allow the user to log and track calls made by residents regarding specific trees. The user can note the date, reason, priority, comments, and the person taking the call. Calls can be tracked by type to monitor trends and assess and project future service needs.




*Maintain Customer Database*




## Work Manager

The "Work" feature will allow the user to create work records for individual tree sites or groups. By creating a work record, the user will assign a work type, crew type, priority, and status. Work records can be grouped into printable work orders that will allow the user to complete and update individual work records with a mouse click. In addition, costs can be assigned and tracked to monitor budgets and forecast projections.

# TreeKeeper® 7 Integrated Mapping Component

Integrated mapping is a key feature in TK7 that allows the user to utilize their TK7 database with a map without placing any extra requirements on the user's computer. This feature enables the user to have a system capable of mapping queries, zooming, panning, and moving tree points. And, by supporting multiple, simultaneous users, more than one user can interact with the database at the same time and instantly view the changes the other user is making.




In the "Map Window", users can identify tree records (green points) to navigate the inventory.

The mapping component allows the user to view TK7 inventory sites within a map-based system and still have all of the reporting and querying power of TK7 management software.

The "Map Window" is used to access stored GIS map data from the map server either in ArcView™ shapefile format or common image formats (aerial photos or scanned facility maps). It provides GIS functionality through its associated mapping tool buttons, including zoom, pan, identify, label, measure, and print. Basemaps can be toggled on/off and a map key tracks the main map position on a small-scale overview.

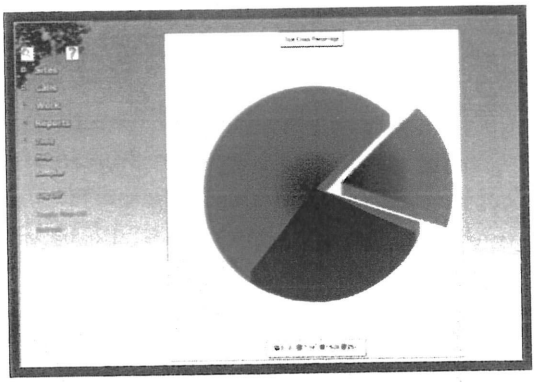
The mapping component can be used with Microsoft® Windows® XP or higher in conjunction with Microsoft® Internet Explorer® 8.0 or higher and is included in all TK7 deployments that have underlying GIS data to support it.

## TreeKeeper® 7 Reporting Capabilities

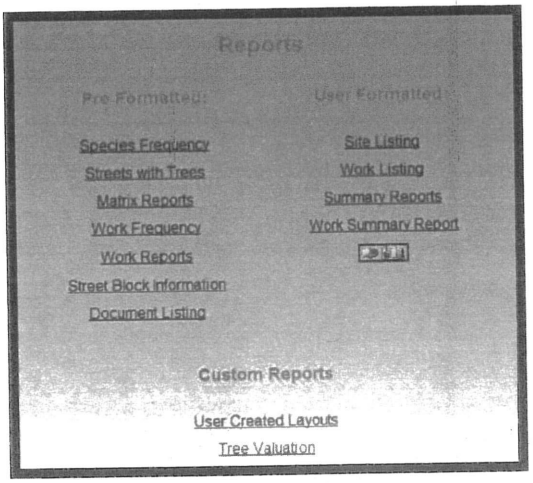
Another great feature of the TK7 management software is its flexible reporting system which allows the user to design his/her own reports and save report layouts to run again with other data.

Various reports can be created, including: customized site listing reports; customized summary reports; tree valuation reports based on the ISA Guide for Plant Appraisal, 9th Edition; and even pie and bar chart reports. Davey Resource Group has created several easily accessible, pre-formatted report templates for your use.

Not only are the data easy to report on, it is easily exported to other software applications, such as Microsoft® Office and other word processing and spreadsheet applications.



Dynamic Graphing of all Data Fields




The Reports Main Menu

## TreeKeeper® 7 Data Tracking Capabilities

A key feature of TK7 is its ability to track various types of data including electronic documents. This means that not only is TK7 capable of tracking work histories, it can also store digital photos, letters to the residents, tree hazard evaluation forms, and other pertinent documents that the user may wish to keep associated with a given tree or site. The diagram to the left illustrates the types of data that TK7 is capable of tracking. All electronic documents are easily accessible through the "View Site" screen of TK7. From this screen, the user can download documents to review or upload new documents to file with the site.

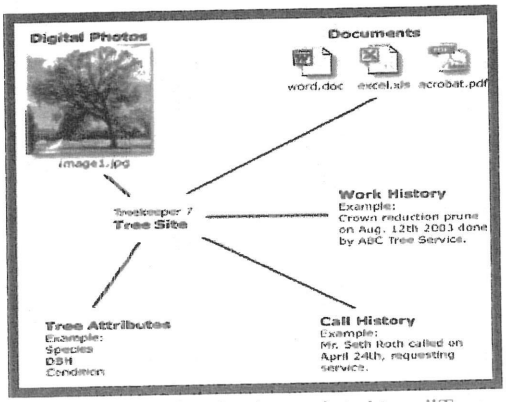
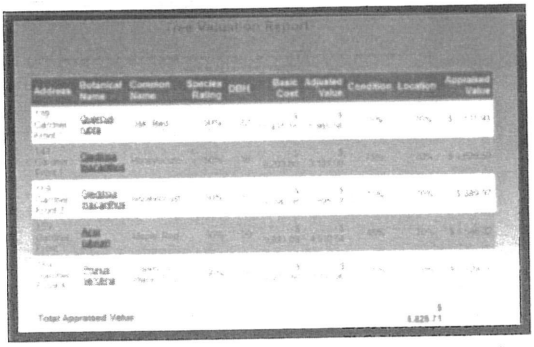


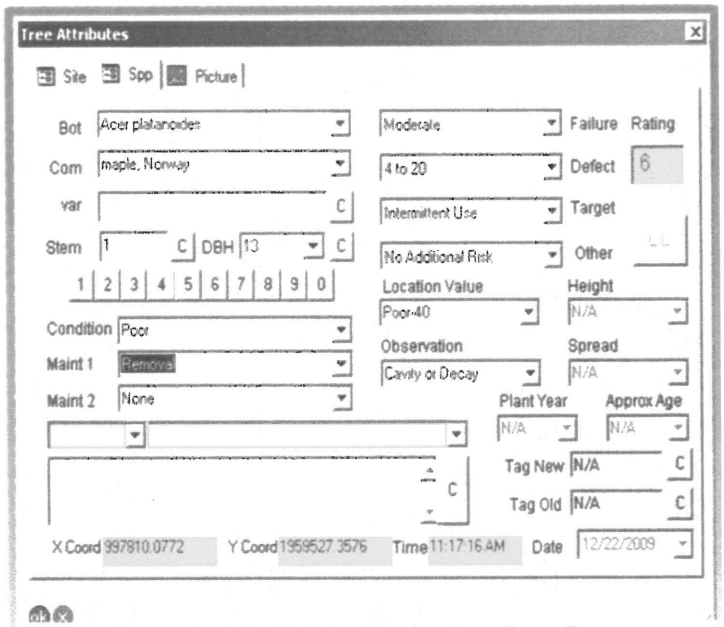

Diagram showing the data related to a "Tree Site"



*ISA Guide for Plant Appraisal, 9th Edition* Trunk Formula Method

# TreeKeeper® 7 Data Extraction

Davey Resource Group's IT department can provide programming and data integrity services to better define existing data fields or to address internal redundancies that may be found within the client's data. For example, a single field containing multiple site details may be separated into individual fields to allow for more flexible queries of the database. Once the system is set up, the user will find importing and exporting data to common formats, like ArcView®, is as simple as the click of a mouse.



Customized ArcPad Application Data Entry Form

# TreeKeeper® 7 Field Data Collection

### TreeKeeper® 7 for ArcPad®: Overview

The ArcPad® tree collection program, as offered by Davey Resource Group, is designed specifically for ease of use to collect and maintain tree data in the field. A TreeKeeper® user is always capable of accessing their live TK7 software program in the field by using a combination of a Windows®-enabled tablet computer and a cellular air card to access the Internet/network remotely. This option requires no special software to be purchased by the user. However, there are other options for field software that run locally on the field computer, eliminating the need for a cellular air card. The ArcPad® program runs in ESRI ArcPad® Software, which is a mobile mapping and GIS technology. It includes all lookup tables and all associated ArcPad® files, such as ArcPad® Default Configuration file (.apx), ArcPad® Preference file (.apl), and VBScript files (.vbs). These files override the ArcPad® default startup by loading a specific tool bar, input forms, and associated scripts, which automates the quality checking process.

### TreeKeeper® for ArcPad®: Requirements

TK7 and Esri®'s ArcPad® 7 or higher running on a Windows® Mobile 6.0 powered device or a Windows® XP/7 enabled tablet PC.

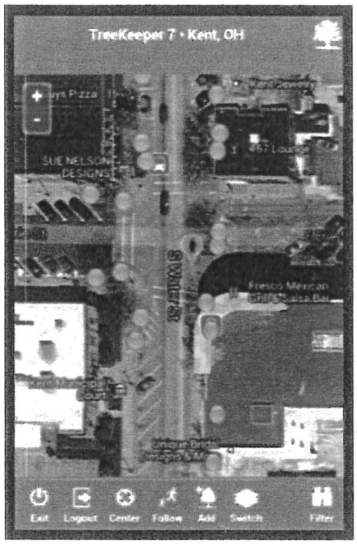
# TreeKeeper® 7 Installation Options

Subscription: Davey Resource Group hosts the data on its web-server. Clients retain full ownership of all data and can access the data from anywhere in the world where Internet connection is available. Davey Resource Group backs up and maintains the data and web-server. Program upgrades are provided to the client free of charge. Concurrent access is possible. There is a recurring annual cost for this deployment.

Network: TK7 management software runs on the client's web-server. Concurrent access is allowed. There is a one-time cost for this deployment.

# TreeKeeper® Mobile

The TreeKeeper® 7 Mobile system is a new tool that allows users to access the same TK7 dataset as the TK7 tree management software system. The TK7 Mobile system is a native Android application, as well as an alternative mobile browser access point using Safari® on an iOS device, or Google Chrome™ on a Windows® device.



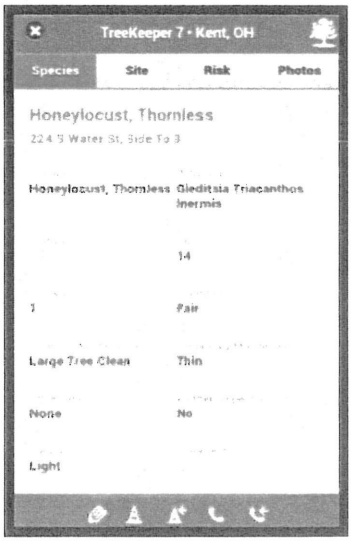

*Red marker indicates your location*




*Use call-out box to quickly find trees*

The mobile system utilizes the location services or GPS availability of the smart phone or tablet computer to locate you automatically on the map. Nearby trees are marked with green markers, and you can quickly identify a marker to see brief details on the tree site as well as bring up the full details of the site.

The user is able to fully edit all the data tied to the site as well as assign new work records, complete existing work records, and log calls made concerning the tree site. A user can easily take a picture of the tree and associate it with the record using the onboard camera of the Android OS, iOS, or Windows® device.




*"Tree Detail" view*

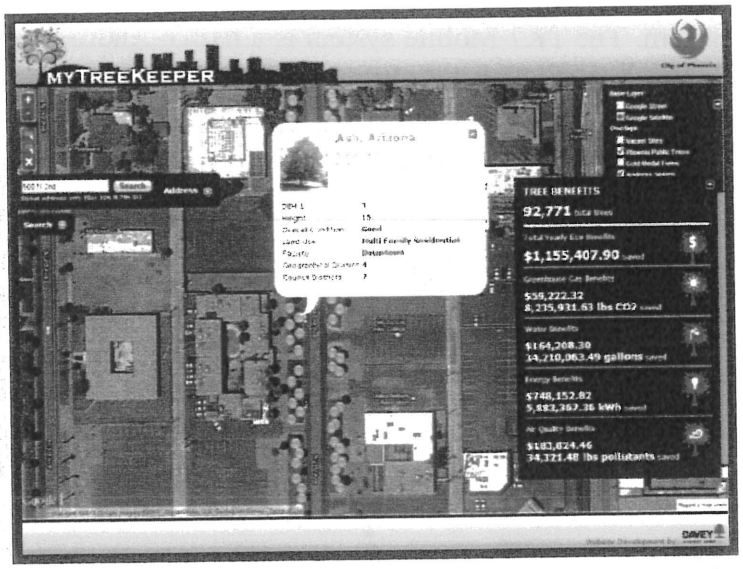
Having the tree data accessible in the field from a simple iOS/Android smartphone or tablet will add amazing efficiences in managing your urban forest.

- Add new tree sites to the map with a simple drag and drop.
- Query tree sites by address, attributes, assigned work records, or planned work orders.
- All database updates are done in real time so field updates are immediately reflected in all other systems accessing the TreeKeeper® database, including other mobile users and office staff working with the TK7 tree management software system.
- Quickly communicate emergencies to crews by assigning a work order and alerting the mobile user that a work order needs immediate attention.

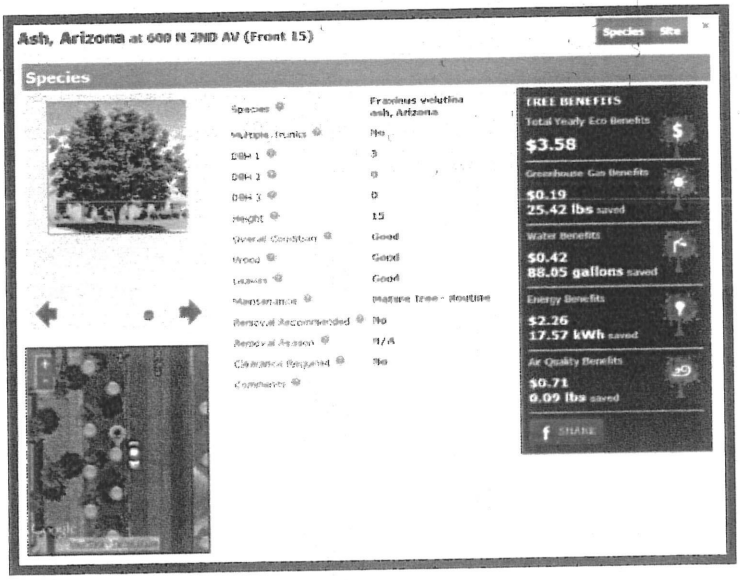
# myTreeKeeper®

myTreeKeeper® is a front end access point for the TreeKeeper® database intended for public access. It is a simplified website that reduces the attributes visible to public users so sensitive information, such as recommended maintenance or risk categorization, is not available.

The purpose of this system is to aid the general public in learning more about the value of trees within the urban forest. Each tree is tied to the Tree Benefits calculations as derived from the U.S. Forest Service's i-Tree Streets. Sets of trees are summed up so the site visitor can see the total financial benefits of the entire urban forest, of subsets of data derived by spatially selecting data on the map, or of trees with particular attributes.

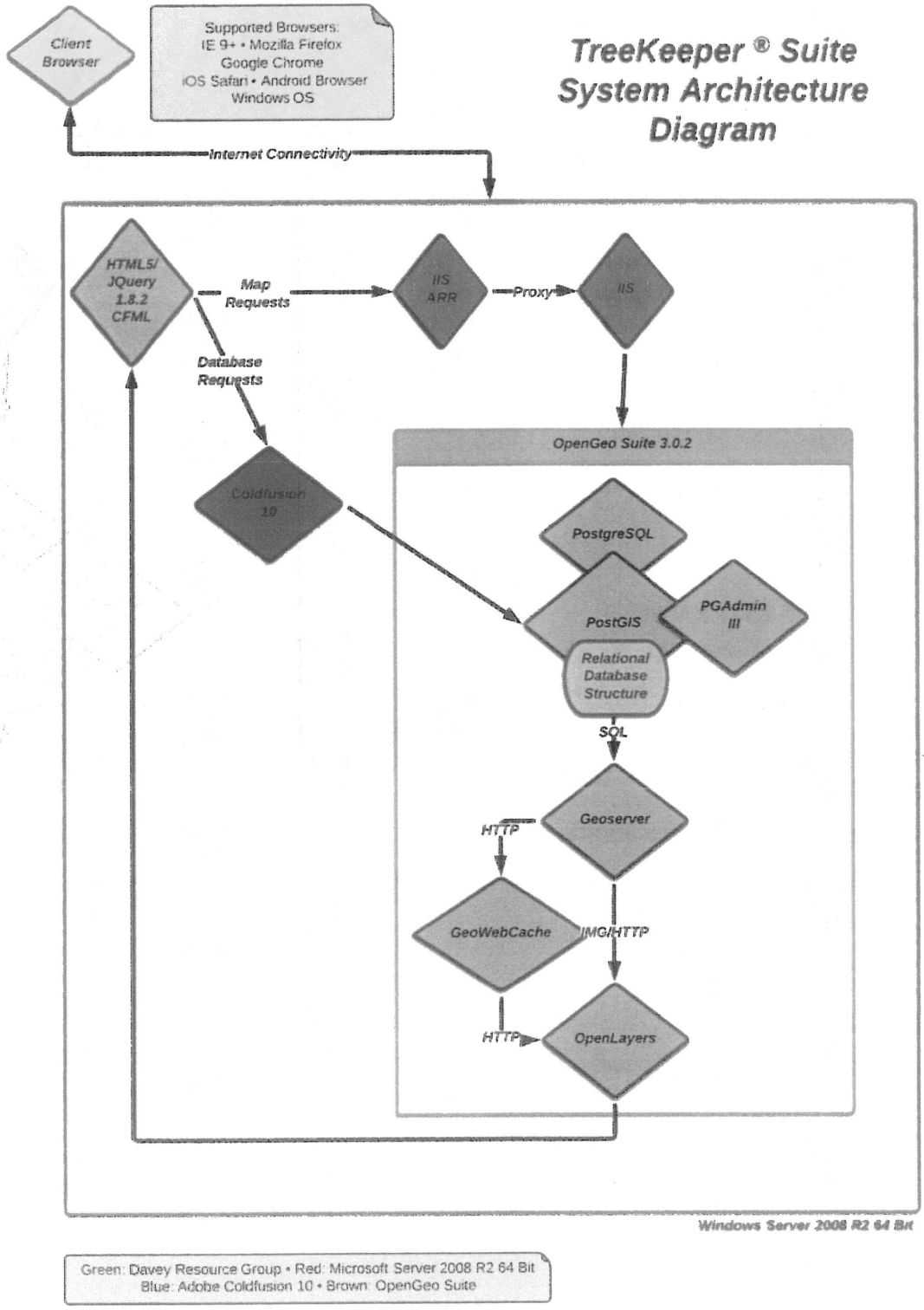



*myTreeKeeper® main screen*




*A "detail" view of the tree information*

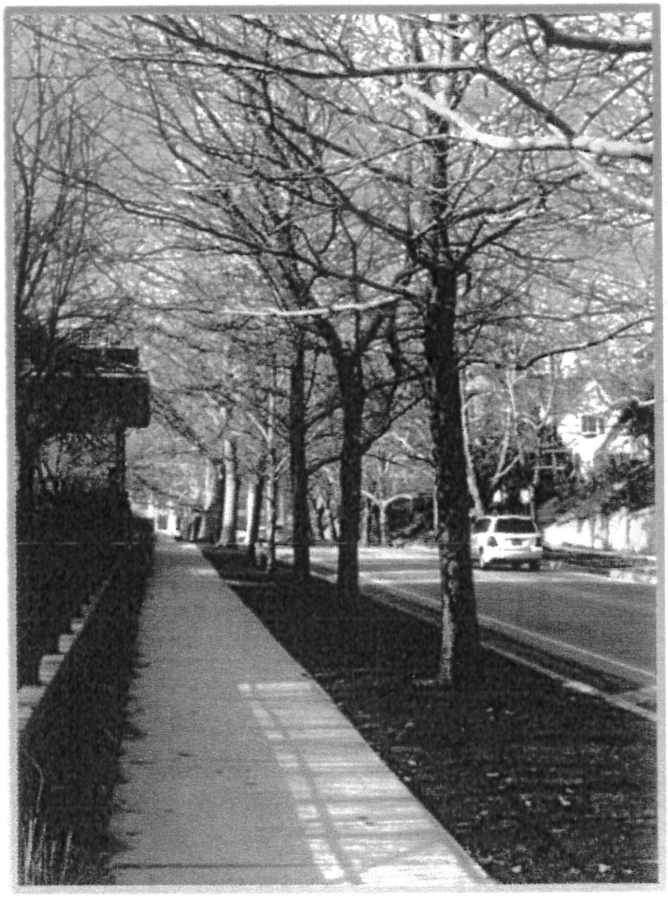
Some trees are emphasized with a "gold medal" which reflects that that particular tree is a top performer relative to the urban forest. This is a great way for the public to learn more about desirable trees and bring to attention the "winners" of the urban forest. The website can be customized to allow visitors to upload pictures of the tree to the system or "share" a tree on their Facebook® account. In this way, home-owners can promote successful trees in their neighborhood, bringing awareness to a new level within the commmunity.


Client Browser
Supported Browsers:
IE 9+ • Mozilla Firefox
Google Chrome
iOS Safari • Android Browser
Windows OS
TreeKeeper ® Suite System Architecture Diagram
Internet Connectivity
HTML5/ JQuery 1.8.2 CFML
Map Requests
IIS ARR
Proxy
IIS
Database Requests
OpenGeo Suite 3.0.2
Coldfusion 10
PostgreSQL
PostGIS
PGAdmin III
Relational Database Structure
SQL
Geoserver
HTTP
GeoWebCache
IMG/HTTP
HTTP
OpenLayers
Windows Server 2008 R2 64 Bit
Green: Davey Resource Group • Red: Microsoft Server 2008 R2 64 Bit
Blue: Adobe Coldfusion 10 • Brown: OpenGeo Suite

TK7 is a client/server-based program that resides on the Davey Resource Group server. It can be operated by the client over the Internet (Internet version) or it can be installed onto client-owned network servers (Network version). The technical requirements for both are outlined below:

**Server Software**

- TK7 Software utilizes PostGreSQL (http://www.postgresql.org/) as its database backend. For TK7 to run on your server, you must have a license for the database you plan to use.
- Browser user interface is written in Adobe's Cold Fusion, which is provided as part of the TK7 network installation cost. http://www.adobe.com/products/coldfusion-family.html



**Hardware – DRG Server (Internet Version)**

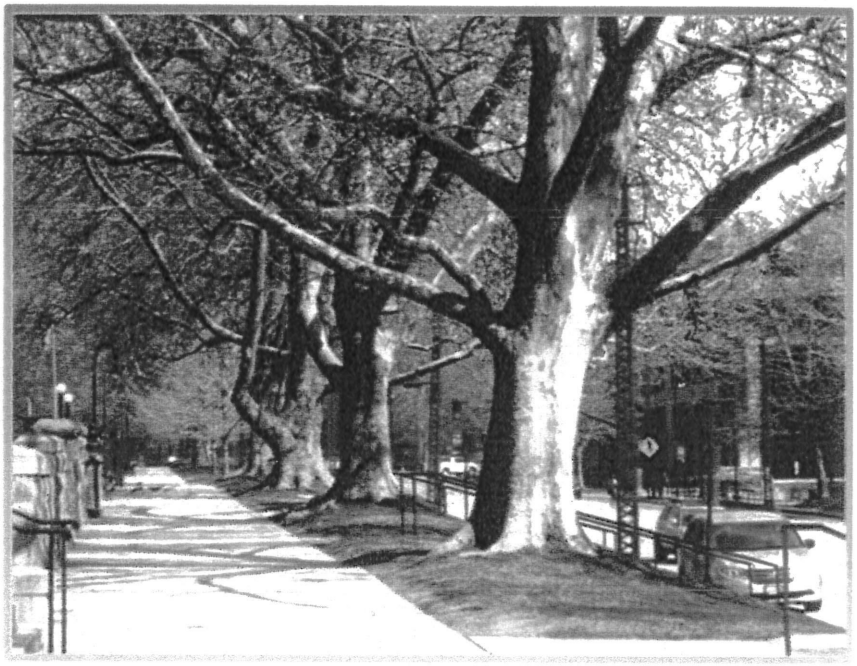
- Windows Server 2008 R2 Standard, Service Pack 1
- VMWare
  - Intel Xeon® CPU X5690 @ 3.47 GHz (4 processors)
  - 4.00 GB RAM
  - 64-bit Operating System
- Nightly Backup
- Gas generator and back up batteries
- Multiple server monitoring with e-mail notification
- 1.0 Gbps LAN

**Clients**

- Required:
  - Computer with Internet access
  - Internet Explorer version 8.0 or greater
  - Cookies enabled from TK7 site

### Hardware – Client Server (Network Version)

- To install TK7 on your Intranet server, we recommend that the following be available:
  - Intel Pentium 4 or AMD Athlon processor
  - Microsoft® Windows Server® 2003 with Service Pack 1 or 2 or Windows Server 2003 R2 (Web, Standard, or Enterprise Edition); Windows Server 2008 (Web, Standard, or Enterprise Edition) with Service Pack 2 or Windows Server 2008 R2 (Web, Standard, or Enterprise Edition); Windows XP Professional or Home Edition; Windows Vista® (Business, Ultimate, or Enterprise) with Service Pack 2; or Windows 7 (Professional, Ultimate, or Enterprise) with Service Pack 1
  - 512 MB of RAM (1GB Recommended)
  - 20GB of available hard-disk space (dependent on total size of client aerial imagery)



### Clients

- Required:
  - Computer with LAN access
  - Internet Explorer version 8.0 or greater
  - Cookies enabled from TK7 Site

### TreeKeeper® Mobile Hardware Chart

| Hardware Version | OS Version | Browser |
|---|---|---|
| *Android-Based Devices* | | |
| Various | Android 4.0 (Ice Cream Sandwich) or higher | Native Droid App<br>Web Browser<br>Google Chrome® |
| *Apple® Devices* | | |
| iPhone® 4s or higher | iOS 6.x | Safari®<br>Google Chrome® |
| (iPad® Generation 4) | | |
| iPad® Mini | | |
| *Windows®-Based Devices* | | |
| Various | Windows® 7 Professional Edition<br>Windows® 8 Professional Edition | Google Chrome®<br>Internet Explorer® 9+ |

## Software Training and Support

Davey Resource Group can provide an on-site training seminar specifically designed for the client. Training will focus on GIS basics and TreeKeeper® 7 software capabilities, including working with the "map screen" and map data as well as introducing users to attribute input and querying. Other aspects of the software are reviewed with time allotted based on user interest and skill level. The software training qualifies for up to six International Society of Arboriculture (ISA) continuing education units CEUs. With the on-site training, one full year of unlimited telephone support is included. Additional five-hour blocks of telephone support may be purchased for following years.



The training is conducting according to the availability of the client's meeting space. We have successfully handled the following formats.

1) One-on-one training of the primary user
2) Conference room style training
3) Computer lab training

A key benefit of the training is identifying the best way for the client to leverage the software system within their existing workflow and operational structure. TreeKeeper is a very flexible software system, with many potential solutions to many different challenges. Davey Resource Group has years of experience in integrating TreeKeeper 7 within existing operations.

September 17, 2020

# City of Compton Proposal for: Tree Maintenance Service



NORTH STAR
LANDCARE

NORTHSTARLANDCARE.COM (562)674-3076
LIC# 1034669 DIR# 1000046611

# Cover Letter

**City of Compton**
**Public Works Department**
**205 South Willowbrook Avenue**
**Compton, CA 90220**
RE: Tree Maintenance Service
Due: Thursday, September 17, 2020 at 5PM

North Star Land Care ("North Star") is pleased to submit a proposal for the City of Compton's Tree Maintenance Service Request for Proposal. Our proposal will highlight our previous experience of providing similar services to many surrounding Cities such as Huntington Park, Maywood, Los Angeles County and City of Lynwood. We have the breadth and depth of resources, skills, equipment and expertise needed to provide the city of Compton's professional tree maintenance services. We have reviewed, understand, and agree to the terms and conditions described in this RFP. We also acknowledge that we meet the minimum requirements and responded to each of these requirements to the best of our ability with no exceptions. During these unprecedented times, North Star has not missed a beat in assisting our Municipal clients by augmenting City staff so the delivery of quality tree maintenance services would continue without interruption.

North Star management team has a track record of working with many cities throughout Southern California since 1994. Our contractor license, #1034669 specializes in Class C61/D49 (Tree Service) and Class C27 (Landscaping) is set to expire 1/31/2022. We are also registered and qualified with the DIR (1000056611). North Star is insured and bonded and will obtain a City of Compton business license upon being awarded this Tree Maintenance contract.

We strive to build long-term partnerships with agencies that expect and require quality, accuracy, efficiency, and integrity. We do this by offering our clients years of expertise with professional in-house arborists, diligent staff who provide the best tree maintenance by using industry approved equipment, effective employee training, strong field leadership, and competitive pricing to keep our clients within their allocated budgets. We have a full understanding of the City and its tree related needs.

Assigned contacts for this important project are as follow:
Area Manager, Tony Martinez (310) 704-9885 tony@northstarlandcare.com
Field Manager, Alex Rojas (951) 275-4254 alex@northstarlandcare.com
Office Manager, Jessica Alvarez, (562) 674-3076 jessica@northstarlandcare.com
Business Development, Salvador Covarrubias, (562) 674-3076 salvador@northstarlandcare.com

As the President of North Star Land Care, I, Jose Antonio Martinez have the official authority to bind our company to the City of Compton proposal requests. Corporate Office is located at 10831 Downey Avenue, Downey, California, 90241. I am authorized and certify, that this proposal being submitted is valid for 90 days. As the contact person for this proposal, please feel free to contact me directly if you have any questions or need further information at (562)674-3076 or tony@northstarlandcare.com.
Sincerely,

Jose A. Martinez
President

# STATEMENT OF QUALIFICATIONS

North Star Land Care is a new venture founded by Mr. Jose Antonio Martinez. Although North Star is a new venture, Mr. Martinez brings over 25 years' experience providing complete tree care maintenance. In 1993 Mr. Martinez was one of the youngest Certified Arborist in the world. Mr. Martinez is responsible for overseeing all aspects of the business but has assembled a multi-faceted team which makes North Star not only subject matter experts but progressive in its approach to managing the company. Quality and continuous improvement are at the forefront of day to day operations. We strive to provide superior customer service. With this is in mind, North Star specializes in the full tree care maintenance services and prides itself on the quality of properly maintaining all trees for our clients in a professional and timely manner ensuring tree related public safety at all times. Currently there are four (4) Certified Arborist on staff and two (3) team members have been identified as candidates for certification. We provide a web-based database, "NS TREE CLOUD", with complete tree inventory and relevant service data and characteristics.

**Please see table below for complete company details.**

| | |
|---|---|
| **Company Name**<br>**Address**<br>**Phone Number** | **North Star Land Care**<br>**10831 Downey Ave**<br>**Downey, CA 90241**<br>**(562)674-3076** |
| **Federal Tax Identification Number** | **82-4619683** |
| **DIR Registration Number** | **1000056611** |
| **California Contractor License** | **1034669** |
| **License Types** | **C61 D49, C27, (Tree Services & Landscaping)** |
| **Type of Business** | **California Corporation** |
| **Industry** | **Tree Maintenance** |
| **Combined Years of Personnel Experience** | **50+ years** |

***North Star prides itself in building relationships not only with the City but also with the communities we work in. Part of our Community Benefits participation will include joining the Compton Chamber of Commerce. As a member of the chamber we will merge with local non-profits and donate up to 2.5% of the yearly contract amount.***

North Star prides itself hiring the best employees and retaining them. We quickly introduce new employees and immerse them into our company culture and professionally train them for their specific job classification. We provide our employee with an environment that is fulfilling therefore, keeping our team motivated and happy which in turn results in excellent service and low turnover. Staffing and relevant experience is provided in the next section. North Star Land Care has never in its history been disqualified or have entered any type of litigations with any government agency.

# LICENSING

North Star is a licensed contractor in the State of California (state License # 1034669) and holds the C61, D49, and the C27 licenses all in good standing. North Star is a California Corporation without Federal Identification number being 82-4619683. North Star is also registered with the Department of Industrial Relations, registration #1000056611.

dca

CONTRACTORS
STATE LICENSE BOARD
ACTIVE LICENSE

1034669 CORP

NORTH STAR LAND CARE

C27 C61/D49

01/31/2022 www.cslb.ca.gov

State of California
Department of Industrial Relations

## Contractor Information

Legal Entity Name
NORTH STAR LAND CARE
Legal Entity Type
Corporation
Status
Active
Registration Number
1000056611
Registration effective date
07/01/20
Registration expiration date
06/30/21
Mailing Address
10831 Downey Ave Downey 90241 CA United States of America

3. **Tree Work Performed:**
    a. Will be according to the International Society of Arboriculture or National Arborist Association and to the City specifications (see detailed specifications of Request for Proposal).
    b. Staff will maintain a written log of all complaints including the date, time of occurrence, location, problem, and action to be taken pursuant thereto or reasoning for non-action. Log is to be reviewed by the City representative at the end of each day or as directed by the City. Pictures are to be taken at time of incident.
    c. Hazardous Tree Notifications: Staff will report to the City Arborist/ Grounds Supervisor of any tree defects or hazardous trees within an hour of notice.
    d. Any activities found by the City to be unacceptable will be rectified immediately. All other complaints shall be abated within 24 hours of occurrence by North Star.
    e. North Star will be responsible to see that private property and vehicles at work locations are not endangered or damaged during the course of work. The City authorized representative will serve as mediator between the contractor and resident if property or vehicular damage should occur during the course of work. Sign stands, delineators and/or cones shall be used to identify work site for vehicular and pedestrian safety.
    f. Staff will exercise precaution as necessary when working adjacent to aerial utilities. In the event that aerial utility wires present a hazard to personnel or others near work site, work is to immediately cease and the appropriate utility company notified by North Star.
    g. Sprinkler repair will be made immediately. All North Star Supervisors' trucks are equipped to handle most sprinkler repairs as they occur.
    h. No hooks, gaffs, spurs, or climbers will be used by anyone employed by North Star for tree trimming. Plants or other material growing on the trees shall be removed at ground level at time of trimming.
4. **Wildlife Protection Plan:**
    a. North Star understand the importance of the wildlife protection plan. We currently instruct all of our employees that if they come across any birds, nests, feathers, eggs, etc... they are to stop any tree work immediately and NOT touch or remove it themselves. They have also been instructed to notify their supervisor immediately so that he/she can notify the City officials and make the proper determinations.
    b. North Star currently has employees certified with the Wildlife Training Institute...after careful research we felt the need to be completely certified as a wildlife protector, in order to address these issues properly and safely.
    c. Our Company has partnered up with a Biologist that from time to time inspects specific trees for wildlife nests.
5. **Hours of work in City:**
    a. North Star will observe all holidays recognized by the City and the City shall provide inspection for a 40-hour work shift (7:00 am to 4:00 pm or as directed by the City)
    b. Before performing any work at said times, staff shall give written notice to the City so that proper inspection may be provided and so that appropriate noise and lighting standards may be imposed.
    c. No maintenance functions that generate excess noise which would cause annoyance to residents of the area shall be commenced before 7:00 am.
6. **Emergency – On Call Work**
    a. North Star will provide the City with 24-hour emergency phone numbers and names of at least two (2) assigned individuals to be contacted in case of an emergency or call out.

b. Staff will respond and begin emergency work/call out within 1 hour and will communicate with assigned City staff of the completion of assigned work via, telephone call, text or email.
c. City staff will be immediately notified if any changes in assigned North Star personnel, telephone numbers.

7. **Clean-Up & BMP**
   a. North Star shall clean all job sites when work is completed, including the raking of leaves, twigs, etc. from the lawns and parkways and the sweeping of streets.
   b. Each day's scheduled work shall be completed and cleaned up and under no circumstances shall any brush, leaves, debris or equipment be left on the street overnight unless authorized by the Director, her/his designee, and residents adjacent to equipment are all notified.
   c. City authorized representative shall be the sole judge as to the adequacy of the clean-up.
   d. Staff shall fully adhere to the City's BMP practices.
   e. Temporary Sediment Control shall be utilized to prevent any green-waste material from entering the storm drains.
   f. Vehicle washing, mechanic or other non-storm or other activities shall be contained within the project site using the right BMPs.
   g. Staff will adhere to Federal, State and local requirements for BMPs.
8. **Compliance with Laws and Regulations:**
   a. North Star shall keep employees fully informed of and shall observe and comply with, and shall cause any and all persons employed to observe and comply with, all State, Federal, County and City, laws, ordinances, regulations, orders, and decrees which in any manner affect the conduct of the work.
9. **Drug Free Workplace:**
   a. North Star published a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in Contractor's workplace, specifically the job site or location included in this contract, and specifying the actions that will be taken against the employees for violation of such prohibitions.
   b. North Star has established a Drug Free Awareness Program to inform employees about the dangers of drug abuse in the workplace.
   c. North Star's existing policy of maintaining a drug free workplace and the penalties that will be imposed upon employees for drug abuse violations occurring in the workplace. Taking appropriate personnel action against such employee, up to and including termination.
10. **Brochure/letter:**
    a. North Star will provide the City a sample brochure *"Public Notice of the Tree Trimming Program"* for approval before starting any tree work in the City. Once sample brochure has been approved, final draft will be printed and distributed 24 to 48 hours prior to commencing any tree trimming work. A sample copy has been included in this proposal.
11. **Photographs:**
    a. North Star will supply the City representative photographs of "Before and After" trimming that is suitable for reproduction if required.
    b. North Star will supply the City representative photographs of any damages that occur to public and or private property or persons.
12. **Disposal of Materials:**
    a. All tree branches produced as a result of North Star's operations will be reduced, reused, recycled, and/or transformed.

b. Weight slips or load slips for material removed from the City will be submitted to the City once a month as proof of final disposal to a recycling facility for documenting reusage per AB 939.
c. All tree branches chipped and/or mulched shall be made available free of charge to the City.
d. Staff operates a fully licensed and permitted Green Waste Transfer & Recycling facility in the County of Riverside and County of Los Angeles.

**13. Public Safety/ Traffic Control:**

a. North Star shall furnish, erect and maintain such lights, barricades, bridges and other devices as required by the City, State, Federal and County "Public Safety" of the Standard Specifications. Should the City point out the inadequacy of warning devices or should the City approve the location of warning devices, such action shall not relieve North Star of responsibility for public safety, nor abrogate its obligation to furnish and pay for these devices.
b. All construction signs to be used on the job site and on the approaches to the job site shall conform to those standards set forth by the State of California, Business and Transportation Agency, Department of Transportation, Manual of Traffic Controls, latest edition and WATCH (Work Area Traffic Control Handbook).
c. Barricades shall be effectively reflectorized by having not less than one-half of the top board of the barricade covered with reflectorized sheeting surface or two 3-inch diameter reflector units. All other types of delineators shall have reflectorized sheeting, other reflective surfacing, or 3-inch unit reflectors.
d. All warning flashers shall be kept in good working order and each flasher shall have some type of reflective surface.
e. No material or equipment shall be stored where it will interfere with the safe passage of public traffic, and at the end of each day's work and at other times when tree trimming operations are suspended for any reason, North Star shall remove all equipment and other obstructions from that portion of the roadway open for use by the public traffic.
f. Spillage resulting from hauling operations along or across any public traveled way shall be removed promptly.
g. Whenever North Star's operations require one-way traffic or create a condition hazardous to the public traffic, staff shall provide and station competent flagmen whose sole duties shall consist of directing the movement traffic through or around the work. Staff shall also furnish such flaggers as are necessary to give adequate warning to traffic or public of any dangerous conditions as included in the various bid items.
h. Under no circumstances will any City street be closed to thru traffic unless authorized by City official.

**14. Customer Service:**

a. In the forefront of providing great customer we have Salvador Covarrubias, who holds a Bachelor's Degree in Consumer Affairs who bring all customer needs to light as he instills the core values of being felt valued and appreciated to all our customers from the public to city staff. North Star believes strong customer service is a foundational pillar to a successful relationship. North Star has highly trained customer service representatives in speaking with the staff on any concerns they might have. All our customer service representatives are very patient and courteous. They have been trained to use the best possible approach to address any concerns or issues that might arise from the staff, administration, City council or the public. At North Star we have customer representatives on the line daily who will answer and respond to any phone or email demands that may arise. At North Star we understand the importance of listening to a resident's complaint while NOT interrupting

them while they are always speaking, we are respectful and calm. This will help resolve the issues on hand immediately and efficiently

b. Our protocol is to have complaints resolved within 24 to 48 hours of the incident. Our representatives are trained to specifically handle and resolve damage to any property, both private and public. North Star has the capability to immediately address and dispatch our incidents representative to the incident site to take the proper measurements and take action right away. All repairs should be acceptable to the City, and the private property/resident.

**15. Training**

a. When hired at North Star, our employees go through orientation where they will become aware of dangers that may arise on the job site as well as be given a description and their duties assigned to their role.
b. In the first 2 week, employees will have on field training where a field manager will be assisting them in learning day to day operations.
c. Twice a year North Star sends out employees to develop more specialty training from CPR training, Aerial Rescues, and Traffic Control.
d. Weekly, our Safety Coordinator presents a tail gate meeting where we cover safety topics for our North Star workers to be reminded that do our daily work in the safest manner.

**North Star's Green Waste Statement**

We account on a daily basis all green waste that is collected from the city, we then break down all material type (logs, or chipped material), the Grid or maintenance district, to the tons, and State approved recycling facility. We input this information along with our work completed onto our Database where we store and maintain green waste records. We deliver these records to the Client upon request or in set intervals.

**North Star's Planting Program Statement**

We work with a handful of nurseries and our ability to purchase trees is attainable through our established relationships with tree growers and nurseries. We focus on purchasing certain type of species that have a reputation of being compatible with urban infrastructures. The trees will be stored within a short driving distance to the city of Compton in one of our satellite yards where they will get their proper water treatment.

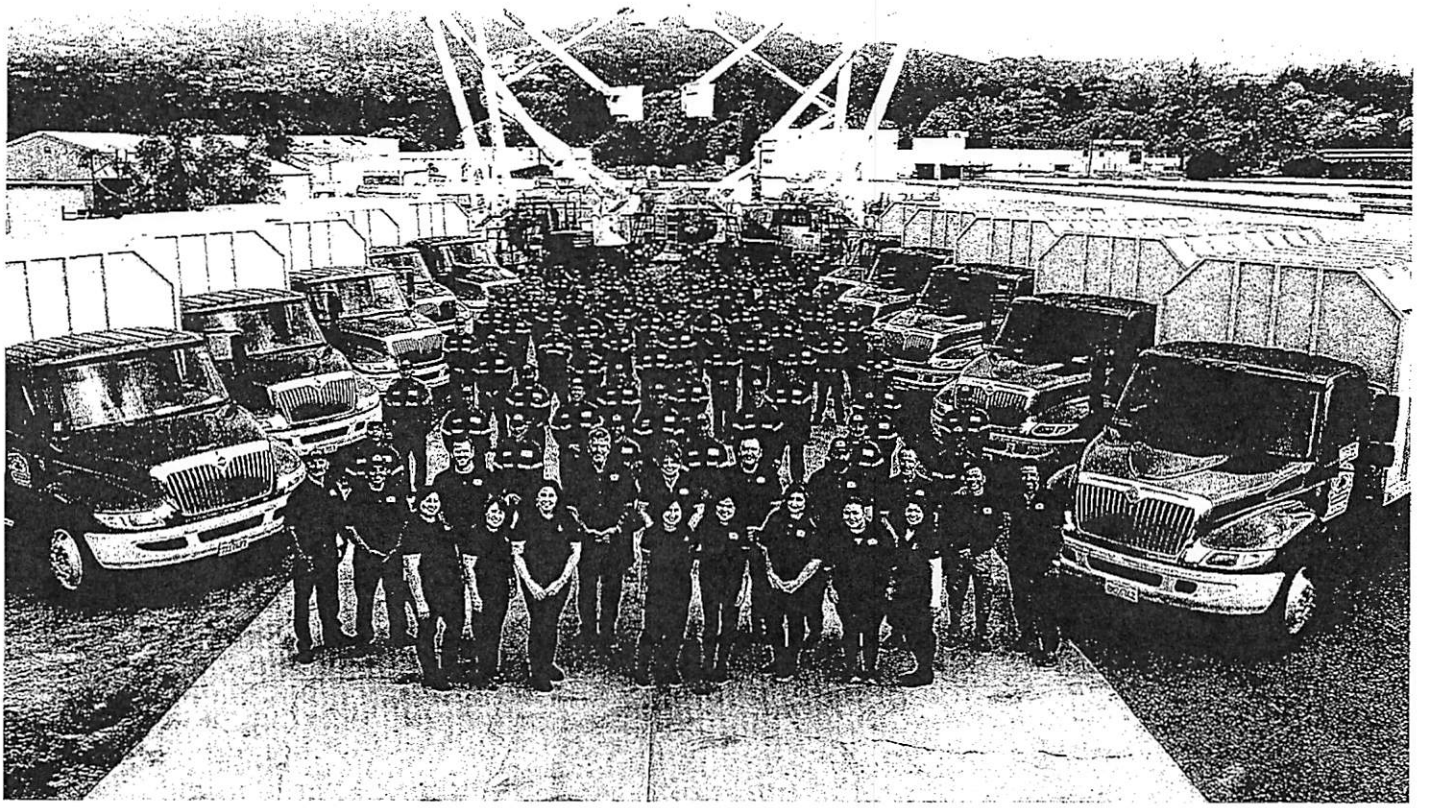
**North Star's Aerial Equipment OSHA Certification**

Reports and certificates will be made available upon request.

# TREE MAINTENANCE PROPOAL

## Prepared For: City of Compton

RFP: Tree Maintenance Service
*September 17, 2020*



10761 Court Avenue, Stanton, CA 90680 • Tel 714.826.1750 • Fax 714.826.1753 • www.gstsinc.com

# LETTER OF TRANSMITTAL

City of Compton
Attn: Damion Timmons
Street Superintendent
205 South Willowbrook Avenue
Compton, CA 90220

**RE: RFP Tree Maintenance Services**

Dear Mr. Timmons,

On behalf of the entire Great Scott Tree Service Team, I'd like to personally thank you for the opportunity to submit a proposal for Tree Services in the City of Compton. We look forward to the opportunity of partnering with the City, and together we will continue to make this great city a beautifully landscaped and responsibly maintained home for all of its residents and businesses.

Our plan is to come alongside the City's Representative to manage the tree care needs within the City of Compton. We will do this through enhancing the safety, aesthetics, and overall health of the current urban forest. We will assimilate the City's current maintenance schedule and future needs into our operations. We will work together on a long-term planning approach, which will improve the efficiency, longevity, and cost controls for the City. The focus of our team is to design and implement a seamless process for the City and its constituents. We will always deploy a team equipped with a modern fleet and up to date equipment to perform the tasks requested. At the core of our operation is Great Scott Tree Service's commitment to our corporate safety policy. In addition, we continually strive to be an organization that works hard to reduce the environmental impact within the communities we service.

We have included a detailed outline of our Corporate Qualifications, the Qualified Team assigned to this project, and our Detailed Work Plan. Each member of our team has an extensive background in the Tree Care Industry and will serve as a great resource. At the forefront of our key staff that we will assign to this contract are ISA Certified Arborists: Kirk Hinshaw (Vice President of Operations) and Jaime Meza (Area Manager) who will serve as your Project Managers.

We will be committed to perform and complete the proposed urban forestry maintenance program in a thorough and professional manner, and to provide all labor, tools, equipment, materials and supplies necessary to complete all the work in a timely manner that will meet the City's requirements. We will utilize our state-of-the-art inventory software so that we can work together on constructing an annual maintenance program that will look forward at not only the current year but will focus on the preservation of the City's Urban Forestry Plan for years to come.

We dedicate ourselves to building positive relationships with our clients and are looking forward to the opportunity to have the City of Compton join our resume of distinguished and satisfied clientele. We are pleased to submit our proposal and hope to begin a longstanding business relationship together.

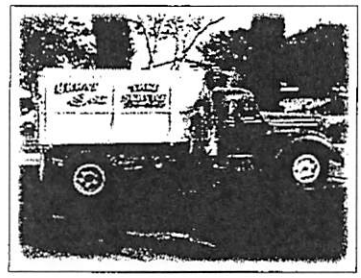
Sincerely,

Scott Griffiths,
President & Secretary
Great Scott Tree Service, Inc.
10761 Court Avenue, Stanton, CA 90680
Telephone: 714-826-1750

## OUR VISION

*"The Great Scott Tree Service vision is caring for trees that enhance the beautiful landscapes of Southern California communities for today and future generations."*

## ABOUT US



Great Scott Tree Service was started in 1976 with a pickup truck, a chain saw and a mission to provide high quality tree maintenance at a competitive cost. Over the years we have developed into a key member of the Southern California tree maintenance industry. Our business is focused on Municipalities and Commercial accounts in the Orange County and Los Angeles County Areas. We provide our customers with on-line computerized inventory with mapping; multi-year maintenance plans; scheduled tree maintenance; tree removal and planting; and full electronic tracking from Proposal thru Invoicing. We stand on our reputation for excellent customer service and high-quality tree care in the tree service industry. Our Corporate offices are located at 10761 Court Ave, Stanton, CA since 1987. We currently employ over 118 qualified professionals including Arborists and Tree Workers certified by the International Society of Arborists (ISA). They are fully trained and knowledgeable of the latest pruning standards and techniques. We have 190 pieces of state-of-the-art equipment located at our yard in Stanton and also a co-located green-waste recycling facility.

## FINANCIAL STABILITY

Great Scott Tree Service Inc. is operating at a current run rate of 18M+ per year and is seeing a consistent year over year growth rate of over 12% for the last 4 years. We currently have an operating line of credit of $ 750K and an approved available additional Equipment financing of $1.5M+. Reviewed Confidential Financial Statements are available for your evaluation associated with this proposal.

## CUSTOMER SERVICE

In today's customer service oriented society, timely, friendly, and proactive service is paramount in enhancing client experiences and creating long term business relationships. At the core of Great Scott's business model is our dedication to customer care and many of our internal processes have been engineered to serve your best interests. When partnering with GSTS you will always be provided:

- *An Executive Project Manager who will be dedicated to the success of your project. Your project manager will be responsible for understanding, outlining, and implementing all of your expectations under this contract. This person will always have the authority to do all that is necessary to create the best possible results for your vision of this contract.*
- *A dedicated customer service representative will provide you with timely, courteous, and accurate support throughout the duration of your contract*
- *An English-speaking ISA Certified Arborist will oversee all ongoing operations and will be your direct point of communication to all onsite crews at the ground level.*

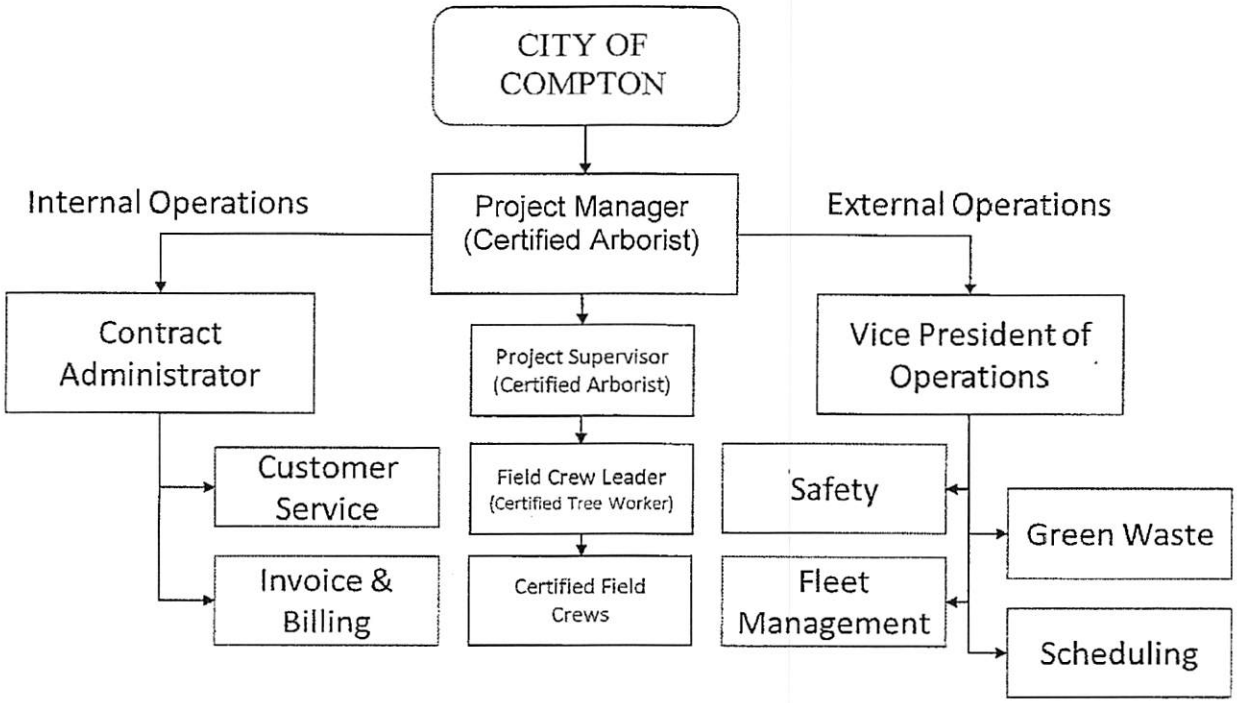
Everyone at Great Scott knows that our customers are our #1 Priority and have been trained to exhibit dependability, integrity, quality and courtesy at all times. We believe that you, the customer, are our greatest asset and we are dedicated to creating positive experiences for you.

**INTRODUCTION** – Great Scott Tree Service, Inc. is a family-owned and operated company located at 10761 Court Ave, Stanton, CA since 1987. We currently employ 118 qualified professionals out of our Orange County based Headquarters; including Arborists and Tree Workers certified by the International Society of Arborists (ISA). They are fully trained and knowledgeable of the latest pruning standards and techniques.

**DEDICATED STAFF**

Upon awarding of contract, Great Scott Tree Services Inc. will assign **Kirk Hinshaw** to be the Project Manager and **Jaime Meza** will act as your Project Supervisor. These individuals have a long history in the tree maintenance field and are ISA certified arborists. They will solely oversee the crews working within City Property. Along with the supervision of crews, Raudel will cooperatively work with the City on all ongoing work, scheduling of future work, work requests, emergencies, and attend meetings with City personnel when requested. In the event of absence or illness, City Staff will be notified of his replacement and credentials for review and approval. It is imperative that our customers are able to contact a Great Scott Tree Service, Inc. employee at any time. The Project Supervisor is in the field continuously supporting his Crew Leaders and will be attending, in addition to the Project Manager, scheduled meetings with City officials.

**GREAT SCOTT TREE SERVICE ORGANIZATION CHART**



## KEY PERSONNEL

**Scott P. Griffiths,**
*President / Founder*



**Professional Registration**
**ISA, Certified Arborist #WE-0901AM**
**ISA, Certified Municipal Arborist**

*Mr. Griffiths* founded Great Scott Tree Service, Inc. in 1976. As President, Scott oversees the complete operation of the company. He is a Certified Arborist and long-standing member of the International Society of Arboriculture. Over the past 43 years, Scott has developed a successful company on the foundation of customer satisfaction, safe operations, and quality tree care.

**Kirk Hinshaw**
*Vice President of Operations*



**Professional Registration**
**ISA, Certified Arborist #WE-1475A**

*Kirk* Has worked in the tree care industry for over 30 years. He is a graduate from Southern Illinois University where he received his degree in Forest Resource Management. Kirk plays a key role in making sure our operations are providing the finest quality tree care in the most efficient way.

**Jeanie Roulson,**
*Director of Internal Operations*



*Jeanie Roulson* is our Director of Internal Operations. Her responsibilities include, but are not limited to ensure that process and communication flow from customers to GSTS remain open and efficient and to ensure work is getting processed in a timely manner. She has been with GSTS for 12 years and her friendly, attentive, and timely manner make her a great asset to both us, and the clients that she serves.

**KEY PERSONNEL - continued**

**Selestino Mercado,**
*Safety Coordinator*



**Professional Registration**
***Cal/OSHA Certified - Construction Safety and Health***
***ISA Certified Climber Specialist #WE11009T***
***HAA Certified Tree Worker #00101***
***HAA Certified Aerial Lift Instructor***
***HAA Certified Aerial Rescue Instructor***
***HAA Certified EHAP***
***Certified FA/CPR-AED***

*Sel* brings over 27 years of experience and a passion for giving back to the industry. As Safety Coordinator he is responsible for the implementation of appropriate safety measures and upholding of quality work standards on the part of field employees.

**Jaime Meza,**
*Project Supervisor*



**Professional Registration**
**ISA, Certified Arborist #WE-10529A**
**ISA, Certified Tree Worker #2190C**

*Jaime Meza* has been with our firm for 15 years and is an ISA Certified Arborist and Certified Tree Worker. Jaime will oversee all of your dedicated foremen as well as all ongoing operations on-site.

**Victoria Farias,**
*Municipal Production Supervisor*



*Victoria Farias* has been with Great Scott Tree Service, Inc. for four years. She is responsible for coordinating all work scheduled within our municipal division. She and her team are responsible to field all service calls and will be the internal point of contact for City of Compton. She will ensure that the communication between City Staff and Great Scott Tree Service will be second to none.

# Section 2. STAFF QUALIFICATIONS

**EMPLOYEE CERTIFICATION** - Great Scott Tree Service, Inc. goes one step beyond just hiring qualified employees, it also works with employees to obtain arborist certification, tree worker certification, as well as wildlife certifications. The breadth of knowledge within our staff is important as in the event of absence or illness another qualified and certified employee would be able to fill in seamlessly. A list of certified employees is listed below.

**TCIA ACCREDITATION** - We are in progress to receive our TCIA accreditation. The accreditation process is lengthy and requires approximately 1 year to complete. We anticipate being completed by the end of this year. January 2020 be submitted the application and began the process for accreditation we have been assigned an auditor to continue to see us through this process and all indications show that we will indeed be awarded the accreditation.

**CERTIFIED ARBORISTS** - The International Society of Arboriculture (ISA) through research, technology, and education, promote the professional practice of arboriculture and fosters a greater worldwide awareness of the benefits of trees. The ISA offers a rigorous program which our certified arborists have partaken in. It is vital to the health and wellness of urban forests to ensure that a certified arborist oversee the City of Compton contract. Our arborists are required to accumulate a minimum of ten Continuing Education Units per year, which most of our arborist exceed. Below is a current list of our Certified Arborist's.




| | | | |
|---|---|---|---|
| Aguilar, Francisco | WE-10583A | Hinshaw, Kirk | WE-1475A |
| Andrade, Salvador | WE-10747A | Keil, Parker | WE-10642BA |
| Arvizu, Enrique | WE-10530A | Meza, Jaime | WE-10529A |
| Darden, Stephen | WE-7654A | Ruelas, Daniel | WE-10688A |
| Griffiths, Scott | WE-0901AM | Salinas, Moises | WE-8682A |
| Gutierrez, Raudel | WE-10588A | Tran, Ba | WE-6543A |
| Gutierrez, Servando | WE-11081AT | | |

*AM denotes Certified Municipal Specialist
*AU denotes Certified Utility Specialist

**CERTIFIED TREE WORKERS** - The ISA also provides certification for tree workers to ensure strict standards and guidelines are set in place to ensure health and productive growth in trees across the country. Great Scott Tree Service, Inc. strictly trains and assigns certified tree workers to do all tree cutting for all our customers to ensure work is done to the highest standards. All of our Certified Tree Workers are required to have a minimum of six Continuous Education Units in order to educate themselves on any new requirements or changes. Below is the list of our Certified Tree Workers:




| | | | |
|---|---|---|---|
| Aguilar, Francisco | 2236C | Ortiz, Fabian | 2154C |
| Andrade, Salvador | 2237C | Ortiz, Jose L. | WE-11038T |
| Arvizu, Enrique | 2103C | Ozuna, Isaac | WE-9119T |
| Escobedo, Jesus | 859C | Padilla, Juan | 2296C |
| Gonzalez, Ruben | 2403C | Pavia, Fernando | 2345C |
| Gutierrez, Servando | 2262C | Pavia, Gorge | 1768C |
| Lopez, Paulino | 2265C | Renderos, Edwin | 2355C |
| Meza, Jaime | 2190C | Reulas, Daniel | 1610C |
| Mota, Juan | 2404C | Vergara, Pablo | WE-8279T |
| Ortiz, Alejandro | 2153C | | |

# Section 2. STAFF QUALIFICATIONS

**CA CONSULTING ARBORISTS**
Meador, Chris
Norman, Kerry
Simms, Susan

**CA PEST CONTROL ADVISOR**
RPW AA 02023
Kevin Holman QL 30247
Susan Simms

**QUALIFIED TREE RISK ASSESSOR**
Norman, Kerry
Meador, Chris
Simms, Susan
Griffiths, Scott
Keil, Parker

**QUALIFIED APPLICATORS LISCENSE**
Parker Keil #139423

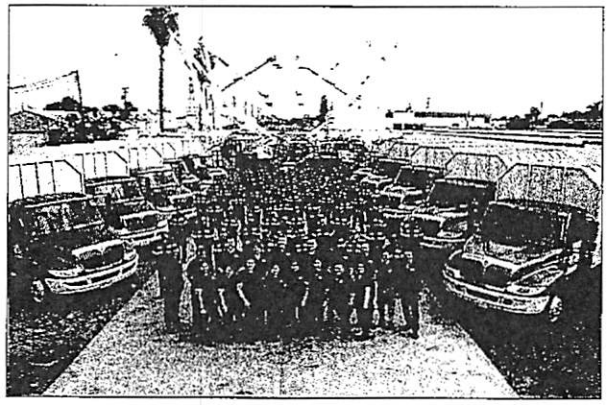
**BOARD CERTIFIED MASTER ARBORIST**
Parker Keil WE-10642BA

**CONTRACTORS LICENSE**
State of Certification: California
License Number: 556832
Entity: Corporation
Business Name: Great Scott Tree Service
Classifications: C61/D49 B C27
Expiration Date: 02/28/21

**REGISTERED PUBLIC WORKS CONTRACTOR**
DIR Registration Number: 1000004820
Expiration Date: June 30, 2021


dca
CONTRACTORS
STATE LICENSE BOARD
ACTIVE LICENSE
License Number 556832 Entity CORP
Business Name GREAT SCOTT TREE SERVICE INC
Classification(s) C61/D49 B C27
Expiration Date 02/28/2021 www.cslb.ca.gov

## INTRODUCTION



Over the past 15 years we have placed focus on the expansion of our municipal division and are successfully continuing to do so. The Company currently employs 118 qualified professionals including ISA certified arborists and tree workers. We are fully bonded and licensed under the State of California and we are a Registered Public Works Contractor, registered with the Department of Industrial Relations (DIR). The Company's services include tree maintenance and management services including but not limited to complete tree trimming, safety trimming, tree removals, planting, watering, emergency response and GPS Inventory services. The Company's flagship online inventory program – TrimIT, provides the tree manager with tools to view past work history, track current budget and scheduling plans, and project future maintenance costs. Below is a sample listing of some of our larger contracts we have performed:

### MUNICIPALITIES

- City of Carmel Valley
- City of Carson
- City of Chula Vista
- City of Compton
- City of Cypress
- City of El Monte
- City of El Segundo
- City of Hawthorne
- City of Irvine
- City of Lake Forest
- City of Lake Arrowhead
- City of Long Beach
- City of Newport Beach
- City of Rosemead
- City of San Diego
- City of Seal Beach
- City of Stanton
- City of Westminster
- City of West Hollywood
- County of Orange
- County of San Diego
- City of San Diego Metropolitan Water Division
- Caltrans
- Golden State Water District
- Irvine Ranch Water District
- LA Metropolitan Transport Authority (MTA)
- OC Water District
- OC Transportation Authority
- Laguna Heights Recycled Water Reservoir
- Moulton Niguel Water District
- Los Angeles Convention Center

### EDUCATION

- Bellflower USD
- CSU Long Beach
- Golden West College
- Long Beach USD
- Mount Saint Mary's College
- Paramount USD
- UCI
- USC

### COMMERCIAL

- Arden
- BRE Properties
- CBRE
- Irvine Company Retail
- Kaiser Permanente
- Merit PM
- Optimum PM
- PCM

### PRIVATE

- Crystal Cathedral
- District at Tustin
- Irvine Spectrum
- Pelican Hill Golf & Resort
- Shady Canyon Golf Course
- Newport Crest HOA
- Santa Lucia HOA
- Ziani HOA

## CLIENT REFERENCES

| DATE | VALUATION | CLIENT / PROJECT DESCRIPTION | CONTACT |
|---|---|---|---|
| 2017 - 2019 | Annual Contract<br>$735,000.00<br><br>*100% GSTS*<br>*Labor Force* | **City of Cerritos**<br>• Provide grid trimming of 2,590 trees for Districts 14, 19, & 20 and remove 398 arterial and residential trees throughout the City. Provide as needed annual services for maintenance, trimming, removal, replacement and GPS inventory updates. | **Todd Kuh**<br>Parks Superintendent<br>562-916-1224<br>tkuh@cerritos.us |
| 2013 - 2020 | Annual Contract<br>$2,234,283.00<br><br>*100% GSTS*<br>*Labor Force* | **City of Irvine**<br>• Annual services for maintenance, removal and replacement of trees as needed, as well as maintain GPS inventory of the ~57,500 trees within the City's urban forest. | **Casey Gnadt,**<br>Landscape Supervisor<br>949-724-7621<br>CGnadt@ci.irvine.ca.us |
| 2015 - Present | Annual Contract<br>$419,779.00<br><br>*100% GSTS*<br>*Labor Force* | **City of Lake Forest**<br>• Annual services for maintenance of trees within facilities, medians, roadsides, parks, parkways, and trail areas in various locations throughout the City. Maintain and update the Cities GPS inventory of ~13,525 trees within the City. | **Michael McConaha,**<br>Public Works Maint. Mgr.<br>949-461-3576 |
| 2015 - Present | Annual Contract<br>$885,500.00<br><br>*100% GSTS*<br>*Labor Force* | **City of Long Beach**<br>• Annual services for maintenance, removal, and replacement of trees within Parks (163 Sites), Beach Areas (7 Sites), Marinas (9 Sites), and MTA Right-of-Way (Various Sites). Maintain and update the Cities GPS inventory of ~36,000 trees within the City Parks. | **Jeffery King,**<br>Contract Monitor<br>562-570-1592 |
| 2013 - Present | Annual Contract<br>$1,524,467<br><br>*100% GSTS*<br>*Labor Force* | **City of Newport Beach**<br>• Annual services for maintenance, removal and replacement of trees as needed, as well as maintain GPS inventory of the estimated 35,000 trees within the City's urban forest. | **Kevin Pekar,**<br>City Arborist<br>949-644-3309 |
| 2009 – 2018 | Annual Contract<br>$132,680.00<br><br>*100% GSTS*<br>*Labor Force* | **City of Seal Beach**<br>• Provide services for the annual maintenance of 6,500 Trees, Palms, and anticipated removal of within the City's Urban Forest | **Tim Kelsey,**<br>Recreation Manager<br>562-493-8660 |
| 2003 - 2009 | Annual Contract<br>$750,000.00<br><br>*100% GSTS*<br>*Labor Force* | **County of Orange**<br>• Provide services for trimming of 6,070 Trees, 520 Palms, and Removal of 335 trees at Various county owned properties. Work consists of trimming street trees for vehicle and pedestrian clearance, aesthetic tree trimming, trimming of large trees, palm tree trimming, tree removal, and flood control channel right-of-way trimming. | **Tammy Bragg,**<br>Public Works Maintenance Supervisor<br>714-955-0234 |
| 2007 – Present | Annual Contract<br>$330,000.00<br><br>*100% GSTS*<br>*Labor Force* | **The Irvine Company**<br>• Consists of the Aesthetic Pruning, raising, removing, planting, skinning / pineapple, sounding, and treatment of the ~11,750 trees maintained within Retail Property Portfolio. | **Anthony Terusa**<br>Landscape Director<br>949-720-2713 |

WCA

*Setting the gold standard.*

# CITY COMPTON
## RFP FOR TREE MAINTENANCE SERVICES

WCAINC.COM • 800.521.3714 • LIC #366764 • DIR #1000000956



Tree Pruning

Tree Removal

Tree Planting

GPS Tree Inventory

Emergency Response

Plant Health Care

ISA Certified

*Tree Care Professionals Serving Communities Who Care About Trees* www.WCAINC.com

September 16, 2020

City of Compton
***Attn: Mr. Damion Timmons, Street Superintendent***
205 South Willowbrook Avenue
Compton, CA 90220

**RE: RFP: Tree Maintenance Services**
**Due: Thursday, September 17, 2020 at 05:00PM**

To whom it may concern;

Thank you for allowing West Coast Arborists, Inc. (WCA) the opportunity to submit a proposal for tree maintenance services for the City of Compton. WCA is a family-owned and operated company employing nearly 1,000 full-time employees providing various tasks to achieve one goal: serving communities who care about trees. We have reviewed, understand, and agree to the terms and conditions described in this RFP. We also hereby acknowledge that we meet the minimum requirements and responded to each of these requirements to the best of our ability. Our proposal is valid for a minimum of 90 days.

WCA's corporate values include listening to customers and employees to help improve services offered. By establishing clear goals and expectations for the organization, supporting its diverse teams, and exchanging frequent feedback from customers and employees, we are able to provide 'gold standard' tree care services. WCA's top management team has created a culture where employees become accountable for actions and results. Our Tree Care Industry Association (TCIA) company-wide accreditation is evidence of the commitment WCA has to our safety and training programs, customer satisfaction and our capacity to maintain industry standards.

WCA has a 48-year track record of working for more than 300 California and Arizona municipalities as well as other various agencies. Our company has been in business since 1972 and is licensed by the California State Contractors License Board under license #366764. We have held this license in good standing since 1978. The license specializes in Class C61 (Tree Service) as well as Class C27 (Landscaping). We currently employ over 80 Certified Arborists and over 150 Certified Tree workers, as recognized by the International Society of Arboriculture. WCA is also registered with the Department of Industrial Relations (DIR) for Public Works projects, our registration number is 1000000956. All work will be performed in-house; no subcontractors will be used.

Our employees will operate from one of our seven California Offices: Anaheim Office, East Via Burton, Anaheim, CA 92806. For questions related to this proposal and who has the authority to negotiate/present please contact Victor Gonzalez, V.P. Business Development, at (714) 991-1900 or at vgonzalez@wcainc.com. Robert Thompson, Area Manager, will be assigned to this project should WCA be awarded a contract. He can be reached at (714) 240-1645 or robthompson@wcainc.com.

Sincerely,

Victor Gonzalez
Vice President

# 1 STATEMENT OF QUALIFICATIONS

**WEST COAST ARBORISTS, INC. (WCA)** is a family-owned and operated union company employing nearly 1,000 full-time employees providing tree maintenance and management services. We are proudly serving over 300 municipalities and public agencies. We provide superior and safe tree care operations seven days a week, 24 hours a day throughout California and Arizona.

### COMPANY INFORMATION
President: Patrick Mahoney
Organization Type: Corporation
Established: 1972
Federal Tax ID: 95-3250682
DIR Registration: 1000000956
Members of Laborers' Union: LiUNA!

### CORPORATE OFFICE
2200 E. Via Burton St.
Anaheim, CA 92806

### REGIONAL OFFICES
Fresno, CA
Indio, CA
Phoenix, AZ
Riverside, CA
Sacramento, CA
San Diego, CA
San Jose, CA
San Francisco, CA
Stockton, CA
Ventura, CA

### CONTRACT ADMINISTRATION
Victor Gonzalez, Vice President
Corporate Office
Phone (714) 991-1900
Fax (714) 956-3745
Email: vgonzalez@wcainc.com

### FIELD MANAGEMENT
Rob Thompson, Area Manager
Phone (714) 240-1645
Fax (714) 936-0377
Email: rthompson@wcainc.com

### EMERGENCY RESPONSE 24/7
866-LIMB-DOWN

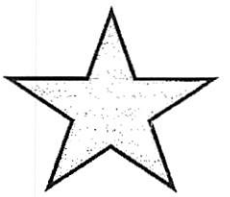
## OUR VISION
As a corporate citizen, WCA's responsibility and accountability are to the communities where we do business. We hold ourselves to the highest standards of ethical conduct and environmental responsibility, communicating openly with our customers and the communities in which we work. It is our goal and vision to lead the industry in state-of-the-art urban tree care and management services.

*Tree care professionals serving communities who care about trees.*

## 100% CUSTOMER SATISFACTION
Customer satisfaction is our top priority. We guarantee your complete satisfaction with every facet of our services. Our dedication to customer service has earned WCA a reputation unrivaled in the industry for dependability, integrity, quality and courtesy. We authorize our employees to do whatever is necessary to achieve the highest quality results. We know that high quality work saves our customer's valuable time and is far more cost effective if we do our work properly the first time. We are committed to courteous and prompt customer service to fully resolve any issue.



**80+ ISA Certified Arborists**



**45+ Years Experience (Similar Size & Scope)**



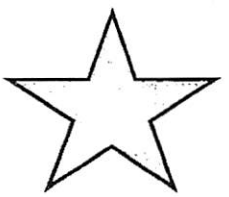
**950+ Qualified Employees**



**Proud Union Company LiUNA!**



**Local Office Anaheim**



**1,500 Pieces of Equipment (Owned)**

# CORPORATE CAPABILITIES

West Coast Arborists, Inc., is committed to successfully completing each project in accordance with the specifications, budget, schedule and with the highest quality of service. Our customers' satisfaction is a direct result of our means to carry out each project. Listed below are some of our corporate capabilities, which not only provide a sense of comfort and confidence to our customers, but also assure them of our continuous ability to carry out the duties of managing their urban forest.

- In business continuously and actively since 1972
- Contractor's License C61/D49 & C27
- Over $8,500,000 line of credit available
- Bonded by CBIC, an A+ rated company
- 950+ employees
- 300+ contracts with public agencies
- 80+ Certified Arborists
- 140+ Certified Tree Workers
- Drug-free workplace
- 14,000 sq. ft. company-owned Headquarters (Anaheim)
- Department of Agriculture Nursery license
- Avg. 500,000 trees **pruned** annually over past 3 years
- Avg. 18,000 trees **removed** annually over past 3 years
- Avg. 14,000 trees **planted** annually over past 3 years
- Avg. 250,000 trees **inventoried** annually over past 3 years
- Fully insured with insurance up to $10 million
- Federal Tax ID #95-3250682, current on all taxes and fillings with state and federal government
- Sales volume over $110 million annually
- Fleet of approximately 1,500 pieces of equipment

**Active Memberships:**

Tree Care Industry Association (TCIA)
International Society of Arboriculture (ISA)
League of California Cities (LCC)
California Parks & Recreation Society (CPRS)
Association of California Cities- Orange County (ACCOC)
Maintenance Superintendents Association (MSA)
California Landscape Contractors Association (CLCA)
Street Tree Seminar (STS)
California Urban Forest Council (CaUFC)
American Public Works Association (APWA)

State of California
Department of Industrial Relations

Contractor Information

| | |
|---|---|
| Legal Entity Name | WEST COAST ARBORISTS, INC. |
| Corporation | |
| Active | |
| 1000000956 | |
| 07/01/19 | |
| 06/30/22 | |
| 2200 E. VIA BURTON ANAHEIM 92806 CA United States of America | |
| 2200 E VIA BURTON ANAHEIM 92806 CA United States of America | |
| vgonzalez@wcainc.com | |
| License Number (s) | |
| CSLB:366764 | |

CONTRACTORS
STATE LICENSE BOARD
ACTIVE LICENSE

License Number **366764** Entity CORP

Business Name WEST COAST ARBORISTS INC

Classification(s) C61/D49 C27

Expiration Date 12/31/2020 www.cslb.ca.gov

CALIFORNIA DEPARTMENT OF PESTICIDE REGULATION
1001 I STREET
SACRAMENTO, CALIFORNIA 95814

ISSUED: January 01, 2020
EXPIRES: December 31, 2021

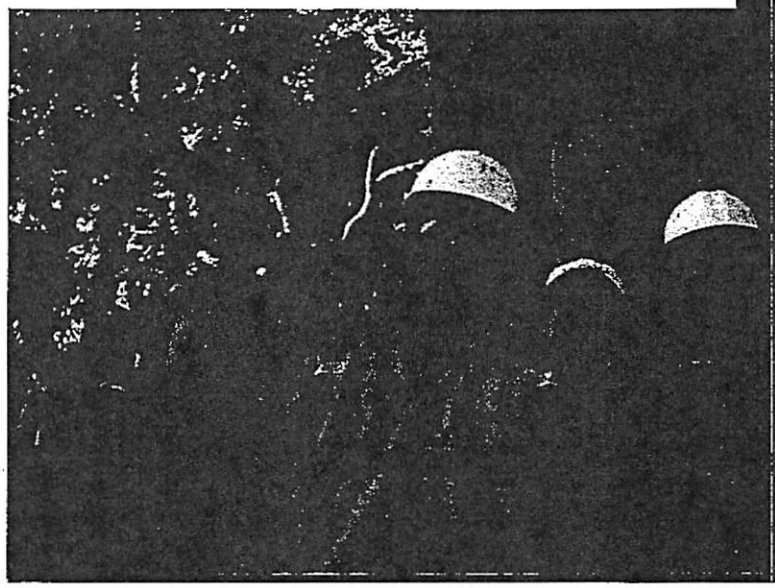
Pest Control Business - Main
LICENSE
LICENSE NO. 39575

Mailing Address
WEST COAST ARBORISTS, INC.
2200 E VIA BURTON ST
ANAHEIM, CA 92806

Business Location
WEST COAST ARBORISTS, INC.
2200 E VIA BURTON ST
ANAHEIM, CA 92806

POST THIS LICENSE PROMINENTLY IN PUBLIC VIEW
THIS LICENSE IS NOT TRANSFERABLE - ANY CHANGE IN OWNERSHIP REQUIRES A NEW LICENSE

# 2 STAFF QUALIFICATONS





**Staff members have diverse educational backgrounds including accounting, business administration, engineering, and forestry.**

## INTRODUCTION

West Coast Arborist's (WCA) is a company comprised of a management team and a safety committee. Staff members have diverse educational backgrounds including accounting, business administration, engineering and forestry.

## WORK FORCE

WCA actively maintains ongoing processes to assure that only qualified and competent staff provides safe and quality tree maintenance services. These skilled employees can only be achieved through both training and work experience. We believe that essential experience should always be obtained through qualified supervision; this includes both basic and extended skills. WCA makes every attempt to ensure that this is undertaken before performing work, leading a crew, or career advancement. The work performed on this contract is routine, recurring and usual. The work includes watering, trimming, pruning, planting, removal and replacement of trees and plants, and servicing of irrigation. The rates included in the Cost Proposal are based on the current prevailing wage determination for "Tree Maintenance (Laborer)."

## CERTIFICATION

WCA encourages its employees to get certified through the International Society of Arboriculture, in an effort to raise the standard of professional tree care companies. This standard exemplifies our company's commitment to providing customers with competent, knowledgeable certified workers. WCA employs a large number of ISA Certified Arborists and ISA Certified Tree Workers.

## CREW EVALUATION

WCA employees are evaluated through an internal mechanism supervised by our Management Team. Each employee performs their duties according to a criteria-based job description that reflects safety, quality workmanship, productivity, appropriateness of care, problem solving and customer service. A performance appraisal is conducted for each employee upon completion of the probationary period and at least annually thereafter. Each worker is also required to complete a competency assessment and orientation upon hire and annually thereafter in selected areas to assure that ongoing requirements are met and opportunities for improvement are identified.


Patrick Mahoney, President


Richard Mahoney, Vice President


Rose Epperson, Vice President


Debbie DePasquale, VP Contract Services


Chris Crippen, VP IT


Victor Gonzalez, VP Marketing


Andy Trotter, VP Field Operations


Randy Thompson, VP Operations


Nick Alagn, Regional Manager

# UPPER MANAGEMENT TEAM

From marketing, contract administration, field and fleet management, to information technology, our Upper Management Team is involved in the day-to-day operations supporting each Project Team and Customer to ensure the highest quality of tree care is being achieved in the industry.

## PROJECT TEAM

### ROB THOMPSON, PROJECT MANAGER

ISA Certified Arborist #WE 0915AU • ISA Tree Risk Assessment Qualified • TCIA Certified Safety Professional #755
TLC Wildlife Aware

Mr. Thompson has been with WCA since August of 2003. Before that time, he worked for the City of Tustin and a commercial tree service for 25 years. As an Area Manager, he is responsible for field operations and management of crews in South Los Angeles County. He is also involved in scheduling, evaluation and production of street tree maintenance. Mr. Thompson has over 35 years experience in the tree care industry.

### NESTOR VALENCIA, SUPERVISOR

ISA Certified Arborist #WE 11359A • TCIA Certified Treecare Safety Professional

Nestor has worked with WCA, Inc. since 2003. He started as a Groundworker and has since worked his way from Tree Trimmer to Foreman to now Area Supervisor. His knowledge and experience includes rigging, removals and using proper ISA pruning standards. Today, his responsibilities include assisting the Area Manager in scheduling and overseeing crews throughout the Southeast LA region. Responsibilities include employee training programs and ensuring proper safety procedures are being followed. Regular communication with the customer and citizens can be expected as related to scheduling, work being performed and any other inquiries that may arise while on the job site.

### DENISE RODRIGUEZ, CUSTOMER SERVICE REPRESENTATIVE (CSR)

As the CSR (Customer Service Representative), Denise is responsible for providing support to the Area Manager, Site Supervisors and crew. She is to act as a liaison between the company and it's clients as well as the general public. Denise is responsible for responding to customer service inquires and facilitating contracting functions, such as: mapping, underground service alert, data entry, field book preparation, list preparation, etc.

### ERNESTO MACIAS, RISK MANAGER, UNION LIASON

Ensures safety company-wide which includes the development, implementation and review of the company's in-house training programs, crew safety audits, and the company's Injury & Illness Prevention Program.

### TIM CROTHERS, PLANT HEALTH CARE MANAGER

ISA Board Certified Master Arborist #WE-7655 BUM • DPR Qualified Applicator #145321 • QAL Categories B&D

WCA's PHC program is managed in-house; there is no subcontracting. Staff is licensed by the CA Dept. of Pesticide Regulation. Our program goes beyond standard chemical applications as we have expanded our services to include an Integrated Pest Management program. Inspection, diagnosis and treatments are available as-needed.


Rob Thompson, Area Mgr. Nestor Valencia, Supv. Denise Rodriguez, CSR Ernesto Macias, Safety Mgr. Tim Crothers, PHC Mgr.

975+ Employees

# LiUNA!

In partnership with the Laborer's International Union of North America
**Higher Standards + Exemplary Training = Superior Employees**

## ISA Certified

82 Arborists

6 Board Certified Master Arborists

155 Tree Workers

WCA staff is trained to design and implement Traffic Control Plans.

ATSSA

1 Certified Urban Forester

112 WCA Certified Utility Line Clearance Workers

17 ISA Certified Utility Specialists

43 TCIA Certified Tree Care Safety Professionals

10 ISA Municipal Specialist

1 Nursery in Placentia & Dedicated Manager

6 Information Technology Specialists

75 Fleet Mechanics

16 NCCCO Certified Crane Operators

## *Unique Capabilities*

**PHC**

WCA has developed an exemplary Plant Health Care Program that goes beyond standard chemical applications.

CALIFORNIA DEPARTMENT OF PESTICIDE REGULATION

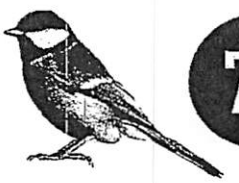
1 Advisor

10 Applicators



**WILDLIFE PROTECTION**

WCA's VP of Field Operations is a key contributor in identifying and developing the first ever Best Management Practices guidelines for Tree Care for Birds and Other Wildlife.



70

WCA has 70 staff members certified through the Wildlife Aware and Wildlife Training Institute.

## Board Certified Master Arborists

Michael Palat #WE-6541 BUM
Kelley Gilleran #WE-7061 B
Tim Crothers #WE-7655 BUM
Cris Falco #WE-7490 B
Glenn Reeve #WE-10177 B
Eugene Bordson #WE-10777BT

asca | RCA

**2 ASCA Consulting Arborists:** Michael Mahoney, RCA #353 - **Cris Falco**, RCA #557

## SPECIALIZED SAFETY TRAINING

Our ISA Certified Tree Workers go through specialized testing that proves they are competent to work in trees in a safe manner that protects themselves as well as the general public. We also qualify our employees to operate in a safe and efficient manner that meets and exceeds the industry standards, these programs are WCA Qualified Level 1 Tree Trimmer, WCA Qualified Level 2 Tree Trimmer, WCA Qualified Level 3 Tree Trimmer, WCA Qualified Big Boom Operator, WCA Qualified Loader Operator, WCA Qualified Roll-Off Driver. We also qualify all drivers that operate our vehicles by conducting 2 driving tests and entering them into the California DMV pull program that monitors their driving record to ensure safe driving operators.

## SAFETY TRAINING PROGRAMS

**Jobsite Briefing** - Conducted each work day.

**Weekly Tailgate** - Meetings held for each crew.

**On the Job Training** -New employees are assigned a "buddy" with experience to assist them.

**Video Training** - Programs included are Professional Tree Care, Electrical Hazards, Aerial Rescue, Chipper Safety, Chain Saw Safety and Pruning Technique. Video presentations in cooperation with Tree Care Industry Association (TCIA).

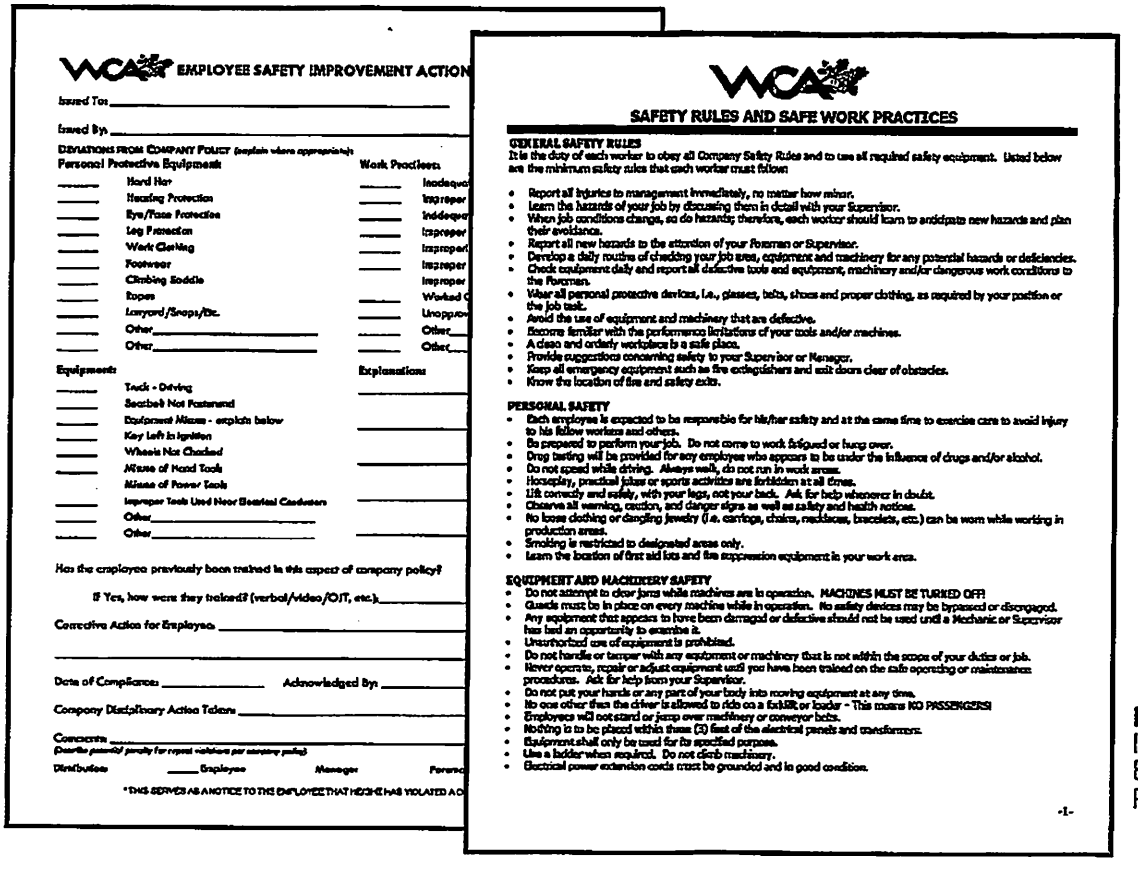
**Safety Crew Lunch** - This program rewards employees company-wide quarterly.

**Safety Team** - A 10 person committee that reviews and discusses safety procedures, problems and incentives.

**Injury & Illness Prevention** - Integral program to WCA's overall safety program.

**Leadership Training** - Continued training and study utilizing the Crew Leader Home Study Program, available through the Tree Care Industry Association (TCIA).

**Certification Training** - Continued study sessions are held in preparation for the International Society of Arboriculture Certification Programs.



WCA EMPLOYEE SAFETY IMPROVEMENT ACTION

Issued To: _____

Issued By: _____

DEVIATIONS FROM COMPANY POLICY (explain where appropriate)

Personal Protective Equipment

_____ Hard Hat
_____ Hearing Protection
_____ Eye/Face Protection
_____ Leg Protection
_____ Work Clothing
_____ Footwear
_____ Climbing Saddle
_____ Ropes
_____ Lanyard/Snaps/Etc.
_____ Other_____
_____ Other_____

Work Practices

_____ Inadequa
_____ Improper
_____ Inadequa
_____ Improper
_____ Improper
_____ Improper
_____ Improper
_____ Worked
_____ Unappro
_____ Other_____
_____ Other_____

Equipment

_____ Truck - Driving
_____ Seatbelt Not Fastened
_____ Equipment Misuse - explain below
_____ Key Left in Ignition
_____ Wheels Not Chocked
_____ Misuse of Hand Tools
_____ Misuse of Power Tools
_____ Improper Tools Used Near Electrical Conductors
_____ Other_____
_____ Other_____

Explanations:

_____

_____

_____

_____

_____

Has the employee previously been trained in this aspect of company policy?

If Yes, how were they trained? (verbal/video/OJT, etc.)_____

Corrective Action for Employee: _____

_____

Date of Compliance: _____ Acknowledged By: _____

Company Disciplinary Action Taken: _____

Comments: _____

(describe potential penalty for repeat violations per company policy)

Distribution: _____ Employee _____ Manager _____ Person

*THIS SERVES AS A NOTICE TO THIS EMPLOYEE THAT HE/SHE HAS VIOLATED A C

WCA

SAFETY RULES AND SAFE WORK PRACTICES

GENERAL SAFETY RULES

It is the duty of each worker to obey all Company Safety Rules and to use all required safety equipment. Listed below are the minimum safety rules that each worker must follow:

- Report all injuries to management immediately, no matter how minor.
- Learn the hazards of your job by discussing them in detail with your Supervisor.
- When job conditions change, so do hazards; therefore, each worker should learn to anticipate new hazards and plan their avoidance.
- Report all new hazards to the attention of your Foreman or Supervisor.
- Develop a daily routine of checking your job area, equipment and machinery for any potential hazards or deficiencies.
- Check equipment daily and report all defective tools and equipment, machinery and/or dangerous work conditions to the Foreman.
- Wear all personal protective devices, i.e., glasses, belts, shoes and proper clothing, as required by your position or the job task.
- Avoid the use of equipment and machinery that are defective.
- Become familiar with the performance limitations of your tools and/or machines.
- A clean and orderly workplace is a safe place.
- Provide suggestions concerning safety to your Supervisor or Manager.
- Keep all emergency equipment such as fire extinguishers and exit doors clear of obstacles.
- Know the location of fire and safety exits.

PERSONAL SAFETY

- Each employee is expected to be responsible for his/her safety and at the same time to exercise care to avoid injury to his fellow workers and others.
- Be prepared to perform your job. Do not come to work fatigued or hung over.
- Drug testing will be provided for any employee who appears to be under the influence of drugs and/or alcohol.
- Do not speed while driving. Always walk, do not run in work areas.
- Horseplay, practical jokes or sports activities are forbidden at all times.
- Lift correctly and safely, with your legs, not your back. Ask for help whenever in doubt.
- Observe all warning, caution, and danger signs as well as safety and health notices.
- No loose clothing or dangling jewelry (i.e. earrings, chains, necklaces, bracelets, etc.) can be worn while working in production areas.
- Smoking is restricted to designated areas only.
- Learn the location of first aid kits and fire suppression equipment in your work area.

EQUIPMENT AND MACHINERY SAFETY

- Do not attempt to clear jams while machines are in operation. MACHINES MUST BE TURNED OFF!
- Guards must be in place on every machine while in operation. No safety devices may be bypassed or disengaged.
- Any equipment that appears to have been damaged or defective should not be used until a Mechanic or Supervisor has had an opportunity to examine it.
- Unauthorized use of equipment is prohibited.
- Do not handle or tamper with any equipment or machinery that is not within the scope of your duties or job.
- Never operate, repair or adjust equipment until you have been trained on the safe operating or maintenance procedures. Ask for help from your Supervisor.
- Do not put your hands or any part of your body into moving equipment at any time.
- No one other than the driver is allowed to ride on a forklift or loader - This means NO PASSENGERS!
- Employees will not stand or jump over machinery or conveyor belts.
- Nothing is to be placed within three (3) feet of the electrical panels and transformers.
- Equipment shall only be used for its specified purpose.
- Use a ladder when required. Do not climb machinery.
- Electrical power extension cords must be grounded and in good condition.

-1-

**Pictured left:** Sample Safety Improvement Action Plan Form & Safety Rules and Safe Work Practices review sheet.

# Economy Tree Care

September 17, 2020

Damion Timmons
Street Superintendent,
Public Works Department
City of Compton
205 South Willowbrook Avenue
Compton, California 90220

RE: Tree Maintenance Service Proposal

Dear Superintendent Timmons,

Economy Tree Care appreciates the opportunity to submit this response to the City's Request for Proposals for Tree Maintenance Services. Economy Tree Care provides outstanding, value based urban forestry services. We believe in excellent customer relations and superior delivery of products and services. Our reputation has been built on decades of quality work, which began in the City of Compton. During our term of service with Compton, the highest levels of satisfaction were recorded — neighborhoods were well maintained, well trimmed trees allowed streets to illuminate more at night, and our thoughtful and expert service brought the City rave reviews.

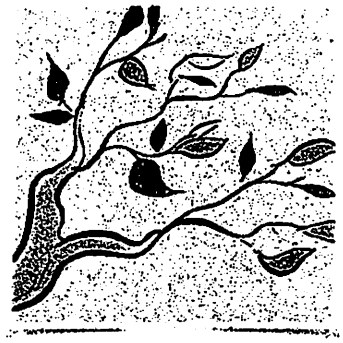
Economy Tree Care is looking forward to assisting the City of Compton in meeting its vision and creating a legacy of exceptional urban forestry practices. Economy Tree Care understands the significance of the Tree Maintenance Services Project. We are flexible in making the Tree Maintenance Project work in a manner that is most conducive to the City's needs and interests as it progresses. Our qualified team is fully prepared to move forward in fulfilling the urban forestry needs of the City. We are honored to be considered for this important project.

Respectfully submitted,

Lee Duncan
President & General Manager
Economy Tree Care

**4201 Long Beach Boulevard, Suite 222, Long Beach, California 90807**
**(562) 988-9343 Fax (562) 988-9346**

# Proposal & Quotation
# For
# Tree Maintenance Services
# City of Compton



## Presented by
## Economy Tree Care

September 2020

Economy Tree Care
4201 Long Beach Boulevard
Ste. 222
Long Beach, California 90807
(562) 988-3065 Fax (562) 988-9346

# Background

Please allow me to introduce myself. My name is Lee Duncan and I am the General Manager of Economy Tree Care, Inc. We are a local small business the is dedicated to the art of plant care.

Previously, I was the owner and president of Dependable Tree Service and California Western Arborists, Inc. The City of Compton was the first city public works tree trimming contract that we had the pleasure of working on. Dr. Walter Tucker, Sr. was the mayor at that time and since then, we have performed several other very successful city-wide contracts for the City of Compton. We have did so with the highest level of satisfaction ever recorded by any tree care professional contractor. Trees were trimmed professionally. Neighborhoods looked well maintained. Street lights illuminated more at night because the trees were trimmed properly. The City received rave positive reviews!

In or around 2003, a higher appreciation and demand for high quality plant and tree care attracted us to the private and commercial sector of the industry. Customers were selecting contractors for not just the lowest price, but for the best value. Economy Tree Care was the residential arm of California Western Arborists. Smaller crew size, lower overhead, fuel efficiency, easier crew mobilization, along with staff's knowledge and professionalism led to high customer retention.

Economy Tree Care currently trims approximately 25,000 trees annually for residential communities and commercial property management firms under the guidance of our certified arborist, Jerry Rowland — former Chief Arborist for the city of Long Beach, california. If we are fortunate to be awarded this contract, Jerry Rowland will be providing contract management for the duration of the contract.

# Statement of Qualifications

In consideration of the goals and standards espoused by the City, Economy has forged a collaboration of outstanding talent. To satisfy the conditions set forth in the RFP and help fulfill the vision the City has iterated through the ancillary services of tree maintenance, Economy will engage such support services in a manner that best meets the City's needs as determined in consultation with the City.

## Licenses and Certification

A. Economy Tree Care utilizes the services of Mitchell Pest Control. The Contractor License Number is #553572 and has been held since November 11, 1989. This license is in good standing with no unresolved complaints registered or filed with the Board or California Department of Consumer affairs.

B. The California C-61/D49 Contractor License is held by Economy Tree Care. The Contractor License number is 421888. This license is in good standing with no unresolved complaints registered or filed with the Board or California Department of Consumer Affairs. This license has been held since 1982.

C. OSHA Certification for aerial equipment will be satisfied as determined and required as it relates to relevant aspects of the tree maintenance project.

D. Economy will cause a current California Highway inspection to be completed for all vehicles upon award.

## Staff Qualifications and Assignments

Lee Duncan has been in the arboriculture business for more than 40 years. Mr. Duncan has successfully completed municipal, commercial, residential, recreational, and industrial arborist contracts. Mr. Duncan will be responsible for the overall implementation of planning and strategies as presented and determined by the City.

Jerry Rowland is an ISA certified arborist. He is the former Chief Arborist for the City of Long Beach, California with more than 38 years of experience. Mr. Rowland will provide contract management for the duration of the project.

Mary Kingman is an ISA certified arborist. Mary Kingman will be assigned to the project to support the determined objectives.

# Technical Ability and Experience

The staff and supervisors involved with this contract have a wide range of technical skills and experiences related to arboriculture and city related services. Their experiences cover the full range of client types including municipal, recreational, commercial, industrial, and residential. Lee Duncan has been in the industry for more than forty (40) years. Mr.Duncan currently has an ongoing, 18 year relationship with the City of Long Beach in the provision of tree maintenance services for various sites — including tree trimming, pruning, removal, planting, and clean-up/disposal.

# References

Team references are submitted herewith in Appendix "D". We have endeavored to provide an array of support letters that demonstrates the range of service and quality represented. Here is some of what clients are saying:

*PROJECT IMPACT*

*I've now known Lee Duncan for nearly twenty-five years... Impact working with Lee's company provided training and employment opportunities for more than 2,000 student workers... Our organization was recognized within the past year by President Barrack Obama for outstanding achievement in serving families and youths. I am proud to join with Lee in his current youth development endeavor. He anticipates training and employing at least 100 young people. His approach is imaginative and innovative. I strongly believe the concept will be successful in transforming the young people involved and the community as a whole.*

*Dr. Mathew Harris*
*Executive Director*
*Project Impact*

*SMG MANAGEMENT*

*SMG is the world leader in venue management, marketing and development... Landscaping and arborist services must be of the highest quality. We expect maximum value for the dollars we spend. Yet, irrespective of prices, (Lee Duncan) mobilizes technicians with the greatest talent to get the job done correctly and beautifully... I highly recommend his services.*

*Anthony Ary*
*Director of Guest Services*
*Long Beach Convention & Entertainment Center*
*SMG Management*

ORIGINAL

MARIPOSA

TREE MANAGEMENT, INC

# TREE MAINTENANCE SERVICES REQUEST FOR PROPOSAL

# City of Compton




Tel 800-794-9458 / Fax 626-960-8477
www.mariposa-ca.com

6232 Santos Diaz Street, Irwindale, CA91702
CA Contractors License #1061455 C61/D49, C27, C31, A

MARIPOSA
TREE MANAGEMENT, INC

September 17th, 2020

Damion Timmons
Street Superintendent
City of Compton
Public Works Department
205 South Willowbrook Avenue
Compton California 90220
Email: dtimmons@comptoncity.org

Dear Mr. Timmons,

Mariposa Tree Management would like to thank you for the opportunity to submit a proposal for the City of Compton's Tree Maintenance Services.

For more than 40 years, Mariposa Tree Management has provided cities and counties throughout Southern California with expert tree care. Here is why we would be the best solution for the City of Compton:

- **Specialized Expertise** - In December 2019, our company expanded its Tree Division by branching off from our parent company, Mariposa Landscapes. This specialization allows us to provide arboreal expertise that is unmatched by our competitors.
- **Decades of Experience** - Our team of more than 50 qualifi ed experts has provided tree trimming to numerous cities, counties, businesses, and residences. Whether pruning an avenue of palms, saving a heritage tree, or providing cleanup after a storm, Mariposa has seen it all and can handle even the most challenging situations.
- **Personal Service** - Our clients choose Mariposa because of the personal attention we provide - in other words, the City of Compton will not be "just a number." We pride ourselves on responsive, responsible and professional work.

We have thoroughly reviewed the RFP, draft agreements, all addenda, and all site conditions for this project. Our price reflects all the necessary labor, equipment, and materials needed to perform this work. Our proposal is valid for 60 days after the RFP submittal date. All work will be performed in strict accordance with the specifications of the RFP. Please reach out to our VP of Operations Dennis Jones at (626) 890-0164 Ext. 329 or dennis@mariposa-ca.com with any questions.

We look forward to being the successful contractor and working with you to make the City of Compton's urban forests a source of pride for the entire city.

Respectfully Submitted,

Terry Noriega, President

# Company Organization

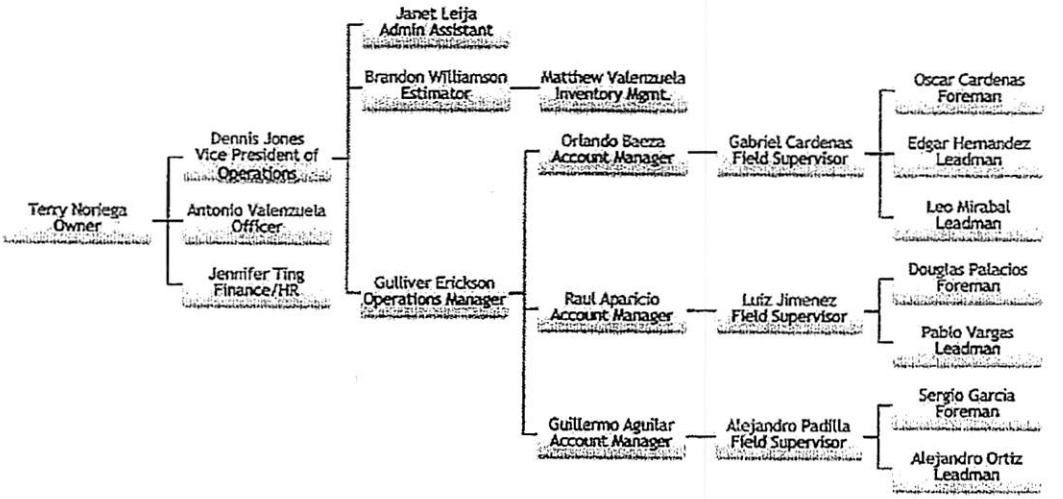
## Principal Parties

Mariposa Tree Management is owned by Terry Noriega.

The company is governed by three principal parties: Terry Noriega (President), Antonio Valenzuela (Officer), and Dennis Jones (Vice President of Operations).

The principal point of contact for this project will be **Dennis Jones**. He can be reached at **626-890-0164** and **dennis@mariposa-ca.com**. He works out of the main Mariposa Tree Management Office in Irwindale.

## Organizational Chart




## Office Locations

The Mariposa Tree Management office will have primary responsibility for managing this account. The location of the corporate office and operational offices and work yard are listed below.

### Corporate Office

- 6232 Santos Diaz Street, Irwindale, Ca 91702
- **Phone:** (626) 960-0196 / Fax: (626) 960-8477

### Operational Office & Work Yard

- 15529 Arrow Highway, Irwindale, Ca 91706
- **Phone:** (626) 960-0397

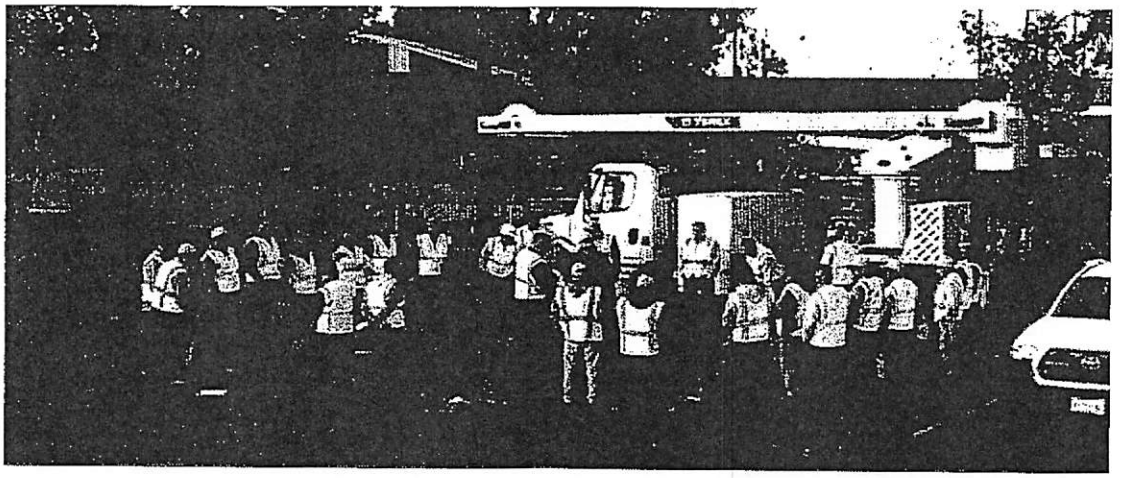
# Employee Training

Mariposa Tree Management provides a complete training program. Our goal is to enable our employees to progress to higher levels of pay and rank by acquiring specialized knowledge about tree maintenance. By providing training to all our workers, we become more efficient as a whole and provide better results for our customers.

Currently our training program involves learning in three areas: **Instruction, Safety, and Practical Knowledge.** We run a robust new-hire training program. We currently employ four Line Clearance Certified Personnel, and CPR & First Aid Training and EHAP certifications are maintained for all employees.

In addition to our new-hire training program, our supervisors also conduct regular training sessions. These sessions include instructing and evaluating foremen and crews on safety and current techniques of equipment operation, maintenance practices, chemicals, and fertilizers. Additional topics of training are listed below.

- Chipper Safety and Operation
- Chain Saw Safety and Operation
- Pruning Techniques
- Aerial Lift Safety and Operation
- Loader Safety and Operation
- Safe Driving Tactics
- Safe Small Equipment Operation
- Planting Techniques
- Traffic Control Safety and Techniques
- Tree I.D. (General and Account Specific)
- Fertilizer Use and Application
- Chemicals: Herbicides, Fungicides, Insecticides
- Aerial Rescue
- Emergency Situations
- Arboricultural Injuries






# Company Background

## History

For more than 40 years, Mariposa Tree Management has provided cities and counties throughout Southern California with expert tree care. Our company has more than 50 highly-trained and qualified personnel, 40 of whom are certified tree care employees.

Mariposa Tree Management **began in 1977** as part of Mariposa Landscapes. The firm began by performing custom residential and small commercial landscape maintenance and installations. After five years of growth, Mariposa expanded into public works maintenance operations. In the 1980s, we officially launched a public works installation department and a tree division. In 1989 we expanded again and created our tree division.

**We expanded our tree division and consolidated our certified arborists** and into the newly incorporated, "Mariposa Tree Management". Our company provides tree maintenance services for a variety of municipal clients and commercial developments, providing all types of tree care, from installation to maintenance to removal. See Section 3 for more about our breadth of services.

Throughout the years, Mariposa Tree Management ownership has remained the same. We do not hold a controlling or financial interest in any other organization and are not owned by any other person or organization.

## Financial Condition

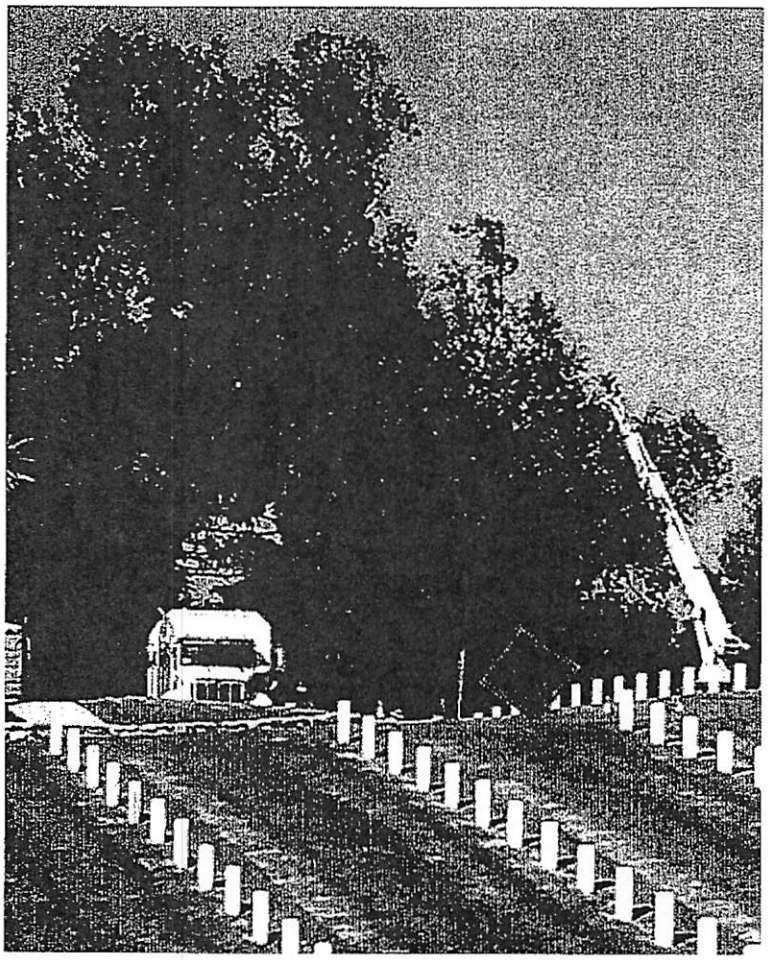
Mariposa Tree Management has been capable of **meeting all financial obligations** for more than 40 years. Our company has experienced continued growth and its parent company, Mariposa Landscapes, has shown continued expansion by opening locations in Santa Ana, Somis, and Palm Desert. We have not in the past and are not currently filing for bankruptcy. We do not have any pending litigation. Our offices are open and operating at full capacity. We do not have any pending mergers.

## Specialized Tree Care

Mariposa Tree Management is set apart from the competition by **providing comprehensive consulting services** in addition to expert tree care. Our ability to provide such excellent service is due to our crews of highly-trained, safety-oriented, certified arborists and tree workers. Our staff receives the latest training in arboriculture methods, techniques, and software systems.

Our specialized consulting services include the following: Urban Forest Management Planning, Tree Evaluations, Inventory Management, Risk Assessments, Hazard Reports, Tree Appraisals, and Insect and Disease Control Recommendations.

Our clients trust us with their most valued trees and stands of urban forest. See Section 3 of this report for more information about our specialized operational processes and the difference they make for our clients.



## Geographic Coverage

Our base in Irwindale, California provides a central location for servicing Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties. From the Glendale, Arizona offices of Mariposa Landscapes, we also serve all of Maricopa County.

# Licenses and Certifications

## Company Details

**President:** Terry Noriega

**California Corporation:** C4311511

**California Employer ID:** 123-5513-7

**Date of Incorporation:** December 17, 2019

## Accreditation

Mariposa Landscapes received accreditation from the **Tree Care Industry Association** (TCIA) in 2012, becoming one of the few accredited tree care companies in California. In 2020, the accreditation was transferred to Mariposa Tree Management. This accreditation involves a thorough audit process of procedures in the following areas:

**1.**Consumer Satisfaction

**2.**Best Business Practices

**3.**Business Ethics

**4.**Employee Training

**5.**Safety

**6.**Quality

**7.**Industry Standards

**8.**Arborist Certification

**9.**Insurance Coverage

**10.**Work Estimates and Specification



## Minority Business Enterprise

Mariposa Tree Management is proud to be certified as a **Minority Business Enterprise** with the City of Los Angeles as of April 16, 2020 (MBE Certification #20000326, expiring April 20, 2025). The Women and Minority Business Enterprise Clearing House has audited and verified our eligibility as an MBE pursuant to the California Public Utilities Commission General Order 156. Our EEO/Affirmative Action Plan is currently approved by the Office of Contract Compliance pursuant to Los Angeles Administrative Code Section 10.8 et seq and is on file with this office. This plan will expire in 2021. The County of Los Angeles Office of Affirmative Action Compliance has certified Mariposa Tree Management as an eligible participant in the county of Los Angeles Local Business Enterprise (LBE) Program and has a registration date of April 1, 2020.

### ADDITIONAL LICENSES & CERTIFICATES

| | | |
|---|---|---|
| Contractors State License: | 1061455 | C-27, A, C-61/D-49 |
| Qualified Applicators License: | 103864 | ABCDEFH |
| Pest Control Advisor License: | 74416 | ABCDEG |
| Pest Control Business License: | 30977 | |
| Irwindale Business License: | 000538 | |
| Supplier Clearinghouse MBE: | 20000326 | |
| LA County LBE (LABAVN #): | 106243 | |
| LA CO. Agricultural Pest Control: | 1000279 | |
| Certified Arborist: | WE-1182A | |
| DIR No. | 1000551767 | |

*Copies of all Mariposa Tree Management licenses and certificates can be seen in Section 4I.*

# Equipment & Fleet

Mariposa Tree Management maintains a **state-of-the-art fleet** of vehicles and tree trimming equipment. In addition to numerous chainsaws and other small pieces of equipment, the following pages contain a list of our major vehicles and large equipment.

## Equipment Breakdowns

We have a fleet maintenance division that is responsible for the care of all vehicles in our fleet. In the case of breakdowns, we have a mobile mechanic equipped with a vehicle outfitted with the tools and equipment to perform immediate repairs in order to keep our crews working with **minimal downtimes.** In the case of a catastrophic equipment breakdown where our in-house mechanics are unable to perform an on-site repair, we contract for roadside assistance to all our vehicles, which provides tow services to our preferred certified repair shop.

## Emission Control Plan

The majority of the Mariposa Tree Management vehicle fleet and equipment is powered by **environmentally-friendly** sources. We are an eco-conscience company and use every operations expansion to incorporate green practices as much as possible. Mariposa works with all its clients to assure optimum water usage in their forests. We are also committed to continuing to improve on our transition to new eco-friendly equipment as technology improves. We are also diligent in our fleet maintenance in order to ensure that our older equipment is kept at optimal conditions. Doing so dramatically reduces their emissions and their impact on the environment.

## Inspections and Certifications

All our vehicles and equipment are inspected according to industry best practices. See Section 4J for aerial lift truck inspections and other registrations.

TIGER TREE SERVICES INC
RESIDENTIAL - COMMERCIAL
INDUSTRIAL
"In God We Trust"

# Tiger Tree Services Inc

## City Of Compton Tree Maintenance

Enrique Sandoval ,President(CEO)

Created on September 16, 2020

City: Compton

TIGER TREE SERVICES INC

Attn; City Clerk I Public Work
205 South Willowbrook Avenue,
Compton, CA 90220

16th September 2020

**Enrique Sandoval**
CEO, **Tiger Tree Services INC**
10815 Brockway ave
El Monte, CA 91731

RE: RFP Bid no. City of Compton Tree Maintenance Services

To whom it may concern;
Thank you for permitting Tiger Tree Services Inc (TTS), with the opportunity to submit an RFP proposal to provide tree maintenance services for the City of Compton. TTS is a family-owned company that humbly started with the basics, professional tree care hand in hand with first-class customer service.TTS strives towards constant excellence to achieve one goal which is serving communities who care for trees. We have evaluated, comprehended, and agree to the terms and conditions described in this RFP Bid. We also acknowledge that we meet the requirements and responded to all of these requirements.

TTS's vision is to make a positive difference in the lives of our Customers, community members, associates, and suppliers. This also Includes listening to employees and customers that help to improve services Offered. We understand the values of our customers, and we don't only want to go the extra mile, but we want to exceed the expectations of our Customers. We are a tree service business that wants to achieve, and ensure that we have the right people to work with us and help us achieve the object and our goals.

Our company has been in business since 2012 and is licensed by the California State Contractors License Boards under license #105634. This license specializes in Class C61 (Tree Service)and as well As D49. We currently employ a Certified Arborist and Certified Tree Worker. TTS is also registered with the Department of Industrial Relations (DIR) for Public Works projects, our registration number is 1000513678.

Our employees operate from one of our El Monte, California offices. For questions related to this proposal, please contact Henry Sandoval, V.P., at (626) 361-8691 or at Tigertreeservicesinc@gmail.com.

Sincerely,Enrique Sandoval (President)

*Enrique Sandoval*

# Executive Summary

**Product**
Tiger Tree Service is a locally owned and operated business established in El Monte, CA. Throughout the course of two decades, we have shaped many trees from unsightly to beautiful.
Our constant aim towards excellence is what has made us become respectable arborists in the entire area. Although we have reached success in the business, we never forget our humble beginnings.

We utilize the latest tools, equipment, and techniques to leave your trees in great shape. Tiger Tree Service is always on top of the latest tree shaping trends to make your trees stand out from the rest of the neighborhood. We put a lot of work into providing you exclusive and tailored solutions for your overall tree demands.

**Vision(Customers)**
Our vision is to make a positive difference in the lives of our customers, community members, associates, and suppliers. We also intend to be the first tree trimming business that our customers think of when they need a tree service.

We understand the values of our customers, and we don't only want to go the extra mile, but we want to exceed the expectations of our customers.

We are a tree service business that wants to achieve, and ensure that we have the right people to work with us and help us achieve the object and our goals.

**Future Of the Company**
Even Though the tree trimming business is highly competitive, we believe that Tiger Tree Services is a company that will evolve and develop a professional and skilled workforce in many different cities throughout California.

# Company Description

**Our Mission Statement**

To achieve our Mission, we want to exceed customers expectations and intend to rapidly respond to the request of our customers. We intend to obtain quality equipment for workers to be provided with appliances that are new and safe to work with. We are committed to developing tree care professionals, but we also want to give others a career opportunity by opening more employment.

**Principle Members**

Enrique Sandoval -President (CEO)
Henry Sandoval-Vice President
Geronima Barrios -Secretary

### Legal Structure

Tiger Tree Services Inc is a C-Corporation.

# Market Research

### Industry

Tiger Tree Services Inc will be part of the tree trimming industry. Currently, there is a substantial amount of tree care industries considered in the market with different sized companies. The Largest companies such as Asplundh Tree Expert LLC and Davey Tree Expert Company have a larger amount of employees and inventories that help them work with different types of cities in California. The smallest companies like Tiger Tree Services Inc sell locally, but our management services have outgrown through the years that we have been in business for.

### Detailed Description Of Customers

Tiger Tree Services Inc is a company that plans to bid in Cities and County's, and at least receive a contract that is at a higher value than working in just residential areas. But, when working in City's or even in residential areas we as a company must have communication with the

interior and exterior customers.Our employees must always have a meeting every day in the morning and tailgates. This meeting will mostly be about having better communication with the residents, and ways to respect each other. Our target customers are interested in being satisfied with the job that is being given, which means that we must do the job safely and clean before we leave the job site.

**Company Advantages**

Tiger Tree Services Inc has the following advantages compared to competitors:

- First of all, we trust in god.
- Good communication and relationships with residents.
- When working are #1 priority is safety, not only for the groundsman or the trimmer, but for pedestrians who are near the job site.
- When working on the job site we teach employees how to do the set-up.
- Prevent damages of the employee's and residents' housing.
- Door hangers to notify customers ahead of time.
- Plan the job for the next day(job briefing every day in the morning/tailgates).
- Prevent electrical hazards
- Provide Inventories On-time
- Create excellent leadership

### Regulations

Tiger Tree Services Inc must always follow Osha and ANSI regulations. Tiger Tree services Inc must also meet the federal and state regulations. Code of Federal regulations: *A300*, Tree Care Operations - Tree, Shrub and Other Woody Plant Maintenance - Standard Practices

- *Z133.1*, Arboricultural Operations Safety
- (29 CFR 1910) Code of California
- Heat Illness Prevention

# Service Line

### Product/Service

Tiger Tree Services Inc will provide tree service with Cities and Counties with the following equipment:

- Chippers
- Boom/Bucket Trucks
- Dump trucks
- Loaders
- Arrow boards
- Signs/Door Hangers
- Dropping Zones/Sidewalk close
- Stump Grinder

- Pole Pruners
- Chainsaws/Big and Small
- Blowers
- Harness/Climbers
- PPE(Personal Protection Equipment)
- Certified Tree Climber

  -Arborist

  -Contractors State Licence

- Pick- Up Trucks

  Phone Number:(626)235-5407 or (626)361-8691

  Email:Tigertreeservicesinc@gmail.com

**Intellectual Property Rights**

- Tiger Tree Services Inc is a tree service management company in the state of California.

**Research And Development**

The company has the following research and development:

Website:Tigertreeservicesinc@gmail.com

**DECEMBER 15, 2020**

**TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS**

**FROM: CITY MANAGER**

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING THE ISSUANCE BY THE INDEPENDENT CITIES FINANCE AUTHORITY OF SALES TAX REVENUE BONDS, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $45,000,000, FOR THE FINANCING OF CERTAIN PUBLIC CAPITAL IMPROVEMENTS IN THE CITY, AUTHORIZING THE FORMS OF AND DIRECTING THE EXECUTION AND DELIVERY OF A TRUST AGREEMENT, INSTALLMENT SALE AGREEMENT, AND BOND PURCHASE AGREEMENT; AND AUTHORIZING NECESSARY ACTIONS AND EXECUTION OF OTHER NECESSARY DOCUMENTS IN CONNECTION THEREWITH**

## SUMMARY

This resolution will approve the issuance of bonds and the associated financing documents related to the bonds referenced herein, in an amount not to exceed $45,000,000, by the Independent Cities Finance Authority (ICFA) to finance local roadway and street improvement projects from Measure M, Measure R, and Proposition C receipts (Local Return Funds).

## BACKGROUND

The City of Compton ("City') receives Local Return Funds, which are half cent measures funded from certain county-wide sales revenues to pay for street/road maintenance and infrastructure projects. For this particular bond issue, the City will pledge their Measure M, Measure R, and Proposition C receipts from their Local Return funding. Measure M, approved by voters in 2016, and Measure R, approved in 2008, and Proposition C, approved in 1990, have steadily allocated these revenues to cities located in the County by the Los Angeles Metropolitan Transportation Authority ("Metro").

These receipts are distributed monthly to cities on a "per capita" basis. In order to utilize these programs, the cities must submit capital projects for approval to Metro and must adhere to the established voter-approved project guidelines by an annual independent audit and ongoing monitoring through an independent taxpayer oversight committee.

City Staff is proposing this issuance of bonds through the Independent Cities Finance Authority (the "ICFA") in a principal amount of not to exceed $45,000,000 to finance the construction of the street improvement and infrastructure Projects, commonly referred to by Staff as CIP #18-01

Phases 1 & 2 ("Projects"). These Projects have been approved by Metro and can be found in (Attachment G).

The Independent Cities Finance Authority (City of Compton) Sales Tax Revenue Bonds, Series 2021, (the "Bonds") will be secured by a pledge of the City's Measure M, Measure R, and Proposition C Receipts. The annual revenues received from these sources is expected to exceed the annual debt service of the Bonds plus amounts expected to be needed for pay-go capital improvement projects and other City expenses payable from these revenue sources. A preliminary Sources and Uses of Funds and estimated Bond Debt Service Schedule can be found in the attachments (Attachment H).

## STATEMENT OF THE ISSUE

During the December 8th City Council Meeting, the Council approved the following documents relating to the proposed bond issuance: a Debt Management Policy, Policy for Disclosure Procedures, Preliminary Limited Offering Memorandum, and Continuing Disclosure Agreement in connection with the Bonds; and authorizing the negotiation of one or more Deposit Account Control Agreements.

The proposed Resolution (Attachment A), if approved by the City Council, would approve the issuance of the Bonds by ICFA to finance the Projects and approve the forms of Trust, Installment Sale, and Bond Purchase Agreements. The form of a Trust Agreement (Attachment B) among the City, ICFA, and US Bank National Association, as Trustee, pursuant to which the Bonds would be issued, as well as the form of a 2021 Installment Sale Agreement (Attachment C) between the City and ICFA pursuant to which ICFA will (a) acquire, construct, and complete the Projects for, and sell the Projects to the City, and (b) the City will purchase the Projects from ICFA by making installment sale payments in amounts sufficient to enable ICFA to pay debt service on the Bonds. Under the 2021 Installment Sale Agreement, the City will pledge its of Measure M, Measure R, and Proposition C sales tax revenues to such installment payments. The form of a Bond Purchase Agreement (Attachment D) among with City, ICFA and Raymond James & Associates, as Underwriter of the Bonds, pursuant to which ICFA will agree to sell and the Underwriter will agree to purchase the Bonds. The Underwriter will then sell the Bonds to investors.

The next step in the process of approving the Bonds is for the City Council to hold a public hearing to consider the Projects and the proposed issuance of the Bonds by ICFA to finance the Projects. Notice of the public hearing was published in The Compton Bulletin on December 2, 2020. Following the public hearing, Staff recommends that the City Council approve the Resolution, authorizing and approving issuance of the Bonds and execution and delivery of the Trust Agreement, 2021 Installment Sale Agreement, and Bond Purchase Agreement, subject to meeting certain parameters set forth in the Resolution.

A preliminary "Good Faith" estimate (Attachment E) based on cashflows analysis dated November 25th, 2020 provided by the Underwriter (subject to market movement), is provided in accordance with SB450. The Costs of Issuance of the Bonds included in the "Good Faith" estimate are identified in Attachment F and are contingent and paid through the Bond financing.

## FISCAL IMPACT

There is no fiscal impact to the City's general fund. All costs associated with the financing of Bonds are contingent and will be paid out of proceeds from the Bond issue. The City's obligation to make installment sale payments under the 2021 Installment Sale Agreement will be limited to eligible Measure M, Measure R and Proposition C revenue allocated to the City.

The City receives approximately $4.4 million annual revenues received from these sources, which exceeds the proposed annual debt service of $2.05 million for the Bonds. For reference, a list of the Source of Funds can be found attached (Attachment H).

## RECOMMENDATION

Staff recommends the City Council conduct a Public Hearing and approve the attached Resolution (Attachment A), which approves the issuance of bonds, in an amount not to exceed $45,000,000, and approves the form of, and authorizes execution and delivery of, the Trust Agreement (Attachment B), the 2021 Installment Sale Agreement (Attachment C), and the Bond Purchase Agreement (Attachment D).

**CRAIG J. CORNWELL**
**CITY MANAGER**

**RESOLUTION NO. _____**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING THE ISSUANCE BY THE INDEPENDENT CITIES FINANCE AUTHORITY OF SALES TAX REVENUE BONDS, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $45,000,000, FOR THE FINANCING OF CERTAIN PUBLIC CAPITAL IMPROVEMENTS IN THE CITY, AUTHORIZING THE FORMS OF AND DIRECTING THE EXECUTION AND DELIVERY OF A TRUST AGREEMENT, INSTALLMENT SALE AGREEMENT, AND BOND PURCHASE AGREEMENT; AND AUTHORIZING NECESSARY ACTIONS AND EXECUTION OF OTHER NECESSARY DOCUMENTS IN CONNECTION THEREWITH**

**WHEREAS**, the City of Compton (the "**City**"), a municipal corporation and chartered city of the State of California, together with other California municipal corporations, heretofore entered into a Joint Powers Agreement (the "**JPA**") creating and establishing the Independent Cities Finance Authority (the "**Authority**"); and

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

**WHEREAS**, Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code ("**Article 4**") authorizes and empowers the Authority to issue bonds to assist its local agency members in financing projects and programs consisting of certain public improvements, working capital, liability, and other insurance needs whenever a local agency member determines that there are significant public benefits from so doing; and

**WHEREAS**, the City is a member of the Authority; and

**WHEREAS**, the members of the City Council of the City (the "**City Council**") have been duly elected and qualified; and

**WHEREAS**, the City Council hereby determines that the Authority's issuance of tax-exempt sales tax revenue bonds, in an amount not to exceed $45,000,000 (the "**Bonds**"), in order to finance (a) capital expenditures connected with the City's Residential and Commercial Street Rehabilitation Project, including, but not limited to, rehabilitating, constructing, enlarging, improving, and/or equipping City Streets, sidewalks, gutters, curbs and ramps, streetlights, and street signs (the "**Rehabilitation Project**"), which is further described at **Exhibit A** attached hereto, and (b) certain necessary expenses incidental thereto, including the costs of issuing the Bonds and any credit enhancement in connection therewith (together, (a) and (b) constitute the "**Project**"), will result in significant public benefits within the meaning of California Government Code Section 6586; and

**WHEREAS**, in order to finance the Project, it is hereby proposed that the City enter into a Trust Agreement (the "**Trust Agreement**") by and among the City, the Authority, and U.S. Bank National Association, as trustee (the "**Trustee**"), pursuant to which the Authority will issue, and the Trustee will authenticate and deliver, the Bonds; and

**WHEREAS**, in order to finance the Project, it is hereby proposed that the City enter into an Installment Sale Agreement (the "**2021 Installment Sale Agreement**") by and between the City and the Authority, pursuant to which (a) the Authority will acquire, construct, and complete the Project for, and sell the Project to, the City, and (b) the City will purchase the Project from the Authority by making installment sale payments to the Authority in amounts and at the times necessary to enable the Authority to pay scheduled principal of and interest on the Bonds (the "**2021 Installment Sale Payments**"); and

**WHEREAS**, the 2021 Installment Sale Payments shall be payable by the City solely from the Measure R Receipts, Measure M Receipts, and Proposition C Receipts, as such terms are defined in the 2021 Installment Sale Agreement (collectively, the "**Tax Revenues**"); and

**WHEREAS**, the Authority is empowered pursuant to the 2021 Installment Sale Agreement and Article 4 to finance the Project through the issuance of the Bonds; and

**WHEREAS**, the Bonds will be payable by the Authority from the 2021 Installment Sale Payments received by the Authority from the City under the 2021 Installment Sale Agreement; and

**WHEREAS**, the City has designated the Trustee to act as its trustee with respect to the proceeds received by the City from the issuance of the Bonds and with respect to the moneys paid by the City as its 2021 Installment Sale Payments; and

**WHEREAS**, in connection with the issuance and sale of the Bonds, it is hereby proposed that the City enter into a Bond Purchase Agreement (the "**Purchase Agreement**" and with the Trust Agreement and the 2021 Installment Sale Agreement, the "**City Documents**") by and among the City, the Authority, and the Raymond James & Associates, Inc., as underwriter of the Bonds (the "**Underwriter**"), setting forth certain terms and conditions pertaining to the purchase and sale of the Bonds; and

**WHEREAS**, in connection with the sale of the Bonds, the City Council previously approved the form of limited offering memorandum (the "**Limited Offering Memorandum**"), which will be used by the Underwriter in the marketing and sale of the Bonds; and

**WHEREAS**, in connection with the issuance of the Bonds, the City previously approved the form of Continuing Disclosure Agreement (the "**Continuing Disclosure Agreement**") by and between the City and the Trustee, as dissemination agent, pursuant to which the City will provide annual financial reports and notices of certain enumerated events for the benefit of the owners of the Bonds; and

**WHEREAS**, in accordance with the Borrowing Guidelines of the Los Angeles County Metropolitan Transportation Authority ("**Metro**") relating to the Revenues, the City has presented the form of the Trust Agreement and the 2021 Installment Sale Agreement and a description of the Rehabilitation Project to Metro, and Metro has reviewed and approved the forms of the Trust Agreement and the 2021 Installment Sale Agreement and the use of the Revenues to pay the 2021 Installment Sale Payments; and

**WHEREAS**, in accordance with the requirements of California Government Code Section 6586.5, a public hearing regarding the proposed financing was conducted by the City on December 15, 2020; and

**WHEREAS**, notice of such hearing was published at least five days prior to such hearing in The Compton Bulletin, a newspaper of general circulation in the City; and

**WHEREAS**, good faith estimates of certain information relating to the 2021 Installment Sale Agreement, the Trust Agreement, and the Bonds are set forth in the staff report submitted to the City Council herewith as required by California Government Code Section 5852.1; such estimates were provided by the City's Municipal Advisor based on preliminary bond pricing information provided by the Underwriter; and

**WHEREAS**, forms of the City Documents have been presented to the City Council at this meeting and are on file with the City Clerk, and each member of the City Council has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing; and

**WHEREAS**, the City has full legal right, power, and authority under the Constitution and laws of the State of California to enter into the transactions hereinafter authorized.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON HEREBY RESOLVES AS FOLLOWS:**

**SECTION 1.** That the City Council hereby finds and determines that all of the recitals herein are true and correct.

**SECTION 2.** That the City Council hereby specifically finds and declares that the issuance of the Bonds by the Authority and the financing of the Project will result in significant public benefits, including employment benefits from undertaking the Project in a timely fashion and more efficient delivery of City services to residential and commercial development.

The City Council hereby requests and approves the issuance of the Bonds by the Authority, in an initial aggregate principal amount of not to exceed $45,000,000, in order to finance the Project. Proceeds of the Bonds shall only be applied to the financing of the Project.

The sale and issuance of the Bonds is hereby determined to be consistent with the City's Debt Management Policy and to the extent the sale and issuance of the Bonds is not in compliance with the City's Debt Management Policy, such noncompliance is waived in accordance with the terms of the City's Debt Management Policy.

**SECTION 3.** That the forms of the Trust Agreement and the 2021 Installment Sale Agreement, each as presented to the City Council and on file with the City Clerk, are hereby approved. The Mayor, City Manager, or Assistant City Manager (the "**Authorized City Representatives**") are each hereby authorized and directed to execute and deliver the Trust Agreement and the 2021 Installment Sale Agreement in substantially said forms, with such changes therein as may be required to effect the transactions contemplated therein and as may be required or approved by any of the Authorized City Representatives, with such approval to be conclusively evidenced by the execution and delivery thereof.

**SECTION 4.** That the form of the Purchase Agreement is hereby approved, and the Authorized City Representatives are each hereby authorized and directed to execute the Purchase Agreement in substantially said form, with any changes, additions, and completions thereto as any of the Authorized City Representatives may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, subject to the following limitations:

a. The true interest cost of the Bonds shall not exceed 4.85%;

b. The aggregate principal amount of the Bonds shall not exceed $45,000,000;

c. The maximum annual repayment cost and total repayment cost due on the Bonds shall not exceed $2,300,000 and $67,000,000, respectively;

d. The final maturity date of the Bonds shall be no later than June 1, 2051; and

e. The underwriter's discount for the sale of the Bonds shall not exceed 0.90% of the aggregate principal amount of the Bonds.

**SECTION 5.** The City Council hereby authorizes the City Manager or his written designee to select a municipal bond insurer to insure payments of interest and principal on all or a portion of the Bonds so long as the Authorized City Representatives or such written designees determines that obtaining the municipal bond insurance policy provided thereby will result in a lower interest rate or yield to maturity on such Bonds. Stradling Yocca Carlson & Rauth, A Professional Corporation, and Butler Snow LLP, as Co-Bond Counsel, are hereby directed to make all changes to the 2021 Installment Purchase Agreement, the Trust Agreement, and the Purchase Agreement as are necessary to reflect the selection of a municipal bond insurer and the reasonable comments thereof.

**SECTION 6.** That the officers of the City are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise necessary to carry out, give effect to, and comply with the terms and intent of this Resolution. The Mayor, the City Manager or his designee, the City Clerk or any Deputy City Clerk, and the City Attorney are hereby authorized and directed to execute and deliver any and all certificates and representations, signature certificates, no-litigation certificates, tax and rebate certificates, and certificates concerning certain portions of the Limited Offering Memorandum distributed in connection with the sale of the Bonds. The Mayor, the City Manager or his designee, the City Clerk or any Deputy City Clerk,

the City Attorney, the Controller of the City, and other appropriate officers of the City are hereby authorized and directed to execute and deliver any and all certificates, investment instructions or agreements relating to the proceeds of the Bonds, certificates or agreements relating to the bond insurance, written requests, and other certificates necessary or desirable to issue the Bonds, to pay costs of issuance, or to accomplish the transactions contemplated herein.

**SECTION 7.** That all actions heretofore taken by the officers and agents of the City with respect to the issuance and sale of the Bonds are hereby approved and confirmed.

**SECTION 8.** That this Resolution shall take effect from and after its adoption.

**SECTION 9.** That a certified copy of this Resolution shall be filed in the Offices of the City Clerk, the City Manager, the City Attorney, and the City Controller.

**SECTION 10.** That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

**ADOPTED** this _____ day of_____, 2020.

_____
**MAYOR OF THE CITY OF COMPTON**

**ATTEST**:

_____
**CITY CLERK OF THE CITY OF COMPTON**

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council, signed by the Mayor and attested by the City Clerk at a regular meeting thereof held on the _____ day of _____, 2020.

That said Resolution was adopted by the following vote, to wit:

**AYES: COUNCIL MEMBERS-**
**NOES: COUNCIL MEMBERS-**
**ABSENT: COUNCIL MEMBERS-**
**ABSTAIN: COUNCIL MEMBERS-**

_____
**CITY CLERK OF THE CITY OF COMPTON**

# EXHIBIT A

## Description of Rehabilitation Project

The rehabilitation, construction, enlargement, improvement, and/or equipment of streets, sidewalks, gutters, curbs and ramps, streetlights, and street signs in the City of Compton, including the payment of certain necessary expenses incidental thereto, which improvements are eligible costs payable from the Tax Revenues as approved by Metro. The particular streets to be improved shall include the streets listed below and such other streets as shall be designated by written certificate of an Authorized City Representative pursuant to the 2021 Installment Sale Agreement.

**RESIDENTIAL STREET REHABILITATION PROJECT—CIP# 18-01, Phase 1**

| *Street* | *From* | *To* | *Cost* | *Potential Funding Source* |
|---|---|---|---|---|
| 1 Tajauta Avenue | Rosecrans Avenue | Compton Boulevard | $ 818,125.00 | Measure R & M |
| 2 Myrrh Street | Santa Fe | East City Limit | 1,251,404.00 | Measure R & M |
| 3 Bradfield Avenue | Pixley Street | Compton Boulevard | 208,384.00 | Measure R & M |
| 4 Elva Avenue | Parmelee Avenue | 138th Street | 600,919.00 | Measure R & M |
| 5 Grandee Avenue | El Segundo Boulevard | 138th Street | 1,005,345.00 | Measure R & M |
| 6 Caldwell Street | Oleander | West City Limits | 1,905,211.00 | Prop C, Measure R & M |
| 7 Alondra Boulevard | Lime Avenue | East City Limit | 105,644.00 | Measure R & M |
| | | | **$ 5,895,032.00** | |

**RESIDENTIAL STREET REHABILITATION PROJECT—CIP# 18-01, Phase 2**

| *Street* | *From* | *To* | *Cost* | *Potential Funding Source* |
|---|---|---|---|---|
| 1 135th Street/Stockwell Street | Parmelee Avenue | Elva | $ 188,805.00 | Measure R & M |
| 2 Alameda Street East | City Limit North | City Limit South | 1,660,131.00 | Prop C, Measure R & M |
| 3 Alameda Street West | City Limit North | City Limit South | 2,541,259.00 | Prop C, Measure R & M |
| 4 Alondra Boulevard | City Limit West | Lime Avenue | 3,911,479.00 | Prop C, Measure R & M |
| 5 Bradfield Avenue | Compton Boulevard | Alondra Boulevard | 539,932.00 | Measure R & M |
| 6 Bullis Road | City Limit North | City Limit South | 1,903,312.00 | Prop C, Measure R & M |
| 7 Compton Avenue | 130th Street | 134th Place | 897,154.00 | Measure R & M |
| 8 Compton Boulevard | City Limit East | City Limit West | 6,537,172.00 | Prop C. Measure R & M |
| 9 Greenleaf Boulevard | City Limit East | Alameda Street | 1,186,838.00 | Prop C, Measure R & M |
| 10 Oris Street | Willowbrook Avenue | City Limit East | 247,789.00 | Measure R & M |
| 11 Palmer Street | Alameda Street | Bowen | 627,066.00 | Measure R & M |
| 12 Parmelee Avenue | City Limit North | 138th Street | 1,145,888.00 | Measure R & M |
| 13 Rosecrans Avenue | City Limit East | Alameda Street | 1,053,657.00 | Prop C, Measure R & M |
| 14 Sante Fe Avenue | City Limit North | City Limit South | 2,265,230.00 | Prop C, Measure R & M |
| 15 Slater Street | 133rd Street | Wilmington Avenue | 937,189.00 | Measure R & M |
| 16 Tucker Street | Van Ness Avenue | Long Beach Boulevard | 321,403.00 | Measure R & M |

| *Street* | *From* | *To* | *Cost* | *Potential Funding Source* |
|---|---|---|---|---|
| 17 Greenleaf Boulevard | Central Avenue | Whitemarsh Avenue | 1,081,268.00 | Prop C, Measure R & M |
| 18 Walnut Street, | Walnut Park Drive | Walnut Park Way | 2,975,880.00 | Prop C, Measure R & M |
| 19 Wilmington Avenue | Rosecrans Avenue | City Limit South | 4,500,000.00 | Prop C, Measure R & M |
| 20. Willowbrook Avenue East | Rosecrans Avenue | Greenleaf Boulevard | 2,000,000.00 | Prop C, Measure R & M |
| 21. Willowbrook Avenue West | Rosecrans Avenue | Greenleaf Boulevard | 2,000,000.00 | Prop C, Measure R & M |
| | | | **$38,521,452.00** | |

# 2021 INSTALLMENT SALE AGREEMENT

**by and between the**

**CITY OF COMPTON, CALIFORNIA,**
**as Purchaser**

**and the**

**INDEPENDENT CITIES FINANCE AUTHORITY,**
**as Seller**

**for the**

**INDEPENDENT CITIES FINANCE AUTHORITY**
**(CITY OF COMPTON, CALIFORNIA)**
**SALES TAX REVENUE BONDS, SERIES 2021**

**Dated as of [_____ 1], 2021**

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# 2021 INSTALLMENT SALE AGREEMENT

**This 2021 INSTALLMENT SALE AGREEMENT** (this "2021 Installment Sale Agreement" or this "Agreement"), dated as of [_____ 1], 2021, by and between the CITY OF COMPTON, CALIFORNIA, a municipal corporation organized and existing under the Constitution of the State of California (the "City"), and the INDEPENDENT CITIES FINANCE AUTHORITY, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California (the "Authority"),

## W I T N E S S E T H:

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

**WHEREAS**, Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California ("Article 4") authorizes and empowers the Authority to issue bonds to assist its local agency members in financing projects and programs consisting of certain public improvements, working capital, liability, and other insurance needs whenever a local agency member determines that there are significant public benefits from so doing;

**WHEREAS**, the City is a member of the Authority;

**WHEREAS**, the City has determined that the transactions contemplated in this Agreement and the Trust Agreement, dated as of [_____ 1], 2021, will result in significant public benefits, and, accordingly, has determined to authorize the Authority to issue sales tax revenue bonds (the "Bonds," as further defined herein) to assist the City in financing certain capital improvements and costs associated therewith (the "Project," as further defined herein);

**WHEREAS**, the City has further determined that the payment for the Project may be made from Tax Revenues (as defined herein), and is for the common benefit of the City as a whole;

**WHEREAS**, pursuant to Article 4, the Authority has determined to acquire, construct, and complete the Project for, and sell the Project to, the City;

**WHEREAS**, the City has determined to purchase the Project from the Authority by making 2021 Installment Sale Payments (as defined herein) to the Authority; and

**WHEREAS**, all acts, conditions, and things required by law to exist, to have happened, and to have been performed precedent to and in connection with the execution and delivery of this Agreement do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Agreement;

**NOW, THEREFORE**, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

## ARTICLE I
## DEFINITIONS

**Section 1.01 Definitions**. Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any opinion or report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein. Initially capitalized terms used herein without definition shall have the meanings set forth in the Trust Agreement.

"**Accountant's Report**" means a report signed by an Independent Certified Public Accountant.

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

"**Administration Fee**" means an amount equal to the sum of the Trustee Fee, the fees or charges incurred by the City to calculate the Rebate Amounts, and any other similar fee payable in connection with the City's membership in the Authority, payable by the City, in accordance with this Agreement, on the Business Day immediately preceding each Bond Payment Date, for the administrative costs of the Project. The Administration Fee shall be $_____ per year or such other amount set forth in a Certificate of an Authorized City Representative delivered to the Trustee.

"**Administration Fund**" means the fund by that name established and maintained pursuant to Section 3.03 of the Trust Agreement.

"**Authority**" means the Independent Cities Finance Authority, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California and a Joint Powers Agreement, dated as of [May 21, 1998], by and among a number of California cities, including the City, as amended.

"**Authorized Authority Representative**" means any member of the Board of Directors of the Authority and any other person as may be designated and authorized to sign on behalf of the Authority pursuant to a resolution adopted thereby.

"**Authorized City Representative**" means the Mayor, City Manager, Assistant City Manager, or any other person at the time designated to act on behalf of the City by written

certificate furnished to the Trustee, containing the specimen signature of such person and signed on behalf of the City by an Authorized City Representative.

"**Bond Payment Date**" means a date on which principal on the Bonds is due and payable, being June 1 of each year, commencing June 1, 20[__].

"**Bonds**" means the Independent Cities Finance Authority (City of Compton, California), Sales Tax Revenue Bonds, Series 2021. The term "Serial Bonds" means Bonds for which no sinking fund payments are provided. The term "Term Bonds" means Bonds which are payable on or before their specified payment dates from sinking fund payments established for that purpose and calculated to redeem such Bonds on or before their specified payment dates.

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

"**Capital Appreciation Bonds**" means any bonds in 2021 Installment Sale Payments described as such when issued.

"**City**" means the City of Compton, California.

"**City Council**" means the City Council of the City.

"**Code**" means the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

"**Continuing Disclosure Agreement**" means the Continuing Disclosure Agreement, dated [_____ 1], 2021, by and between the City and Willdan Financial Services, as Dissemination Agent, as originally executed and as it may from time to time be amended or supplemented in accordance with its terms.

"**Contracts**" means all installment sale contracts, capital leases or similar obligations of the City authorized and executed by the City under and pursuant to applicable law, the interest and principal and prepayment premium, if any, payments under and pursuant to which are payable from Tax Revenues on a parity with the payment of the 2021 Installment Sale Payments.

"**Debt Service**" means, for any Fiscal Year, the sum of that portion of the 2021 Installment Sale Payments required to be made pursuant to this Agreement and the payments required pursuant to any Contract or Contracts outstanding at the times provided in this Agreement and the Contract or Contracts that would have accrued during such Fiscal Year if such Installment Sale Payments were deemed to accrue daily in equal amounts from, in each case, the next preceding Installment Sale Payment Date of interest or principal or the date of the pertinent Contract, as the case may be; provided, that (a) if any of the 2021 Installment Sale Payments due hereunder or the payments due under any of such Contracts relate to Capital Appreciation Bonds, then the Accreted Value payment shall be deemed a principal payment and interest that is compounded and paid as Accreted Value shall be deemed due on the scheduled redemption or payment date of such Capital Appreciation Bond; (b) if any of the 2021 Installment Sale Payments due hereunder or the payments due under any such Contracts bear interest payable pursuant to a variable interest rate formula, the interest rate on this Agreement or such Contracts for periods when the actual interest

rate cannot yet be determined, shall be assumed to be equal to the greater of (i) the actual rate on the date of calculation, or if such Contracts are not yet outstanding, the initial rate (if then established and binding), (ii) if this Agreement or such Contracts have been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii)(1) if interest on such Contracts is excludable from gross income under the applicable provisions of the Code, the most recently published "Bond Buyer 25 Bond Revenue Index" (or comparable index if no longer published), or (2) if interest is not so excludable, the interest rate on direct U.S. Treasury obligations with comparable maturities; (c) if any of the Contracts is secured by an irrevocable letter of credit issued by a bank having a combined capital and surplus of at least $75,000,000, the principal payments or deposits with respect to such Contracts nominally due in the last Fiscal Year in which such Contracts mature may, at the option of the City, be treated as if they were due as specified in any loan agreement or reimbursement agreement issued in connection with such letter of credit or pursuant to the repayment provisions of such letter of credit and interest on such Contracts after such Fiscal Year shall be assumed to be payable pursuant to the terms of such loan agreement or reimbursement agreement or repayment provisions and (d) if any of such Contracts is not secured by a letter of credit as described in clause (c) of this definition and 20% or more of the original principal of the Installment Sale Payments due under such Contracts is not due until the final stated maturity of the Installment Sale Payments due under such Contracts, such principal may, at the option of the City, be treated as if it were due based upon a level amortization of such principal over the term of such Installment Sale Payments or 30 years, whichever is greater.

"**Depository Bank**" means Bank of the West, in its capacity as Depository Bank pursuant to the Lockbox Agreements, and any successor thereto.

"**Diversion Period**" means the period from and including the date on which any Triggering Event occurs, to and including the date that is six months after the date of the most recent Triggering Event.

"**Event of Default**" means an event described in Section 6.01.

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

"**Fiscal Year**" means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other annual accounting period hereafter selected and designated by the City Council as the Fiscal Year of the City.

"**Independent Certified Public Accountant**" means any firm of certified public accountants appointed by the City which is independent of the City and the Authority pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

"**Installment Sale Payment Date**" means any date on which Installment Sale Payments are scheduled to be paid by the City under and pursuant to any Contract.

"**Installment Sale Payments**" means the periodic payments scheduled to be paid by the City under and pursuant to the Contracts.

"**Insurer**" means [_____], or any successor thereto or assignee thereof.

"**Interest Payment Date**" means a date on which interest on the Bonds is due and payable, being June 1 and December 1 of each year, commencing [____] 1, 2021.

"**Lockbox Agreements**" means, collectively, one or more Deposit Account Control Agreements, each dated as of [_____], 2021, entered into by and among the City, the Trustee, and Bank of the West, as Depository Bank, with respect to each of the Measure M Receipts Account, the Measure R Receipts Account, and the Proposition C Receipts Account.

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

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

"**Measure M Project**" means a capital project constituting a Project for which Measure M Receipts may be expended, including the related Administration Fee.

"**Measure M Receipts**" means Measure M Revenues allocated by the Los Angeles County Metropolitan Transportation Authority to the City pursuant to the Measure M Ordinance from the Local Return Subfund established under the Measure M Ordinance.

"**Measure M Receipts Account**" means the account by that name established pursuant to Section 3.02 hereof.

"**Measure M Revenues**" means revenues of the Los Angeles County Metropolitan Transportation Authority pursuant to the Measure M Ordinance derived from a retail transactions and use tax imposed in the County of Los Angeles pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented, Division 12 (Section 130350 et seq.) of the Public Utilities Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented, and the Measure M Ordinance. Collection of the Measure M Revenues commenced on July 1, 2017 and does not terminate under the terms of the Measure M Ordinance.

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

"**Measure R Project**" means a capital project constituting a Project for which Measure R Receipts may be expended, including the related Administration Fee.

"**Measure R Receipts**" means Measure R Revenues allocated by the Los Angeles County Metropolitan Transportation Authority to the City pursuant to the Measure R Ordinance from the Local Return Subfund established under the Measure R Ordinance.

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

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

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

"**Other Available Revenues**" means revenues, other than Tax Revenues as herein defined, legally available to the City to make 2021 Installment Sale Payments, if any.

"**Project**" means the design, rehabilitation, construction, enlargement, improvement, and/or equipping of certain City streets, sidewalks, gutters, curbs and ramps, streetlights, and street signs, as described with greater particularity in Exhibit B to this Agreement and such additional projects as may be added, deleted or substituted from time to time as provided in Section 2.02 hereof. If the context suggests, "Project" shall also include the design, rehabilitation, construction, enlargement, improvement, and/or equipping of City streets, sidewalks, gutters, curbs and ramps, streetlights and street signs described under and pursuant to any Contract.

"**Project Fund**" means the fund by that name established and maintained pursuant to Section 2.11 of the Trust Agreement.

"**Proposition C Ordinance**" means Ordinance No. 49 adopted by the Los Angeles County Transportation Commission, predecessor to the Los Angeles County Metropolitan Transportation Authority, on August 8, 1990, and approved by at least two-thirds of electors voting on such proposition in the November 6, 1990 election, as supplemented and amended.

"**Proposition C Project**" means a capital project constituting a Project for which Proposition C Receipts may be expended.

"**Proposition C Receipts**" means Proposition C Revenues allocated by the Los Angeles County Metropolitan Transportation Authority to the City pursuant to the Proposition C Ordinance.

"**Proposition C Receipts Account**" means the account by that name established pursuant to Section 3.02 hereof.

"**Proposition C Revenues**" means revenues of the Los Angeles County Metropolitan Transportation Authority pursuant to the Proposition C Ordinance derived from a retail transactions and use tax imposed in the County of Los Angeles pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented, Division 12 (Section 130350 et seq.) of the Public Utilities Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented, and the Proposition C Ordinance. Collection of the Proposition C Revenues commenced on April 1, 1991 and does not terminate under the terms of the Proposition C Ordinance.

"**Purchase Price**" means the total of all 2021 Installment Sale Payments owed by the City to the Authority under the conditions and terms hereof, constituting the purchase price for the City's acquisition of the Project from the Authority.

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

"**Rebate Analyst**" means any consultant retained by the City to calculate the Rebate Amounts as required by this Agreement.

"**Rebate Fund**" means the fund by that name established in Section 4.04 of the Trust Agreement.

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

"**Reserve Fund Requirement**" means, as of any date of calculation, an amount equal to the least of (i) 10% of the initial stated principal amount (within the meaning of Section 148 of the Code) of the 2021 Installment Sale Payments; (ii) 125% of the average annual 2021 Installment Sale Payments, or (iii) the Maximum Annual Debt Service calculated only with respect to the 2021 Installment Sale Payments due hereunder.

"**Tax Certificate**" means the Tax Certificate dated the date of issuance of the Bonds and executed and delivered by the Authority and the City.

"**Tax Revenues**" means all Measure R Receipts, Measure M Receipts, and Proposition C Receipts; provided that:

(a) Revenues which are not, by the terms of the relevant Measure R Ordinance, Measure M Ordinance, or Proposition C Ordinance, as applicable, or the related implementation

plan or expenditure plan, eligible for expenditure equally on each subset of eligible costs listed as a component of the Project shall be proven, by certification provided by the City, to be sufficient to produce a sum equal to at least 100% of the Maximum Annual Debt Service allocable to the components of the Project for which such Revenues are eligible to be paid (assuming that each such component of the Project amortizes over the life of the related Installment Sale Payments);

(b) If Measure R Receipts, Measure M Receipts, and/or Proposition C Receipts are pledged and payable as Revenues in connection with any additional Contract on a parity with the payment by the City of the 2021 Installment Sale Payments, as provided in Section 4.01 hereof, then such Measure R Receipts, Measure M Receipts, and/or Proposition C Receipts (as applicable) will constitute Revenues and will be pledged to the payment of the 2021 Installment Sale Payments.

"**Triggering Event**" means (a) a transfer from the Reserve Fund to the Interest Fund or the Principal Fund is made pursuant to Section 3.03(a)(3) of the Trust Agreement to cure a deficiency in the Interest Fund or the Principal Fund, or (b) an Event of Default occurs of which the Trustee receives notice.

"**Trust Agreement**" means the Trust Agreement, dated as of [_____ 1], 2021, by and among the Authority, the Trustee, and the City, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Trust Agreements executed pursuant to the provisions of the Trust Agreement.

"**Trustee**" means U.S. Bank National Association, or any successor thereto appointed pursuant to the Trust Agreement.

"**Trustee's Fee**" means the annual administration fee of the Trustee, in the amount of $[_____] payable in advance on [_____], 2021 and thereafter on each Bond Payment Date.

"**2021 Installment Sale Agreement**" or "**Agreement**" means this 2021 Installment Sale Agreement, dated as of [_____ 1], 2021, by and between the Authority and the City, as originally executed and as it may from time to time be amended or supplemented pursuant to the terms hereof and of the Trust Agreement.

"**2021 Installment Sale Payment Date**" means the fifteenth day of the calendar month immediately preceding each Interest Payment Date, or if said day is not a Business day, then the next preceding Business Day.

"**2021 Installment Sale Payments**" means the 2021 Installment Sale Payments scheduled to be paid by the City under and pursuant to this 2021 Installment Sale Agreement, as set forth in Exhibit A hereto.

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

## ARTICLE II
## THE PROJECT

**Section 2.01 Completion and Sale of the Project**. The Authority hereby agrees to cause the Project and any additions or modifications thereto to be constructed, acquired and installed by the City as its agent, and hereby appoints the City to act on its behalf as its agent hereunder. The City agrees to transfer whatever real or personal property interest it may possess which may be required in order for the Authority to effect the Project. The City hereby agrees to enter into such engineering, design, construction, and other professional contracts and purchase orders as may be necessary, as agent for the Authority, to provide for the construction and completion of the Project in accordance with all applicable laws. The City hereby agrees that as such agent it will cause the Project to be diligently completed after the deposit of funds in the Project Fund for such purpose pursuant to Section 2.11 of the Trust Agreement, and that it will use its best efforts to complete the Project by [_____], except for unforeseeable delays beyond the reasonable control of the City. The Authority hereby agrees to sell, and hereby sells, the Project to the City. The City hereby agrees to purchase, and hereby purchases, the Project from the Authority. Notwithstanding the foregoing, it is hereby expressly understood and agreed that the Authority shall be under no liability of any kind or character whatsoever for the payment of any costs or expenses incurred by the City (whether as agent for the Authority or otherwise) for the completion of the Project and that all such costs and expenses shall be paid by the City, regardless of whether the funds deposited in the Project Fund are sufficient to cover all such costs.

**Section 2.02 Additions, Deletions and Substitutions to the Project**. The City may add, delete or substitute other improvements for the facilities listed in Exhibit B hereto, by filing with the Authority and Trustee a statement of the City Manager or other City Authorized Representative;

(a) identifying the improvements to be added, deleted, or substituted; and

(b) stating that the estimated costs of construction, acquisition and installation of the added, deleted or substituted improvements are not less than such costs for the previously planned improvements and/or the Authority has sufficient funds advanced by the City or Bond proceeds to construct and/or acquire the substituted or added improvements; and

(c) stating that such added, deleted or substituted improvements will not reduce the 2021 Installment Sale Payments payable hereunder or adversely affect the payment of principal of and interest on the Bonds; and

(d) the City has received approval from the Los Angeles County Metropolitan Transportation Authority of such added, deleted or substituted improvements as a Measure M Project, a Measure R Project, and/or a Proposition C Project in accordance with the applicable Borrowing Guidelines established by the Los Angeles County Metropolitan Transportation Authority.

**Section 2.03 Title**. All right, title and interest in the Project shall vest in the City immediately upon the acquisition or construction thereof. Such vesting shall occur without further

action by the Authority or the City and the Authority shall, if requested by the City or if necessary to assure such automatic vesting deliver any and all documents required to assure such vesting.

## ARTICLE III
## 2021 INSTALLMENT SALE PAYMENTS; ADMINISTRATION FEE

**Section 3.01 Purchase Price and Administration Fee**.

(a) The Purchase Price to be paid by the City to the Authority hereunder is the sum of the principal amount of the City's obligation hereunder plus the interest to accrue on the unpaid balance of such principal amount from the date hereof over the term hereof, subject to prepayment as provided in Section 3.05.

(b) The principal amount of the Purchase Price to be paid by the City to the Authority hereunder is $[_____].

(c) The interest to accrue on the unpaid balance of the principal amount of the Purchase Price shall be equal to the interest payable on the Bonds as provided in Section 2.02 of the Trust Agreement, and shall be paid by the City as and constitute interest paid on the principal amount of the City's obligations hereunder.

(d) In addition, the City shall pay the Administration Fee for the administrative cost of the Project.

**Section 3.02 Payment of 2021 Installment Sale Payments and Administration Fee**. The City shall, subject to prepayment as provided in Section 3.05, pay the Authority or the Trustee, as appropriate, the Purchase Price, without offset or deduction of any kind, by paying (i) the principal installments of the 2021 Installment Sale Payments, which principal installments shall be due annually on each Bond Payment Date, (ii) the interest installments of the 2021 Installment Sale Payments, which interest installments shall be due semiannually on each Interest Payment Date and (iii) the Administration Fee which shall be due annually on each Bond Payment Date. The 2021 Installment Sale Payments Schedule is set forth in Exhibit A attached hereto. Each 2021 Installment Sale Payment and the Administration Fee shall be payable on and shall be required to be deposited with the Trustee on or before the fifteenth day of the calendar month immediately preceding its due date. In order to implement the foregoing, the City shall make the transfers to the Trustee required by Section 3.04 hereof.

The obligation of the City to pay the Purchase Price by paying the 2021 Installment Sale Payments, including the Administration Fee, is, subject to Section 8.01, absolute and unconditional, and until such time as the 2021 Installment Sale Payments shall have been paid in full (or provision for the payment thereof shall have been made pursuant to Section 7.01), the City will not discontinue or suspend any 2021 Installment Sale Payments or Administration Fee required to be paid by it under this Section when due, whether or not the Project or any part thereof is complete, or its use is suspended, interfered with, reduced, curtailed, or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party to any agreement for any cause whatsoever.

**Section 3.03 Pledged Tax Fund**. In order to carry out and effectuate the obligation of the City contained herein to pay the 2021 Installment Sale Payments and the Administration Fee, the City established the "City of Compton Pledged Tax Fund" as Fund No. [____] (the "Pledged Tax Fund") and within the Pledged Tax Fund, the "Measure R Receipts Account," the "Measure M Receipts Account," and the "Proposition C Receipts Account," as account numbers _____, _____, and _____, respectively, which fund and accounts therein the City agrees and covenants to maintain so long as any Installment Sale Payments remain unpaid. The Measure R Receipts Account, the Measure M Receipts Account, and the Proposition C Receipts Account shall at all times be subject to the Lockbox Agreements. All money on deposit in the Pledged Tax Fund and the accounts therein shall be applied and used only as provided herein. The City agrees and covenants that (i) all Measure R Receipts received by it shall be deposited when and as received in the Measure R Receipts Account, (ii) all Measure M Receipts received by it shall be deposited when and as received in the Measure M Receipts Account, and (iii) all Proposition C Receipts received by it shall be deposited when and as received in the Proposition C Receipts Account.

The City covenants and agrees to use and apply all Measure R Receipts, Measure M Receipts, and Proposition C Receipts as received on an annual basis to the payment of Installment Sale Payments prior to any other expenditure of such Tax Revenues, subject to the release for expenditure as provided in this section below and only in an amount not exceeding the Measure R Receipts, the Measure M Receipts, and the Proposition C Receipts.

[The City covenants and agrees to include all amounts reimbursable to the Insurer (as more fully described in the Trust Agreement) and Policy Costs (as more fully described in the Trust Agreement) in its calculation of Installment Sale Payments and shall pay all such payments from the Tax Revenues.]

All of the Tax Revenues and all money in the Pledged Tax Fund and in the funds or accounts so specified and provided for in this Agreement are hereby irrevocably pledged to the punctual payment of the 2021 Installment Sale Payments and the Administration Fee, and the Tax Revenues and moneys in the Pledged Tax Fund shall not be used for any other purpose while any of the 2021 Installment Sale Payments remain outstanding, subject to the provisions of this Agreement permitting application thereof for the purposes and on the terms and conditions set forth herein. This pledge shall constitute a first lien on the Tax Revenues and moneys in the Pledged Tax Fund for the payment of the 2021 Installment Sale Payments and the Administration Fee in accordance with the terms thereof. Notwithstanding anything to the contrary set forth in this Agreement, (a) the Measure M Receipts shall only be available to pay 2021 Installment Sale Payments to the extent such 2021 Installment Sale Payments are attributable to a Measure M Project, (b) the Measure R Receipts shall only be available to pay 2021 Installment Sale Payments to the extent such 2021 Installment Sale Payments are attributable to a Measure R Project, and (c) the Proposition C Receipts shall only be available to pay 2021 Installment Sale Payments to the extent such 2021 Installment Sale Payments are attributable to a Proposition C Project, as reflected in a Certificate of an Authorized City Representative delivered to the Trustee.

Notwithstanding the foregoing, the City may at any time transfer to the Trustee for deposit in the Revenue Fund Other Available Revenues, and if and when so deposited, all such Other Available Revenues deposited in the Revenue Fund shall be irrevocably pledged to the payment

of Installment Sale Payments and shall serve to offset Tax Revenues needed to pay 2021 Installment Sale Payments and the Administration Fee.

**Section 3.04 Transfers to Trustee for Deposits under the Trust Agreement**.

(a) During any period that is not a Diversion Period, the City shall transfer, or cause to be transferred, on the [fifth ($5^{th}$)] day of every month (or the next Business Day if such day is not a Business Day), from amounts on deposit in the Pledged Tax Fund to the Trustee for deposit in the Revenue Fund an amount sufficient for the Trustee to make the deposits, if any, required to be made pursuant to paragraphs (1), (2), (3), and (4) of Section 3.03(b) of the Trust Agreement. The City shall only be required to make transfers pursuant to this Section 3.04(a) to the extent of amounts on deposit in the Pledged Tax Fund.

(b) During any period that is not a Diversion Period, on or after the [sixteenth] day of each month and after the transfers described in subsection (b) of this Section 3.04 have been made, and provided that sufficient amounts have been transferred by the City to the Trustee to enable the Trustee to make the deposits, if any, required by paragraphs (1), (2), (3), and (4) of Section 3.03(b) of the Trust Agreement, then all moneys remaining in the Pledged Tax Fund shall be released from the pledge and lien in favor of the 2021 Installment Sale Payments and the Installment Sale Payments and the City may withdraw any such amounts on deposit in the Pledged Tax Fund and use such moneys for any purpose permitted by applicable law, including without limitation uses permitted by the Measure M Ordinance, the Measure R Ordinance, and the Proposition C Ordinance, as applicable.

(c) During any Diversion Period, the City shall transfer, or cause to be transferred, on a daily basis, all amounts on deposit in the Pledged Tax Fund to the Trustee for deposit in the Revenue Fund.

**Section 3.05 Prepayment of 2021 Installment Sale Payments**. The City may optionally prepay the 2021 Installment Sale Payments in accordance with Section 2.03(a) of the Trust Agreement. Notwithstanding any such prepayment, the City shall not be relieved of its obligations hereunder, including without limitation its obligations under Sections 3.01, 3.02, 3.03 and 3.04 hereof, until the Purchase Price and all Administration Fees shall have been fully paid (or provision for payment thereof shall have been provided in accordance with Article VII hereof).

## ARTICLE IV
## ADDITIONAL CONTRACTS

**Section 4.01 Additional Contracts**.

(a) So long as the City is not in default hereunder, the City may at any time execute any Contract creating obligations that are payable from the Tax Revenues on a parity with the 2021 Installment Sale Payments, provided that the Tax Revenues (to the extent pledged to the payment of such obligations), for the Fiscal Year next preceding the date of the adoption by the City Council of the resolution authorizing the execution of such Contract, or for any more recent period of twelve (12) consecutive months, as evidenced by both a calculation prepared by the City and a special report prepared by an Independent Certified Public Accountant on such calculation on file with the City shall have produced a sum equal to at least 150% of the Maximum Annual

Debt Service on this Agreement and any other Contract outstanding after the execution of such amendment or proposed Contract. [Policy Costs due and owing to the Insurer shall be included in the Maximum Annual Debt Service requirement for purposes of the foregoing calculation and the calculation of Maintenance of Tax Revenues in Section 5.04 of this Agreement.].

(b) Notwithstanding the foregoing subsection (a) of this Section 4.01, the City may incur Contracts to refund outstanding 2021 Installment Sale Payments or outstanding Contracts if, after giving effect to the application of the proceeds thereof, total Debt Service will not be increased in any Fiscal Year in which this Agreement or Contracts (outstanding on the date of incurrence of such refunding Contracts, but excluding such refunding Contracts) not being refunded are outstanding.

(c) Nothing herein shall preclude the City from issuing any bonds or notes or executing contracts under which the payments from Tax Revenues are subordinate to any of the 2021 Installment Sale Payments or any Contracts of the City.

## ARTICLE V
## REPRESENTATIONS AND COVENANTS OF THE CITY AND THE AUTHORITY

**Section 5.01 Authority; Compliance with 2021 Installment Sale Agreement and Trust Agreement**. The City is a municipal corporation organized and existing under the Constitution of the State of California, with full legal right, power and authority to execute, deliver and perform its obligations under this Agreement, and compliance with the provision hereof will not materially conflict with or constitute a material breach of or default under any applicable provision of law, or any applicable regulation or agreement to which the City is a party or may be subject.

The City will punctually pay the 2021 Installment Sale Payments in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements, conditions, covenants, and terms contained herein and required to be observed and performed by it. The City will faithfully observe and perform all obligations and covenants set forth in the Lockbox Agreements for the benefit of the owners of the Bonds. The City will not terminate this Agreement or the Lockbox Agreements for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either or any failure of the Authority to observe or perform any agreement, condition, covenant, or term contained herein required to be observed and performed by it, whether express or implied, or any duty, liability, or obligation arising out of or connected herewith or the insolvency, or deemed insolvency, or bankruptcy or liquidation of the Authority or any force majeure, including Acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lockouts, lack of transportation facilities, fire, explosion, or acts or regulations of governmental authorities.

The Authority will faithfully observe and perform all the agreements, conditions, covenants and terms contained in the Trust Agreement required to be observed and performed by it, and it is expressly understood and agreed by and among the parties to this Agreement and the Trust

Agreement that each of the agreements, conditions, covenants and terms contained in each such agreement is an essential and material term of the obligation of the City to repay the costs of the Project, including the costs and expenses incidental thereto, paid by the Authority pursuant to, and in accordance with, and as authorized under law and this Agreement.

**Section 5.02 Use of Proceeds of the Bonds**. The Authority and the City agree that the proceeds of the Bonds deposited in the Project Fund will be used by the City, as agent for the Authority, to pay the costs of the Project, including the incidental costs and expenses related thereto, as provided herein and in the Trust Agreement. The City shall comply in all material respects with the requirements and restrictions set forth in the Measure M Ordinance, the Measure R Ordinance, and the Proposition C Ordinance, as applicable, and all other rules and requirements established from time to time by the Los Angeles County Metropolitan Transportation Authority, or any successor entity, with respect to the use of the Tax Revenues to pay costs of the Project.

**Section 5.03 Against Encumbrances**. The City will pay or cause to be paid when due all sums of money that may become due or purporting to be due for any labor, services, materials, supplies, or equipment furnished, or alleged to have been furnished, to or for the City payable from the Tax Revenues or which may impair the security for the 2021 Installment Sale Payments and will keep the Tax Revenues free of any and all liens against any portion of the Tax Revenues. In the event any such lien attaches to or is filed against any portion of the Tax Revenues, the City will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the City desires to contest any such lien it may do so. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and such stay thereafter expires, the City will forthwith pay or cause to be paid and discharged such judgment. The City will, to the maximum extent permitted by law, indemnify and hold the Authority and the Trustee harmless from, and defend each of them against, any claim, demand, loss, damage, liability, or expense (including attorneys' fees) as a result of any such lien or claim of lien against any portion of the Tax Revenues.

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

**Section 5.04 Maintenance of Tax Revenues**. The City will use its best efforts to comply with all provisions of law and any regulations issued thereunder relating to the Tax Revenues, including, but not limited to, the Measure R Ordinance, the Measure M Ordinance, and the Proposition C Ordinance, and will take any and all reasonable actions required in order to maintain the City's ability to receive the Tax Revenues and apply the same as provided herein.

The City covenants and agrees to take all actions and make all submittals and filings required to obtain all required approvals from the Los Angeles County Metropolitan Transportation Authority necessary to ensure timely distribution of the Tax Revenues to the City or relating to the use of the Tax Revenues to pay 2021 Installment Sale Payments, Administration Fees, and otherwise as described under this Agreement.

**Section 5.05 Tax Covenants**. The City will not directly or indirectly use or permit the use of the proceeds of the obligation provided herein or any other funds of the City or take or omit to take any action which would cause such obligation to be an "arbitrage bond" within the meaning of Section 148 of the Code, or a "federally-guaranteed obligation" under Section 149(b) of the Code, or a "private activity bond" as described in Section 141 of the Code. To that end, so long as any 2021 Installment Sale Payments are unpaid, the City will comply with all requirements of such sections of the Code to the extent applicable to the obligation provided herein and with the provisions of the Tax Certificate. Upon calculation by the Rebate Analyst of a Rebate Amount, the City shall, from any source of available funds, immediately transfer an amount of money equal to the Rebate Amount to the Trustee for deposit in the Rebate Fund established pursuant to Section 4.04 of the Trust Agreement.

The Authority and the City will at all times do and perform all acts and things permitted by law which are necessary or desirable in order to assure that the interest on the Bonds will not be included in the gross income of the owners of such bonds for federal income tax purposes under the Code and will take no action that would result in such interest being so included.

**Section 5.06 Prompt Completion of the Project**. The City will take all necessary and appropriate steps to complete the Project, as agent of the Authority, with all practicable dispatch and in an expeditious manner and in conformity with law so as to complete the same as soon as possible.

**Section 5.07 Accounting Records and Financial Statements**.

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

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

**Section 5.08 Protection of Security and Rights of the Authority and the Trustee**. The City will preserve and protect the security hereof and the rights of the Authority and the Trustee to the 2021 Installment Sale Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

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

**Section 5.10 Continuing Disclosure**. The City hereby covenants and agrees that it will enter into and comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this 2021 Installment Sale Agreement, failure of the City to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder; however, the Trustee shall, at the written request of any Participating

Underwriter (as defined in the Continuing Disclosure Agreement) or the Owner of at least 25% aggregate principal amount in Outstanding Bonds, or any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" means any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

## ARTICLE VI
## EVENTS OF DEFAULT AND REMEDIES

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

(1) if default shall be made in the due and punctual payment of any 2021 Installment Sale Payment when and as the same shall become due and payable;

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

(3) if the City shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the City seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property; or

(4) acceleration of Installment Sale Payments under any Contracts;

then and in each and every such case during the continuance of such Event of Default specified in clause (1) above, the Trustee shall, and for any other such Event of Default the Trustee may, by notice in writing to the City, declare the entire principal amount of the unpaid 2021 Installment Sale Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding. This subsection is subject to the condition, however, that if at any time after the entire principal amount of the unpaid 2021 Installment Sale Payments and the accrued interest thereon shall have been so declared due and payable and before any judgment or decree for the payment of the money due shall have been obtained or entered the City shall deposit with the Trustee a sum sufficient to pay the unpaid principal amount of the 2021 Installment Sale Payments due and payable prior to such declaration and the accrued interest thereon, with interest on such overdue installments at the rate or rates applicable to such unpaid principal amounts of the 2021 Installment Sale Payments if paid in accordance with their terms, and the reasonable expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of

the entire principal amount of the unpaid 2021 Installment Sale Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then and in every such case the Trustee, by written notice to the City, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any sub-sequent default or shall impair or exhaust any right or power consequent thereon.

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

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

Second, to the payment of the interest then due and payable on the entire principal amount of the unpaid 2021 Installment Sale Payments, and, if the amount available shall not be sufficient to pay in full all such interest then due and payable, then to the payment thereof ratably, according to the amounts due thereon without any discrimination or preference;

Third, to the payment of the unpaid principal amount of the 2021 Installment Sale Payments which has become due and payable, whether on the original due date or upon acceleration, with interest on the overdue principal and interest amounts of the unpaid 2021 Installment Sale Payments at the rate or rates of interest then applicable to such 2021 Installment Sale Payments if paid in accordance with their terms, and, if the amount available shall not be sufficient to pay in full all the amounts due with respect to the 2021 Installment Sale Payments on any date, together with such interest, then to the payment thereof ratably, according to the principal amount due on such date, without any discrimination or preference; and

[Fourth, to the payment of amounts due to the Insurer not paid pursuant to Second and Third above.]

**Section 6.03 Other Remedies**.

The Trustee shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the City or any City Council member, officer, or employee thereof, and to compel the City or any such City Council member, officer, or employee to perform and carry out its or his duties under law and the agreements and covenants required to be performed by it or him contained herein;

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

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

**Section 6.04 Non-Waiver**. Nothing in this article or in any other provision hereof shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the 2021 Installment Sale Payments from the Tax Revenues to the Trustee at the respective due dates or upon prepayment, or shall affect or impair the right of the Trustee, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Trustee shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Trustee by law or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee.

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

**Section 6.05 Remedies Not Exclusive**. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by law. The exercise of remedies hereunder shall be subject to the provisions of the Trust Agreement, including Articles VII and IX thereof.

## ARTICLE VII
## DISCHARGE OF OBLIGATIONS

**Section 7.01 Discharge of Obligations**.

(a) If the City shall pay or cause to be paid all the 2021 Installment Sale Payments at the times and in the manner provided herein,[ and all amounts owed the Insurer shall have been paid in full,] the right, title, and interest of the Authority herein and the obligations of the City hereunder shall thereupon cease, terminate, become void, and be completely discharged and satisfied.

(b) Any unpaid principal installment of the 2021 Installment Sale Payments shall, on its payment date or date of prepayment, be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this section if the City makes payment of such 2021 Installment Sale Payments and the prepayment premium, if applicable, in the manner provided herein.

(c) All or any portion of unpaid principal installments of the 2021 Installment Sale Payments shall, prior to their payment dates or dates of prepayment, be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this section if (i) notice is provided by the City to the Trustee as required by the Trust Agreement, (ii) there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Obligations (as that term is defined in the Trust Agreement) which, together with money, if any, deposited with the Trustee, shall be sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the interest to become due with respect to the principal installments of such 2021 Installment Sale Payments and the principal installments of such 2021 Installment Sale Payments or such portions thereof on and prior to their payment dates or their dates of prepayment, as the case may be, and the prepayment premiums, if any, applicable thereto and (iii) an opinion of nationally recognized bond counsel is filed with the Trustee to the effect that the action taken pursuant to this subsection will not cause the interest on the Bonds to be includable in gross income under the Code for federal income tax purposes.

(d) After the payment of all 2021 Installment Sale Payments and prepayment premiums, if any, as provided in this section, and payment of all fees and expenses of the Trustee, the Trustee, upon request of the City, shall cause an accounting for such period or periods as may be requested by the City to be prepared and filed with the City and the Authority and shall execute and deliver to the City and the Authority all such instruments as may be necessary or desirable to evidence such total discharge and satisfaction of this 2021 Installment Sale Agreement, and the Trustee shall pay over and deliver to the City, as an overpayment of 2021 Installment Sale Payments, all such money or investments held by it pursuant to the Trust Agreement other than such money and such investments as are required for the payment or prepayment of the 2021 Installment Sale Payments, which money and investments shall continue to be held by the Trustee in trust for the payment of the 2021 Installment Sale Payments and shall be applied by the Trustee pursuant to the Trust Agreement.

## ARTICLE VIII
## MISCELLANEOUS

**Section 8.01 Liability of the City Limited to Tax Revenues**. Notwithstanding anything contained herein, the City shall not be required to advance any moneys derived from any source of income other than the Tax Revenues for the payment of the 2021 Installment Sale Payments or for the performance of any agreements or covenants required to be performed by it contained herein.

The obligation of the City to make the 2021 Installment Sale Payments is a special obligation of the City payable solely from the Tax Revenues as provided herein, and does not constitute a debt of the City or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

**Section 8.02 Benefits of this 2021 Installment Sale Agreement**. Nothing contained herein, expressed or implied, is intended to give to any person other than the Authority, the City, [the Insurer] or the Trustee any right, remedy, or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the Authority, the City,

or the Trustee shall be for the sole and exclusive benefit of the other parties. [The Insurer is a third party beneficiary of this 2021 Installment Sale Agreement.]

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

**Section 8.04 Waiver of Personal Liability**. No City Council member or City officer or employee shall be individually or personally liable for the payment of the 2021 Installment Sale Payment, but nothing contained herein shall relieve any City Council member or City officer or employee from the performance of any official duty provided by any applicable provisions of law or hereby.

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

**Section 8.06 Partial Invalidity**. If any one or more of the agreements, covenants, or portions thereof required hereby to be performed by or on the part of the Authority or the City shall be contrary to law, then such agreement or agreements, such covenant or covenants, or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The Authority and the City hereby declare that they would have executed this 2021 Installment Sale Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause, and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses, or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

**Section 8.07 Assignment**. This Agreement and any rights hereunder shall be assigned by the Authority to the Trustee as provided in the Trust Agreement; to which assignment the City hereby expressly acknowledges and consents. Any other assignment without the consent of the Trustee [and the Insurer] shall be void.

**Section 8.08 Net Contract**. This Agreement shall be deemed and construed to be a net contract, and the City shall pay absolutely net during the term hereof the 2021 Installment Sale Payments and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

**Section 8.09 California Law**. This Agreement shall be construed and governed in accordance with the laws of the State of California.

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

**Section 8.11 Funds**. Any fund required to be established and maintained herein by the City may be established and maintained in the accounting records of the City either as an account or a fund, and may, for the purpose of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to any such fund shall at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Bonds and the rights of the owners of such Bonds.

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

| | |
|---|---|
| If to the Authority: | Independent Cities Finance Authority<br>P.O. Box 6740<br>Lancaster, California 93539<br>Attention: Executive Director |
| If to the City: | City of Compton<br>205 South Willowbrook Avenue<br>Compton, California 90220<br>Attention: City Manager and City Attorney |

**Section 8.13 Notices to Insurer; Miscellaneous Insurer Provisions**. [TO COME.]

**Section 8.14 Agreement Represents Complete Agreement; Amendments**. This Agreement (together with the Trust Agreement) represents the entire contract between the City and the Authority relating to the 2021 Installment Sale Payments, the Project, and the Bonds. This Agreement may not be effectively amended, changed, modified, altered, or terminated except by the written agreement of the City and the Authority, given in accordance with the provisions of the Trust Agreement. [Any amendment, supplement, modification to, or waiver of this Agreement that requires the consent of holders of the Bonds or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.]

**Section 8.15 Effective Date**. This Agreement shall become effective upon its execution and delivery, and shall terminate when the Purchase Price shall have been fully paid (or provision for the payment thereof shall have been made pursuant to Article VII).

**Section 8.16 Execution in Counterparts**. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

**IN WITNESS WHEREOF**, the parties hereto have executed and attested this 2021 Installment Sale Agreement by their officers thereunto duly authorized as of the day and year first written above.

**CITY OF COMPTON, CALIFORNIA**

By:_____
Mayor

**INDEPENDENT CITIES FINANCE AUTHORITY**

By:_____
Authorized Signatory

**EXHIBIT A**

**2021 INSTALLMENT SALE PAYMENTS SCHEDULE**

| Payment Date* | Interest Installment | Principal Installment | Total |
|---|---|---|---|
| 06/01/2021 | | | |
| 12/01/2021 | | | |
| 06/01/2022 | | | |
| 12/01/2022 | | | |
| 06/01/2023 | | | |
| 12/01/2023 | | | |
| 06/01/2024 | | | |
| 12/01/2024 | | | |
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| 06/01/2029 | | | |
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| 12/01/2031 | | | |
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| 06/01/2040 | | | |
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| 06/01/2041 | | | |

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06/01/2048
12/01/2048
06/01/2049
12/01/2049
06/01/2050
12/01/2050
06/01/2051

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* Each 2021 Installment Sale Payment shall be payable on and shall be required to be deposited with the Trustee on or before the fifteenth day of the calendar month immediately preceding the respective June 1 and December 1 payment dates as provided in Section 3.02.

# EXHIBIT B

## DESCRIPTION OF THE PROJECT

The rehabilitation, construction, enlargement, improvement, and/or equipment of streets, sidewalks, gutters, curbs and ramps, streetlights, and street signs in the City of Compton, including the payment of certain necessary expenses incidental thereto, which improvements are eligible costs payable from the Tax Revenues pursuant to the (i) Measure R Receipts, (ii) Measure M Receipts, and/or (iv) Proposition C Receipts and have been approved by the Los Angeles County Metropolitan Transportation Authority. The particular streets to be improved shall include the streets listed below and such other streets as shall be designated by written certificate of an Authorized City Representative pursuant to Section 2.02 of the 2021 Installment Sale Agreement dated as of [_____ 1], 2021, by and between the City and the Authority, which statement shall be appended to this Exhibit B.

**RESIDENTIAL STREET REHABILITATION PROJECT**
**CIP# 18-01, Phase 1**

| | *Street* | *From* | *To* | *Cost* | *Potential Funding Source* |
|---|---|---|---|---|---|
| 1 | Tajauta Avenue | Rosecrans Avenue | Compton Boulevard | $ 818,125.00 | Measure R & M |
| 2 | Myrrh Street | Santa Fe | East City Limit | 1,251,404.00 | Measure R & M |
| 3 | Bradfield Avenue | Pixley Street | Compton Boulevard | 208,384.00 | Measure R & M |
| 4 | Elva Avenue | Parmelee Avenue | 138th Street | 600,919.00 | Measure R & M |
| 5 | Grandee Avenue | El Segundo Boulevard | 138th Street | 1,005,345.00 | Measure R & M |
| 6 | Caldwell Street | Oleander | West City Limits | 1,905,211.00 | Prop C, Measure R & M |
| 7 | Alondra Boulevard | Lime Avenue | East City Limit | 105,644.00 | Measure R & M |
| | | | | **$ 5,895,032.00** | |

**RESIDENTIAL STREET REHABILITATION PROJECT**
**CIP# 18-01, Phase 2**

| | *Street* | *From* | *To* | *Cost* | *Potential Funding Source* |
|---|---|---|---|---|---|
| 1 | 135th Street/Stockwell Street | Parmelee Avenue | Elva | $ 188,805.00 | Measure R & M |
| 2 | Alameda Street East | City Limit North | City Limit South | 1,660,131.00 | Prop C, Measure R & M |
| 3 | Alameda Street West | City Limit North | City Limit South | 2,541,259.00 | Prop C, Measure R & M |
| 4 | Alondra Boulevard | City Limit West | Lime Avenue | 3,911,479.00 | Prop C, Measure R & M |
| 5 | Bradfield Avenue | Compton Boulevard | Alondra Boulevard | 539,932.00 | Measure R & M |
| 6 | Bullis Road | City Limit North | City Limit South | 1,903,312.00 | Prop C, Measure R & M |
| 7 | Compton Avenue | 130th Street | 134th Place | 897,154.00 | Measure R & M |
| 8 | Compton Boulevard | City Limit East | City Limit West | 6,537,172.00 | Prop C. Measure R & M |
| 9 | Greenleaf Boulevard | City Limit East | Alameda Street | 1,186,838.00 | Prop C, Measure R & M |
| 10 | Oris Street | Willowbrook Avenue | City Limit East | 247,789.00 | Measure R & M |
| 11 | Palmer Street | Alameda Street | Bowen | 627,066.00 | Measure R & M |
| 12 | Parmelee Avenue | City Limit North | 138th Street | 1,145,888.00 | Measure R & M |
| 13 | Rosecrans Avenue | City Limit East | Alameda Street | 1,053,657.00 | Prop C, Measure R & M |
| 14 | Sante Fe Avenue | City Limit North | City Limit South | 2,265,230.00 | Prop C, Measure R & M |
| 15 | Slater Street | 133rd Street | Wilmington Avenue | 937,189.00 | Measure R & M |
| 16 | Tucker Street | Van Ness Avenue | Long Beach Boulevard | 321,403.00 | Measure R & M |
| 17 | Greenleaf Boulevard | Central Avenue | Whitemarsh Avenue | 1,081,268.00 | Prop C, Measure R & M |
| 18 | Walnut Street, | Walnut Park Drive | Walnut Park Way | 2,975,880.00 | Prop C, Measure R & M |
| 19 | Wilmington Avenue | Rosecrans Avenue | City Limit South | 4,500,000.00 | Prop C, Measure R & M |

| | | | | |
|---|---|---|---|---|
| 20. Willowbrook Avenue East | Rosecrans Avenue | Greenleaf Boulevard | 2,000,000.00 | Prop C, Measure R & M |
| 21. Willowbrook Avenue West | Rosecrans Avenue | Greenleaf Boulevard | 2,000,000.00 | Prop C, Measure R & M |
| | | | **$38,521,452.00** | |

## ANNUAL RESIDENTIAL STREET REHABILITATION PROJECT
## CIP# 18-01, Phase 1

| | *Street* | *From* | *To* | *Cost* | *Potential Funding Source* |
|---|---|---|---|---|---|
| 1 | Tajauta Avenue | Rosecrans Avenue | Compton Boulevard | $ 818,125.00 | Measure R & M |
| 2 | Myrrh Street | Santa Fe | East City Limit | 1,251,404.00 | Measure R & M |
| 3 | Bradfield Avenue | Pixley Street | Compton Boulevard | 208,384.00 | Measure R & M |
| 4 | Elva Avenue | Parmelee Avenue | 138th Street | 600,919.00 | Measure R & M |
| 5 | Grandee Avenue | El Segundo Boulevard | 138th Street | 1,005,345.00 | Measure R & M |
| 6 | Caldwell Street | Oleander | West City Limits | 1,905,211.00 | Prop C, Measure R & M |
| 7 | Alondra Boulevard | Lime Avenue | East City Limit | 105,644.00 | Measure R & M |
| | | | | **$5,895,032.00** | |

## ANNUAL RESIDENTIAL STREET REHABILITATION PROJECT
## CIP# 18-01, Phase 2

| | *Street* | *From* | *To* | *Cost* | *Potential Funding Source* |
|---|---|---|---|---|---|
| 1 | 135th Street/ Stockwell Street | Parmelee Avenue | Elva | $ 188,805.00 | Measure R & M |
| 2 | Alameda Street East | City Limit North | City Limit South | 1,660,131.00 | Prop C, Measure R & M |
| 3 | Alameda Street West | City Limit North | City Limit South | 2,541,259.00 | Prop C, Measure R & M |
| 4 | Alondra Boulevard | City Limit West | Lime Avenue | 3,911,479.00 | Prop C, Measure R & M |
| 5 | Bradfield Avenue | Compton Boulevard | Alondra Boulevard | 539,932.00 | Measure R & M |
| 6 | Bullis Road | City Limit North | City Limit South | 1,903,312.00 | Prop C, Measure R & M |
| 7 | Compton Avenue | 130th Street | 134th Place | 897,154.00 | Measure R & M |
| 8 | Compton Boulevard | City Limit East | City Limit West | 6,537,172.00 | Prop C. Measure R & M |
| 9 | Greenleaf Boulevard | City Limit East | Alameda Street | 1,186,838.00 | Prop C, Measure R & M |
| 10 | Oris Street | Willowbrook Avenue | City Limit East | 247,789.00 | Measure R & M |
| 11 | Palmer Street | Alameda Street | Bowen | 627,066.00 | Measure R & M |
| 12 | Parmelee Avenue | City Limit North | 138th Street | 1,145,888.00 | Measure R & M |
| 13 | Rosecrans Avenue | City Limit East | Alameda Street | 1,053,657.00 | Prop C, Measure R & M |
| 14 | Sante Fe Avenue | City Limit North | City Limit South | 2,265,230.00 | Prop C, Measure R & M |
| 15 | Slater Street | 133rd Street | Wilmington Avenue | 937,189.00 | Measure R & M |
| 16 | Tucker Street | Van Ness Avenue | Long Beach Boulevard | 321,403.00 | Measure R & M |
| 17 | Greenleaf Boulevard | Central Avenue | Whitemarsh Avenue | 1,081,268.00 | Prop C, Measure R & M |
| 18 | Walnut Street, | Walnut Park Drive | Walnut Park Way | 2,975,880.00 | Prop C, Measure R & M |
| 19 | Wilmington Avenue | Rosecrans Avenue | City Limit South | 4,500,000.00 | Prop C, Measure R & M |
| 20. | Willowbrook Avenue East | Rosecrans Avenue | Greenleaf Boulevard | 2,000,000.00 | Prop C, Measure R & M |
| 21. | Willowbrook Avenue West | Rosecrans Avenue | Greenleaf Boulevard | 2,000,000.00 | Prop C, Measure R & M |
| | | | | **$38,521,452.00** | |

# TRUST AGREEMENT

**among**

**INDEPENDENT CITIES FINANCE AUTHORITY,**

**U.S. BANK NATIONAL ASSOCIATION,**
**as Trustee**

**and**

**CITY OF COMPTON, CALIFORNIA**

**Dated as of [_____ 1], 2021**

**INDEPENDENT CITIES FINANCE AUTHORITY**
**(CITY OF COMPTON, CALIFORNIA)**
**SALES TAX REVENUE BONDS, SERIES 2021**

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# TRUST AGREEMENT

**THIS TRUST AGREEMENT**, made and entered into as of [_____ 1], 2021 (the "Trust Agreement") among U.S. BANK NATIONAL ASSOCIATION (the "Trustee"), a national banking association duly organized and existing under and by virtue of the laws of the United States of America, the INDEPENDENT CITIES FINANCE AUTHORITY (the "Authority") and the CITY OF COMPTON, CALIFORNIA (the "City");

**W I T N E S S E T H:**

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

**WHEREAS**, Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California ("Article 4") authorizes and empowers the Authority to issue bonds to assist its local agency members in financing projects and programs consisting of certain public improvements, working capital, liability, and other insurance needs whenever a local agency member determines that there are significant public benefits from so doing;

**WHEREAS**, the City is a member of the Authority;

**WHEREAS**, the City has determined that the transactions contemplated in the 2021 Installment Sale Agreement, dated as of [_____ 1], 2021 (the "Agreement," as further described herein), and this Trust Agreement will result in significant public benefits, and, accordingly, has determined to authorize the Authority to issue sales tax revenue bonds (the "Bonds," as further defined herein) to assist the City in financing certain capital improvements and costs associated therewith (the "Project," as further defined herein);

**WHEREAS**, the City has designated the Trustee to act as its trustee with respect to the funds received by the City in connection with the issuance of the Bonds and with respect to the moneys paid by the City as its 2021 Installment Sale Payments (as defined herein);

**WHEREAS**, the Authority is empowered pursuant to the Agreement and Article 4 to finance the Project through the issuance of the Bonds;

**WHEREAS**, in order to provide for the issuance of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued by the Authority and to secure the payment of the principal and interest on the Bonds, the City and the Authority have authorized the execution and delivery of this Trust Agreement;

**WHEREAS**, the execution of the Agreement and the approval of the execution and delivery of this Trust Agreement and the issuance of the Bonds have been in all respects duly and validly authorized by the City Council of the City (the "City Council") pursuant to a resolution duly adopted by the City Council on [December 1], 2020 (the "City Resolution") and by the Board of Directors of the Authority (the "Board") pursuant to a resolution duly adopted by the Board on [December __], 2020 (the "Authority Resolution");

**WHEREAS**, the Bonds and the form of assignment to be endorsed thereon are to be substantially in the form set forth in Exhibit A, with necessary or appropriate variations, omissions and insertions, as permitted or required hereby;

**WHEREAS**, the Trustee has accepted the trust created by this Trust Agreement and in evidence thereof has joined in the execution hereof; and

**WHEREAS**, all acts, conditions and things required by law to exist, to have happened, and to have been performed precedent to and in connection with the execution and entering into of this Trust Agreement and issuance of the Bonds do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Trust Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

## ARTICLE I
## DEFINITIONS; EQUAL SECURITY

**Section 1.01 Definitions**. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any Supplemental Trust Agreement and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified:

"**Accredited Investor**" means any person or entity who or which is an "accredited investor," within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended.

"**Act**" means the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto.

"**Administration Fee**" means an amount equal to the sum of the Trustee Fee, the fees or charges incurred by the City to calculate the Rebate Amounts, and any other similar fee payable in connection with the City's membership in the Authority, payable by the City, in accordance with the Agreement, on the Business Day immediately preceding each Bond Payment Date, for the administrative costs of the Project. The Administration Fee shall be $_____ per year or such other amount set forth in a Certificate of an Authorized City Representative delivered to the Trustee.

"**Administration Fund**" means the fund by that name established and maintained pursuant to Section 3.03.

"**Authority**" means the Independent Cities Finance Authority, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California and

a Joint Powers Agreement, executed and delivered by the City on May 26, 1988, by and among a number of California cities, including the City, as amended.

"**Authorized Authority Representative**" means any member of the Board of Directors of the Authority and any other person as may be designated and authorized to sign on behalf of the Authority pursuant to a resolution adopted thereby.

"**Authorized City Representative**" means the Mayor, City Manager, Assistant City Manager, or any other person at the time designated to act on behalf of the City by written certificate furnished to the Trustee, containing the specimen signature of such person and signed on behalf of the City by an Authorized City Representative.

"**Bond Payment Date**" means a date on which principal on the Bonds is due and payable, being June 1 of each year, commencing June 1, 20[__].

"**Bonds**" means the Independent Cities Finance Authority (City of Compton, California), Sales Tax Revenue Bonds, Series 2021. The term "Serial Bonds" means Bonds for which no sinking fund payments are provided. The term "Term Bonds" means Bonds which are payable on or before their specified payment dates from sinking fund payments established for that purpose and calculated to redeem such Bonds on or before their specified payment dates.

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

"**Cash Flow Report**" means a report prepared by the Independent Municipal Advisor identifying Bonds to be redeemed as a result of any redemption pursuant to Section 2.03 hereof. In the case of any optional redemption pursuant to Section 2.03(a) hereof, such report shall demonstrate that Revenues expected to be received following such redemption shall be sufficient to pay the regularly scheduled principal and interest on the Bonds as such amounts become due and payable. In the case of a mandatory redemption pursuant to Section 2.03(b) hereof, such report shall identify maturities of the Bonds to be redeemed in a manner consistent with Section 7.02 hereof and Section 6.02 of the Agreement.

"**City**" means the City of Compton, California.

"**Code**" means the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

"**Contracts**" has the meaning set forth in the 2021 Installment Sale Agreement.

"**Costs of Issuance**" means all items of expense directly or indirectly payable by or reimbursable to the City or the Authority and related to the issuance of the Bonds, including, but not limited to, costs of preparation and reproduction and delivery of documents, filing and recording fees, fees and charges of the Trustee and its counsel, legal fees and charges, fees and disbursements of consultants and professionals, fees of rating agencies, fees and charges for preparation and execution of the Bonds, and any other costs, charges, or fees in connection with the issuance of the Bonds.

"**Costs of Issuance Fund**" means the fund by that name established and maintained pursuant to Section 2.11.

"**Defeasance Obligations**" means the following: (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for "AAA" defeasance under then-existing criteria of S&P or Moody's, which shall be used to effect defeasance of the Bonds.

"**Depository Bank**" means Bank of the West, in its capacity as Depository Bank pursuant to the Lockbox Agreements, and any successor thereto.

"**Diversion Period**" means the period from and including the date on which any Triggering Event occurs, to and including the date that is six months after the date of the most recent Triggering Event.

"**Independent Certified Public Accountant**" means any firm of certified public accountants appointed by the City which is independent of the City and the Authority pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

"**Independent Municipal Advisor**" means a municipal finance consultant or firm of such consultants appointed by the City and the Authority, who, or each of whom: (1) is in fact independent and not under domination of the City or the Authority; (2) does not have any substantial interest, direct or indirect, with the City or the Authority; (3) is a "municipal advisor" as defined in Section 15B of the Securities Exchange Act of 1934, as amended; and (4) is not connected with the City or the Authority as an officer or employee thereof, but who may be regularly retained to make reports thereto.

"**Insurer**" means [_____], or any successor thereto or assignee thereof.

"**Interest Fund**" means the fund by that name established pursuant to Section 3.03.

"**Interest Payment Date**" means a date on which interest on the Bonds is due and payable, being June 1 and December 1 of each year, commencing [_____] 1, 2021.

"**Lockbox Agreements**" means, collectively, one or more Deposit Account Control Agreements, each dated as of [_____], 2021, entered into by and among the City, the Trustee, and Bank of the West, as Depository Bank, with respect to each of the Measure M Receipts Account, the Measure R Receipts Account, and the Proposition C Receipts Account.

"**Moody's**" means Moody's Investor Services, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, except that if such entity

shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the City pursuant to the Agreement.

"**Notice of Exclusive Control**" has the meaning set forth in the Lockbox Agreements.

"**Notice of Rescission**" has the meaning set forth in the Lockbox Agreements.

"**Office of the Trustee**" means the corporate trust office of the Trustee in Seattle, Washington.

"**Opinion of Counsel**" means a written opinion of counsel of national reputation generally recognized to be well qualified in the field of law relating to municipal obligations such as the Bonds, retained by the City or the Authority and satisfactory to the Trustee (who shall be under no liability by reason of such approval).

"**Outstanding**," when used as of any particular time with reference to the Bonds, means (subject to the provisions of Section 6.02) all of the Bonds, except:

(a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds paid or deemed to have been paid within the meaning of Section 8.01; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant hereto.

"**Owner**" means any person who shall be the registered owner of any Outstanding Bond.

"**Permitted Investments**" means any of the following to the extent permitted by the laws of the State and the City's Investment Policy:

(a) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export-Import Bank (Eximbank)
   Direct obligations or fully guaranteed certificates of beneficial ownership

2. Federal Housing Administration Debentures (FHA)

3. General Services Administration
Participation certificates

4. Government National Mortgage Association (GNMA or "Ginnie Mae")
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations
(not acceptable for certain cash-flow sensitive issues.)

5. U.S. Maritime Administration
Guaranteed Title XI financing

6. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds.

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System
Senior debt obligations

2. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
Participation certificates
Senior debt obligations

3. Federal National Mortgage Association (FNMA or "Fannie Mae")
Mortgage-backed securities and senior debt obligations

4. Resolution Funding Corp. (REFCORP) obligations

5. Farm Credit System
Consolidated systemwide bonds and notes.

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G; AAA-m, or AA-m, and, if rated by Moody's, a rating of Aaa, Aa1 or Aa2, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee provide investment advisory or other management services.

(e) Certificates of deposit secured at all times by collateral described in (a) and/or (b) above. Such certificates must be issued by commercial banks, savings and loan associations, or mutual savings banks which may include the Trustee and its

affiliates. The collateral must be held by a third party and the Owners must have a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts, or money market deposits which are fully insured by FDIC, including BIF and SAIF, which may include the Trustee and its affiliates.

(g) Investment Agreements, including GIC's, Forward Purchase Agreements, and Reserve Fund Put Agreements (Investment Agreement criteria is available upon request).

(h) Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1" or better by S&P.

(i) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

(j) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured, and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P which may include the Trustee and its affiliates.

(k) The Local Agency Investment Fund (LAIF) administered by the State of California.

(l) Repurchase agreements[1] with a term of 30 days or less must follow the following criteria:

1. Repurchase agreements must be between the municipal entity and a dealer bank or securities firm.

    a. Primary dealers must be on the Federal Reserve reporting dealer list, which are rated A or better by S&P and Moody's, or

    b. Banks must be rated "A" or above by S&P and Moody's.

2. The repurchase agreement must include the following:

    a. Securities which are acceptable for transfer are:

        (l) Direct U.S. governments, or

[1]Repurchase agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date.

(2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC).

b. The term of the repurchase may be up to 30 days.

c. The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral), or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

d. Valuation of collateral:

(1) The securities must be valued weekly, marked-to-market at current market price plus accrued interest.

(2) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repurchase plus accrued interest. If the value of securities held as collateral drops below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

3. The legal opinion delivered to the municipal entity in connection with the repurchase must conclude that the repurchase meets guidelines under state law for legal investment of public funds.

"**Principal Fund**" means the account by that name established and maintained pursuant to Section 3.03.

"**Project**" means the design, rehabilitation, construction, enlargement, improvement, and/or equipping of certain City streets, sidewalks, gutters, curbs and ramps, streetlights, and street signs, as described with greater particularity in Exhibit B to the Agreement and such additional projects as may be added, deleted or substituted from time to time as provided in Section 2.02 of the Agreement. If the context suggests, "Project" shall also include the design, rehabilitation, construction, enlargement, improvement, and/or equipping of City streets, sidewalks, gutters, curbs and ramps, streetlights and street signs described under and pursuant to any Contract.

"**Project Costs**" means all costs of payment of, or reimbursement for, the engineering, design, acquisition, installation, provision and financing of the Project, including but not limited to, engineering and installation management costs, administrative costs and capital expenditures relating to financing payments, costs of accounting, feasibility, environmental, and other reports, interest during the period of acquisition and installation of the Project, insurance costs, inspection costs, permit fees, filing and recording costs, printing costs, reproduction and binding costs, initial fees and charges of the Authority and the Trustee, escrow fees, financing discounts, legal fees and

charges, financial and other professional consultant fees, and charges in connection with the foregoing.

"**Project Fund**" means the fund by that name established and maintained pursuant to Section 2.11.

"**Purchase Price**" means, with respect to any Bond (or portion thereof) the principal amount with respect to such Bond (or portion), plus the applicable premium, if any, payable upon purchase thereof pursuant to the provisions of such Bond and this Trust Agreement.

"**Qualified Institutional Buyer**" means a qualified institutional buyer pursuant to Rule 144A of the 1933 Securities Act.

"**Qualified Reserve Instrument**" means an insurance policy meeting the requirements of Section 3.03(3) as of the date of issuance of such Qualified Reserve Instrument.

"**Rating Agency**" means [S&P] or, in the event that [S&P] no longer maintains a rating on the Bonds, any other nationally recognized bond rating agency then maintaining a rating on the Bonds, but, in each instance, only so long as [S&P], or other nationally recognized rating agency then maintains a rating on the Bonds.

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

"**Rebate Analyst**" means any consultant retained by the City to calculate the Rebate Amounts as required by the 2021 Installment Sale Agreement.

"**Rebate Fund**" means the fund by that name established and maintained pursuant to Section 4.04.

"**Record Date**" means the fifteenth day of the month next preceding each Interest Payment Date, whether or not such day is a Business Day.

"**Redemption Price**" means, with respect to any Bond (or portion thereof) the principal amount with respect to such Bond (or portion), plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Trust Agreement, plus accrued interest to the redemption date.

"**Request**" or "**Certificate**" with respect to the City, means an instrument in writing signed on behalf of the City by an Authorized City Representative, and, with respect to the Authority, means an instrument in writing signed on behalf of the Authority by an Authorized Authority Representative or other person at the time designated to act on behalf of the Authority by written certificate furnished to the Trustee.

"**Reserve Fund**" means the fund by that name established and maintained pursuant to Section 3.03.

"**Reserve Fund Requirement**" means, as of any date of calculation, with respect to the Agreement, an amount equal to the least of (i) 10% of the initial stated principal amount (within the meaning of Section 148 of the Code) of the 2021 Installment Sale Payments under the Agreement; (ii) 125% of the average annual 2021 Installment Sale Payments under the Agreement; or (iii) the Maximum Annual Debt Service, as defined in the Agreement calculated only with respect to the 2021 Installment Sale Payments due under the Agreement.

["**Reserve Policy**" means the municipal bond debt service reserve fund insurance policy issued by the Insurer and credited to the Reserve Fund. The Reserve Policy is a Qualified Reserve Instrument and shall be deemed to satisfy the requirements of Section 3.03(3).]

"**Revenues**" means all 2021 Installment Sale Payments and other payments paid by the City and received by the Authority pursuant to the Agreement and all interest or other income from any investment of any money in any fund or account (other than the Rebate Fund) pursuant to Section 3.04.

"**Revenue Fund**" means the fund by that name established and maintained pursuant to Section 3.02.

"**S&P**" means S&P Global Ratings, a division of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the City pursuant to the Agreement.

"**Securities Depositories**" means: The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax-(516) 227-4039 or 4190; or such other addresses and/or such other securities depositories as the Authority may designate to the Trustee in writing.

"**State**" means the State of California.

"**Supplemental Trust Agreement**" means any trust agreement then in full force and effect which has been duly executed and delivered by the Authority and the Trustee amendatory hereof or supplemental hereto; but only if and to the extent that such Supplemental Trust Agreement is specifically authorized hereunder.

"**Surplus Account**" means the account by that name established and maintained pursuant to Section 3.03.

"**Tax Certificate**" means the Tax Certificate dated the date of issuance of the Bonds and executed and delivered by the Authority and the City.

"**Triggering Event**" means (a) a transfer from the Reserve Fund to the Interest Fund or the Principal Fund is made pursuant to Section 3.03(a)(3) of the Trust Agreement to cure a deficiency in the Interest Fund or the Principal Fund, or (b) an Event of Default occurs of which the Trustee receives notice.

"**Trust Agreement**" means this Trust Agreement, dated as of [_____ 1], 2021, by and among the Authority, the Trustee, and the City, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Trust Agreements executed pursuant to the provisions hereof.

"**Trustee**" means U.S. Bank National Association, or any successor thereto appointed pursuant to this Trust Agreement.

"**Trustee's Fee**" means the annual administration fee of the Trustee, in the amount of $[_____], payable in advance on [_____], 2021 and thereafter on each Bond Payment Date.

"**Underwriter**" means Raymond James & Associates, Inc., as underwriter of the Bonds.

"**2021 Installment Sale Agreement**" or "**Agreement**" means the 2021 Installment Sale Agreement, dated as of [_____ 1], 2021, by and between the Authority and the City, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions hereof and thereof.

"**2021 Installment Sale Payment Date**" means any date on which 2021 Installment Sale Payments are scheduled to be paid by the City under and pursuant to the 2021 Installment Sale Agreement.

"**2021 Installment Sale Payments**" means the 2021 Installment Sale Payments scheduled to be paid by the City under and pursuant to the 2021 Installment Sale Agreement.

**Section 1.02 Equal Security**. In consideration of the acceptance of the Bonds by the Owners, this Trust Agreement shall be deemed to be and shall constitute a contract among the Trustee, the City, and the Owners to secure the full and final payment of the interest and principal due and payable on the Bonds, subject to the agreements, conditions, covenants, and terms contained herein; and all agreements, conditions, covenants, and terms contained herein required to be observed or performed by or on behalf of the Trustee shall be for the equal and proportionate benefit, protection, and security of all Owners without distinction, preference, or priority as to benefit, protection, or security of any Bonds over any other Bonds by reason of the number or date thereof or the time of execution or delivery thereof or otherwise for any cause whatsoever, except as expressly provided herein or therein.

## ARTICLE II
## ISSUANCE OF THE BONDS

**Section 2.01 Preparation and Purpose of the 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 acts, conditions and things required by law to exist, to have happened, and to have been 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 that the Authority is now duly authorized, pursuant to each and every requirement of the Act, to cause the Bonds to be issued in the form and manner provided herein for the purpose of providing funds to pay for and construct the Project, and that the Bonds shall be entitled to the benefit, protection, and security of the provisions hereof. The Trustee is hereby

authorized and directed to authenticate and deliver the Bonds in the initial aggregate principal amount of [_____] dollars ($[_____]), representing the principal on the Installment Sale Payments made pursuant to the Agreement.

**Section 2.02** **Terms of the Bonds**. The Bonds shall be designated "Independent Cities Finance Authority (City of Compton, California), Sales Tax Revenue Bonds, Series 2021." The Bonds shall be dated [_____], 2021, shall be issued only in fully registered form in denominations of $100,000 and any integral multiple of $5,000 in excess thereof (not exceeding the principal amount of Bonds payable at any one time), and shall be payable on the Bond Payment Dates and in the principal amounts and shall accrue interest at the rates (based on a 360-day year comprised of twelve 30-day months) as set forth in the following schedule:

| Bond Payment Date (June 1) | Principal Amount | Interest Rate |
|---|---|---|
| 2021 | | |
| 2022 | | |
| 2023 | | |
| 2024 | | |
| 2025 | | |
| 2026 | | |
| 2027 | | |
| 2028 | | |
| 2029 | | |
| 2030 | | |
| 2031 | | |
| 2032 | | |
| 2033 | | |
| 2034 | | |
| 2035 | | |
| 2036 | | |
| 2037 | | |
| 2038 | | |
| 2039 | | |
| 2040 | | |
| 2041 | | |
| 2042 | | |
| 2043 | | |
| 2044 | | |
| 2045 | | |
| 2046 | | |
| 2047 | | |
| 2048 | | |
| 2049 | | |
| 2050 | | |
| 2051 | | |

The principal on the Bonds shall be payable in lawful money of the United States of America by check upon presentation thereof at maturity or on redemption prior to maturity at the Office of the Trustee.

Interest on the Bonds is payable at the rates set forth above, on each Interest Payment Date. Interest on the Bonds is payable from the Interest Payment Date next preceding the date of registration thereof, unless such date of registration is an Interest Payment Date, in which event interest shall be payable from such date, or unless such date of registration is prior to the first Interest Payment Date, in which event interest will be payable from the Dated Date thereof; provided, however, that if at the time of registration of any Bond interest is then in default on the Outstanding Bonds, interest on the Bonds is payable from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Bonds. Interest on the Bonds due on or before the maturity or prior redemption thereof shall be made to the person whose name appears in the registration records for the Bonds maintained by the Trustee pursuant to Section 2.08 as the registered owner thereof as of the close of business on the Record Date preceding each Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check mailed on such Interest Payment Date (or the next Business Day if such Interest Payment Date is not a Business Day) to such registered owner at the address as it appears in such books or at such other address as may have been filed with the Trustee for that purpose.

Payment of the principal on the Bonds shall be made by check upon the surrender thereof at maturity or on redemption prior to maturity at the Office of the Trustee. The Owner of $1,000,000 or more in aggregate principal amount of the Bonds may request in writing that the Trustee pay the interest due on such Bonds by wire transfer and the Trustee shall comply with such request for all Interest Payment Dates following the fifteenth day after receipt of such request until such request is rescinded.

**Section 2.03 Redemption of Bonds**.

(a) Optional Redemption. The Bonds maturing on or after [June 1, 2031] shall be subject to optional redemption prior to maturity, at the option of the City, on or after [June 1, 2030], in whole or in part (by lot within any maturity), on any date, at a Redemption Price equal to the principal amount to be redeemed, plus accrued interest to the date fixed for redemption, without premium. The City shall provide notice to the Authority and the Trustee at least forty-five (45) days prior to the redemption date (or such lesser period of time acceptable to the Trustee in its sole discretion) specifying the principal amount of the 2021 Installment Sale Payments to be prepaid.

(b) Mandatory Redemption Upon Event of Default. The Bonds shall be subject to mandatory redemption prior to maturity, in whole or in part (by lot among Bonds with the same maturity in any manner which the Trustee in its sole discretion shall deem appropriate), on any date, from amounts received upon the acceleration of 2021 Installment Sale Payments upon the occurrence of an Event of Default under the Agreement, at a Redemption Price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption, without premium.

(c) Mandatory Sinking Fund Redemption. The Bonds maturing on June 1, 20__ (the "Term Bonds") are subject to mandatory sinking fund redemption at a price equal to the principal amount thereof plus accrued interest thereon to the redemption date.

As and for a sinking fund for the redemption of the Term Bonds maturing on June 1, 20__, the City shall deposit in the Interest Fund and the Principal Fund moneys which are sufficient to redeem the following principal amount of the Term Bonds maturing on June 1, 20__:

| **Redemption Date (June 1)** | **Principal Amount** |
|---|---|

The remaining $_____ of the Term Bonds maturing on June 1, 20__ shall be paid upon presentation and surrender at maturity.

(d) Selection of Bonds. Whenever provision is made in this Trust Agreement for the prior redemption of less than all of the Bonds or any given portion thereof, the Trustee shall, subject to the following sentence, select the Bonds to be redeemed, from all Bonds subject to prior redemption or such given portion thereof in denominations of $5,000 or any integral multiple of $5,000 in excess thereof not previously called for prior redemption. Upon notice of any prior redemption pursuant to Section 2.03(a) hereof or receipt of moneys resulting in a prior redemption pursuant to Section 2.03(b) hereof, the City shall cause the Independent Municipal Advisor to prepare a Cash Flow Report identifying the principal amount and maturities of the Bonds to be redeemed. The Trustee shall promptly notify the Authority in writing of any prior redemption of Bonds and of the Bonds or portions thereof so selected for prior redemption.

(e) Purchase in Lieu of Redemption. In lieu of redemption of any Bonds, amounts on deposit in the Revenue Fund or in any sinking account therein may also be used and withdrawn by the Trustee at any time, upon the Request of the City, for the purchase of such Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as the City may in its discretion determine, but not in excess of the principal amount thereof plus accrued interest to the purchase date. The principal amount of any Bonds so purchased by the Trustee in any twelve-month period ending 60 days prior to any Bond Payment Date in any year shall be credited towards and shall reduce the principal amount of such Term Bonds, if any, required to be redeemed on such Bond Payment Date in such year.

(f) Notice or Redemption or Purchase. Notice of redemption or purchase shall be mailed by first-class mail by the Trustee, upon direction of the City, not less than 20 nor more than 60 days prior to the redemption or purchase date, to (i) the respective Owners of any Bonds designated for redemption or purchase at their addresses appearing on the registration books of the Trustee, and (ii) if the Bonds are no longer held by the Depository, to the Securities Depositories and the Municipal Securities Rulemaking Board through its Electronic Municipal Marketplace Access (EMMA) System. Notice of redemption shall be given by telecopy, certified, registered, or overnight mail to the Securities Depositories and the Municipal Securities Rulemaking Board

through its Electronic Municipal Marketplace Access (EMMA) System. Each notice of redemption or purchase shall state the date of such notice, the date of issuance of the Bonds, the redemption or purchase date, the Redemption Price or Purchase Price, the place or places of redemption or purchase (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the Bonds of each Bond Payment Date or Dates, and, if less than all of the Bonds of any such Bond Payment Date, the distinctive bond numbers of the Bonds with such Bond Payment Date, to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions 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 Redemption Price or Purchase Price represented thereby or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption or purchase date, and that from and after such redemption or purchase date, interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

Notice of redemption or purchase of Bonds shall be given by the Trustee (upon direction of the City), at the expense of the Authority. Conditional notice of optional redemption may be given at the direction of the City and shall be given if funds sufficient to redeem the Bonds are not then on deposit with the Trustee. If at the time of mailing of notice, funds are not then on deposit with the Trustee, such notice shall state that it is conditional upon the deposit of the funds not later than the opening of business on the date of redemption of the Bonds, and such notice shall be of no effect unless such moneys are so deposited.

Failure by the Trustee to give notice pursuant to this Section 2.03 to the Municipal Securities Rulemaking Board through its Electronic Municipal Marketplace Access (EMMA) System or Securities Depositories shall not affect the sufficiency of the proceedings for redemption or purchase. Failure by the Trustee to mail notice of redemption or purchase pursuant to this Section 2.03 to any one or more of the respective Owners of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Owner or Owners to whom such notice was mailed.

(g) Partial Redemption or Purchase of Bonds. Upon surrender of any Bond to be redeemed in part only, the Trustee shall authenticate and deliver to the registered owner thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations, and having the same Bond Payment Date, equal in aggregate principal amount to the unredeemed or unpurchased portion of the Bond surrendered.

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

All Bonds redeemed pursuant to the provisions of this Section shall be cancelled upon surrender thereof by the Trustee. All Bonds purchased pursuant to the provisions of this Section shall be registered in the name of the Authority and delivered to, or as directed in writing by, the Authority.

**Section 2.04 Form of Bonds**. The Bonds and the registration endorsement and assignment to appear thereon shall be substantially in the form set forth in Exhibit A hereto attached and by this reference herein incorporated (provided that on the face of each Bond, at the place where the portion of the form set forth below appears on the reverse side of such Bond, there shall be inserted the following sentence: REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL, FOR ALL PURPOSES, HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE).

**Section 2.05 Execution of Bonds**. The Bonds shall be executed by the President of the Authority and countersigned by the Secretary or Assistant Secretary of the Authority by manual or facsimile signature. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the bonds to the Owners thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the bonds.

Only those Bonds bearing thereon a certificate of authentication in the form set forth in Exhibit A hereto, executed manually and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authorized, executed, issued, and delivered hereunder and are entitled to the benefit, protection, and security hereof.

**Section 2.06 Restrictions on Registration and Transfer of Bonds**. Notwithstanding any other provision hereof, Bonds shall only be registered in the name of, or transferred to, and the Beneficial Owner shall only be, a transferee that has delivered a letter in substantially the form attached as Exhibit C hereto and who qualifies as an Accredited Investor or a Qualified Institutional Buyer. The Trustee shall be entitled to rely upon the representation set forth in the legend appearing on the first page of the Bond. Subject to this Section 2.06, 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 written instrument of transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds, of the same maturity and for a like aggregate principal amount of the Bond or Bonds being transferred, which may be in denominations of less than $100,000 if and to the extent the denomination of such Bond is less than $100,000 as a result of a prior partial redemption of such Bond. The Trustee shall require the Owner requesting such transfer to pay any tax or other governmental charge or charge imposed by the Trustee required to be paid with respect to such transfer. The Trustee shall not be required to

transfer (i) any Bond during the fifteen (15) days next preceding the date on which notice of redemption of Bonds is given, or (ii) any Bond called for redemption.

**Section 2.07 Exchange of Bonds**. Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of the same series and payment date of other authorized denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege.

**Section 2.08 Bond Registration Books**. The Trustee will keep at its office sufficient books for the registration and transfer of the Bonds which shall at all times be open to inspection by the City or any Owner on reasonable notice during regular business hours on any Business Day, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Bonds in such books as hereinabove provided.

**Section 2.09 Mutilated, Destroyed, Stolen or Lost Bonds**. If any Bond shall become mutilated, the Trustee, at the expense of the Owner, shall thereupon authenticate and deliver a new Bond of like tenor and number 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.

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 the Trustee and the Authority and indemnity satisfactory to the Trustee and the Authority shall be given, the Trustee, at the expense of the Owner, shall thereupon authenticate and deliver a new Bond of like tenor and number in lieu of and in substitution for the Bond so lost, destroyed, or stolen.

The Trustee may require payment of a reasonable sum for each new Bond issued under this Section 2.09 and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed, or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Bonds of the same series secured by this Trust Agreement. Neither the Authority nor the Trustee shall be required to treat both the original Bond and any duplicate Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and duplicate Bond shall be treated as one and the same.

**Section 2.10 Temporary Bonds**. The Bonds issued under this Trust Agreement may be initially executed and delivered in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Trustee, shall be in fully registered form and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Bond shall be authenticated and delivered by the Trustee, as authorized by the Authority, in accordance with the terms of the Act. If the Trustee authenticates and delivers temporary Bonds, it will authenticate and deliver definitive Bonds without delay and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Office of the Trustee, and the Trustee shall 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 Trust Agreement as definitive Bonds delivered hereunder.

**Section 2.11 Procedure for the Issuance of the Bonds; Establishment of Funds and Accounts; Deposit of Proceeds**. At any time after the sale of the Bonds, the Trustee shall execute the Bonds for delivery hereunder, and thereupon the Bonds shall be delivered by the Trustee to the purchaser thereof upon the Request of the Authority and upon receipt of payment therefor from the purchaser thereof. Upon receipt of payment for the Bonds from the purchaser thereof, the Trustee shall set aside and deposit the proceeds received from such sale in the following respective accounts or funds or with the following respective persons, in the following order of priority:

(a) The Trustee shall credit the [Reserve Policy/Reserve Fund Requirement] to the Reserve Fund pursuant to Section 3.03 hereof. [The initial maximum amount available on the Reserve Policy is equal to the Reserve Fund Requirement.]

(b) The "Costs of Issuance Fund" is hereby established as a separate trust fund with the Trustee. The Trustee shall deposit the sum of $[_____] in the Costs of Issuance Fund. The moneys in the Costs of Issuance Fund shall be disbursed, upon the Request of the Authority, to pay Costs of Issuance. Upon the earlier of payment in full of the Costs of Issuance or the making of adequate provision for the payment thereof, as evidenced by a Certificate of the Authority to the Trustee, or the six (6) month anniversary of the date of delivery of the Bonds, any balance remaining in the Costs of Issuance Fund shall be transferred to the Project Fund, and pending such transfer and application, the moneys in the Costs of Issuance Fund may be invested as permitted by Section 3.04 hereof; provided, however, that investment income resulting from any such investment shall be retained in the Costs of Issuance Fund. Any residual earnings received after the transfer referenced above will, as and when convenient, be transferred to the Project Fund.

(c) There shall be further created a special trust fund to be held by the Trustee called the "Project Fund." The Trustee shall deposit the sum of $[_____], in the Project Fund. Moneys in the Project Fund shall be disbursed to the City pursuant to a Requisition in the form attached hereto as Exhibit B. Such Requisition shall be in the form of a sequentially numbered requisition and shall set forth the name and address of the person or persons to whom said amounts are to be disbursed and state the amounts to be disbursed are for Project Costs properly chargeable to the Project Fund and have not been the subject of any previous requisition. The Trustee shall have no duty to confirm the accuracy of the Requisition submitted. Upon delivery to the Trustee of a Request of the City, any Bond proceeds remaining in the Project Fund upon completion of the Project (which completion shall be evidenced by such Request of the City) shall be applied by the Trustee to offset scheduled 2021 Installment Sale Payments required to be paid by the City under the Agreement or in such other manner as may be directed in such Request of the City. When no amounts remain on deposit in the Project Fund, the Project Fund shall be closed. Upon the occurrence and continuance of an Event of Default or an event which, with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Project Fund shall not be disbursed, but shall instead be applied to the payment of the scheduled principal and interest on the Bonds as such amounts become due and payable or the Redemption Price of the Bonds.

**Section 2.12 Validity of Bonds**. The validity of the Bonds shall not be dependent on or affected in any way by the proceedings taken by the Authority or the Trustee for the financing of the Project or by any contracts made by the Authority or its agents in connection therewith, and shall not be dependent upon the completion of the Project or upon the performance by any person, firm, or corporation of his or its obligation with respect thereto. The recital contained in the Bonds that the same are issued pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, execution, authentication, and delivery, and all Bonds shall be incontestable from and after their issuance, execution, authentication, and delivery. The Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive Bonds (or any temporary Bonds exchangeable therefor) shall have been delivered to the purchaser thereof and the proceeds of sale thereof received.

## ARTICLE III
## REVENUES

**Section 3.01 Pledge of Revenues; Assignment**. All Revenues and any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established hereunder (other than amounts on deposit in the Project Fund created pursuant to Section 2.11 and the Rebate Fund created pursuant to Section 4.04) are hereby irrevocably pledged to the payment of the principal, interest and premium, if any, on the Bonds as provided herein, and the Revenues shall not be used for any other purpose while any of the Bonds remain Outstanding; provided, however, that out of the Revenues and other moneys there may be applied such sums for such purposes as are permitted hereunder. This pledge shall constitute a first pledge of and charge and lien upon the Revenues and all other moneys on deposit in the funds and accounts established hereunder (other than amounts on deposit in the Project Fund created pursuant to Section 2.11 and the Rebate Fund created pursuant to Section 4.04) for the payment of the interest and principal on the Bonds in accordance with the terms hereof and thereof.

The Authority hereby assigns to the Trustee all of the Authority's rights and remedies under the Agreement, including, but not limited to, the Authority's security interest in and lien upon the Revenues.

**Section 3.02 Receipt and Deposit of Revenues in the Revenue Fund**. In order to carry out and effectuate the pledge, charge, and lien contained herein, the Authority agrees and covenants that all Revenues when and as received shall be received by the Authority in trust hereunder for the benefit of the Owners and shall be deposited when and as received by the Authority in the Revenue Fund which fund is hereby created and which fund the Authority hereby agrees and covenants to maintain with the Trustee so long as any Bonds shall be Outstanding under this Trust Agreement. All Revenues shall be held in trust in the Revenue Fund. All Revenues, whether received by the Authority in trust or deposited with the Trustee as herein provided, shall nevertheless be allocated, applied, and disbursed solely for the purposes and uses hereinafter in this Article set forth, and shall be accounted for separately and apart from all other accounts, funds, money or other resources of the Authority, and the Authority shall have no beneficial right or interest in any of the Revenues except only as herein provided.

**Section 3.03 Establishment and Maintenance of Accounts for Use of Money in the Revenue Fund**.

(a) Priority of transfers from Revenue Fund. All money in the Revenue Fund shall be set aside by the Trustee in the following respective special funds and accounts within the Revenue Fund in the following order of priority, on the dates and in the amounts set forth in Section 3.03(b):

(1) Interest Fund. All money in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on the Bonds purchased or redeemed prior to the payment dates thereof).

(2) Principal Fund. All money in the Principal Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal on the Bonds as it shall become due and payable, whether on Bond Payment Dates or redemption, except that any money in any sinking fund account shall be used and withdrawn by the Trustee only to purchase or to redeem or to pay Term Bonds for which such sinking fund account was created.

(3) Reserve Fund. All money in the Reserve Fund (including all amounts which may be obtained from any insurance policy on deposit in the Reserve Fund) shall be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Fund or the Principal Fund, in that order, in the event of any deficiency at any time in either of such Funds, but solely for the purpose of paying the interest or principal due on the Bonds, except that any cash amounts in the Reserve Fund in excess of the amount required to be on deposit therein shall be withdrawn from the Reserve Fund on each Interest Payment Date and deposited in the Interest Fund.

In lieu of making a Reserve Fund Requirement deposit or in replacement of moneys then on deposit in the Reserve Fund (which shall be transferred by the Trustee to the City upon delivery of an insurance policy satisfying the requirements stated below), the City may also deliver to the Trustee an insurance policy (a "Qualified Reserve Instrument") securing an amount, together with moneys or Permitted Investments on deposit in the Reserve Fund, no less than such Reserve Fund Requirement, issued by an insurance company licensed to issue insurance policies guaranteeing the timely payment of the principal and interest components of the Agreement and whose unsecured debt obligations (or for which obligations secured by such insurance company's insurance policies) are rated in one of the two highest rating categories (without respect to any modifier) of the Rating Agency.

(4) Administration Fund. All money in the Administration Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the fees of the Authority, the Trustee, and the Rebate Analyst, payable with respect to the Agreement, this Indenture, or the Bonds, except that any cash amounts in the Administration Fund in excess of the amount required to be on deposit therein shall be withdrawn from the Administration Fund on each Interest Payment Date and deposited in the Interest Fund.

(5) Surplus Account. So long as no Event of Default of the City has occurred and is continuing hereunder or under the 2021 Installment Sale Agreement, the Trustee shall transfer or deposit amounts in the Surplus Account as instructed in a Certificate signed by an Authorized City Representative and the City may use amounts so released from the Surplus Account for any purpose permitted by applicable law, including without limitation the Measure M Ordinance, the Measure R Ordinance, and the Proposition C Ordinance.

(b) Timing and Amount of Transfers from Revenue Fund. On the [sixth ($6^{th}$)] day of every month, [commencing _____ 16, 20___], the Trustee shall deposit or transfer such amounts in the following order of priority, the requirements of each deposit or transfer of each priority to be fully satisfied, leaving no deficiencies, prior to any deposit or transfer later in priority:

(1) Interest Fund and Principal Fund. The Trustee shall deposit in the Interest Fund, an amount equal to the sum of (I) the product of (aa) a fraction, the numerator of which is 1, and the denominator of which is 6, times (bb) the amount of the interest payment due with respect to the Bonds and any Contracts, on the following Interest Payment Date, less the amount, if any, available in any capitalized interest fund established to pay interest on Contracts; provided, however, that from and after the day on which the sum of the amounts on deposit in the Interest Fund and such interest accounts established for such Contracts is equal to the amount of interest payable on such Interest Payment Date on all outstanding Bonds and Contracts, less any amount available in any capitalized interest fund established to pay interest on Contracts, no further amounts shall be required to be so deposited pursuant to this clause (I), and, provided further that if the amount available is not sufficient to make all such deposits in full, then to such deposits ratably according to the full amount of each such deposit specified to be made, and (II) the Trustee shall deposit in the Principal Fund and the principal account established in connection with any Contracts, the product of (aa) a fraction, the numerator of which is 1, and the denominator of which is 12, times (aa) the amount of the principal payment due with respect to the Bonds and any Contracts, on the following June 1; provided, however, that from and after the day on which the sum of the amounts on deposit in the Principal Fund and such principal accounts established for such Contracts is equal to the amount of principal payable on such June 1 on all outstanding Bonds and Contracts, no further amounts shall be required to be so deposited pursuant to this clause (II), and, provided further that if the amount available is not sufficient to make all such deposits in full, then to such deposits ratably according to the full amount of each such deposit specified to be made, plus an amount equal to any shortfalls in required deposits from prior periods not previously cured. The City shall, at the request of the Trustee, certify to the Trustee the amount of the next interest payments and principal payments, if any, coming due with respect to Contracts. In the event insufficient amounts are available in the Revenue Fund to make all payments required by this paragraph, the available amounts shall be applied to such payments pro-rata based on the amount of the interest or principal payments, as applicable, due on the Bonds and any Contracts.

(2) Reserve Fund. If at any time the amount on deposit in the Reserve Fund is less than the Reserve Fund Requirement due to (I) a transfer from the Reserve Fund to the Interest Fund or the Principal Fund to make up a deficiency therein, or (II) a realized loss on a Permitted Investment held therein, the Trustee shall deposit in the Reserve Fund, until the aggregate amount of such deposits equals the amount so transferred or lost, an amount equal to the lesser of (aa) the product of (1) a fraction, the numerator of which is 1, and the denominator of which is 12, times (2) an amount equal to the amount so transferred or lost, plus an amount equal

to any shortfalls in required deposits from prior periods not previously cured, or (bb) the amount necessary to cause the amount on deposit in the Reserve Fund to be equal to the Reserve Fund Requirement; no deposit need be made in the Reserve Fund so long as there shall be on deposit therein a sum equal to the Reserve Fund Requirement.

(3) Rebate Fund. The Trustee shall deposit the Rebate Amount in the Rebate Fund if and to the extent required pursuant to the terms of Section 4.04.

(4) Administration Fund. The Trustee shall, until the amount on deposit in the Administration Fund is equal to the Administration Fee, deposit in the Administration Fund an amount equal to the lesser of (I) the product of (aa) a fraction, the numerator of which is 1, and the denominator of which is 12, times (bb) the amount of the Administration Fee, or (II) the amount necessary to cause the amount on deposit in the Administration Fund to be equal to Administration Fee, plus an amount equal to any shortfalls in required deposits from prior periods not previously cured.

(5) Surplus Account. The Trustee shall deposit in the Surplus Account all money remaining in the Revenue Fund after the deposits required by paragraphs (1), (2), (3) and (4) of this Section have been made.

**Section 3.04 Deposit and Investments of Money in Accounts and Funds**. Subject to Section 4.04, all money held by the Trustee in any of the accounts or funds established pursuant hereto shall be invested and reinvested in Permitted Investments at the Request of the City received not less than two (2) Business Days prior to the date of making such investment. The Trustee shall notify the City no less than two (2) Business Days prior to the date moneys held hereunder will be available for investment, requesting that the City deliver to the Trustee a Request of the City specifying the Permitted Investments to be acquired by the Trustee with such moneys. All money held in the Reserve Fund shall be invested and reinvested in Permitted Investments with a term to maturity not exceeding five years or on the final maturity date of the Bonds, whichever date is earlier; provided, however, that if an obligation may be redeemed at par on the Business Day prior to each Interest Payment Date during which such obligation is outstanding, such obligation may have any maturity. If no such Request of the City is received, the Trustee shall hold such moneys uninvested. All such Permitted Investments shall be valued by the Trustee not less frequently than semi-annually on each Interest Payment Date at the lower of the cost or market value thereof. Subject to Section 4.04, all interest or profits received prior to the completion of the Project (as certified in writing by the Authorized City Representative) on any money so invested shall be deposited in the related Project Fund, and all interest or profits received subsequent thereto on any money so invested shall be deposited in the Interest Fund. The Trustee may act as a principal or agent in making or disposing of any investment, and all investments may be made through the Trustee's investment department or that of its affiliates. The Trustee or its affiliates may act as sponsor, agent, manager, or depository with regard to any Permitted Investment. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall sell in a commercially reasonably manner, 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 the Trustee shall not be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

**Section 3.05 Reserve Policy Payment and Reimbursement Provisions**. The following provisions shall govern in the event of a conflict with any contrary provision of this Trust Agreement. [TO COME]

## ARTICLE IV
## COVENANTS

**Section 4.01 Compliance with Trust Agreement**. The Trustee will not execute or deliver any Bonds in any manner other than in accordance with the provisions hereof; and the City will not suffer or permit any default to occur hereunder, but will faithfully observe and perform all the agreements, conditions, covenants, and terms contained herein required to be observed and performed by them.

**Section 4.02 Amendment of Agreement**. The City and the Authority will not amend or permit the amendment of the 2021 Installment Sale Agreement without (a)(1) a determination that such amendment does not materially adversely affect the interest of the Owners [or the Insurer] or (2) the written consents of [the Insurer and] the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, and (b) an Opinion of Counsel to the effect that such amendment is authorized and permitted by this Trust Agreement, is enforceable against the Authority, and will not cause interest payable on the Bonds to be included in gross income for federal income tax purposes; *provided* that no such supplement, amendment, modification, or termination shall reduce the amount of 2021 Installment Sale Payments to be made to the Authority or the Trustee by the City pursuant to the Agreement, or extend the time for making such payments, or permit the creation of any lien prior to or on a parity with the lien created by the Agreement on Tax Revenues (as defined in the Agreement), except as expressly provided in the Agreement, in each case without the written consent of all of the Owners of the Bonds then Outstanding.

**Section 4.03 Against Encumbrances**. The Authority will not make any pledge of or place any charge or lien upon the Revenues except as provided herein, and will not issue any bonds, notes, or obligations payable from the Revenues or secured by a pledge of or charge or lien upon the Revenues except the Bonds.

**Section 4.04 Tax Covenants: Rebate Fund**.

(a) In addition to the accounts created pursuant to Section 3.03, the Trustee shall establish and maintain a fund separate from any other fund or account established and maintained hereunder designated as the Rebate Fund. There shall be deposited in the Rebate Fund such amounts, including the Rebate Amount, as are required to be deposited therein pursuant to the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the United States of America. Notwithstanding the provisions of Sections 3.01, 3.02, 3.04, 7.02, and 10.01 relating to the pledge of Revenues, the allocation of money in the Revenue Fund, the investments of money in any fund or account, the application of funds upon acceleration, and the defeasance of Outstanding Bonds, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section 4.04 and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of

the Authority, and shall have no liability or responsibility to enforce compliance by the Authority and the City with the terms of the Tax Certificate.

(b) Any funds remaining in the Rebate Fund after redemption and payment of all of the Bonds or provision made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees to the Trustee and satisfaction of the Rebate Requirement (as defined in the Tax Certificate), shall be withdrawn by the Trustee and remitted to or upon the written direction of the City.

**Section 4.05 Accounting Records and Reports**. The Trustee shall keep proper books of record and account in accordance with industry standards in which complete and correct entries shall be made of all transactions made by the Trustee relating to the receipt, investment, disbursement, allocation, and application of all funds received by the Trustee hereunder. Such records shall specify the account or fund to which each investment (or portion thereof) held by the Trustee is to be allocated and shall set forth, in the case of each investment: (a) its purchase price; (b) identifying information, including par amount, coupon rate, and payment dates; (c) the amount received at maturity or its sale price, as the case may be; (d) the amounts and dates of any payments made with respect thereto; and (e) such documentation as is required to be obtained as evidence to establish that all investments have been purchased in arms' length transactions with no amounts paid to reduce the yield on the investments.

The Trustee shall provide the City and the Authority with a report of such records each June 1 and December 1, commencing on June 1, 2021, through and until the final maturity of the Bonds. In addition, such records shall be open to inspection by the Authority and the City at any reasonable time during regular business hours on reasonable notice.

**Section 4.06 Observance of Laws and Regulations**. The City will faithfully observe and perform all lawful and valid obligations or regulations now or hereafter imposed on them by contract, or prescribed by any state or national law, or by any officer, board, or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right, or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such observance or performance is material to the transactions contemplated hereby.

**Section 4.07 Further Assurances**. Whenever and so often as reasonably requested to do so by the Trustee or any Owner, the City will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents, or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the Owners all rights, interests, powers, benefits, privileges, and advantages conferred or intended to be conferred upon them hereby.

**Section 4.08 Recordation and Filing**. The City will file, record, register, renew, refile, and rerecord all such documents, including financing statements (or continuation statements in connection therewith), as may be required by law in order to maintain at all times a security interest in the Agreement under and pursuant to this Trust Agreement, all in such manner, at such times and in such places as may be required in order to fully perfect, preserve, and protect the benefit,

protection, and security of the Owners [and the Insurer], and the rights of the Trustee hereunder, and the City will do whatever else may be necessary or be reasonably required in order to perfect and continue the pledge of and lien on the Agreement as provided herein.

**Section 4.09 Completion of the Project**. Subject to and as provided in the Agreement, the City, as agent of the Authority, will cause the Project to be completed with all practicable dispatch and such completion will be made in an expeditious manner and in conformity with the law.

## ARTICLE V
## THE TRUSTEE

**Section 5.01 The Trustee**. U.S. Bank National Association shall serve as the Trustee for the Bonds for the purpose of receiving all money which the Authority and the City are required to deposit with the Trustee hereunder and for the purpose of allocating, applying, and using such money as provided herein and for the purpose of paying the interest, principal, and redemption premiums, if any, on the Bonds presented for payment in St. Paul, Minnesota, or at such other office as the Trustee may designate, with the rights and obligations provided herein. The Authority agrees that it will at all times maintain a Trustee having a designated office in Seattle, Washington or San Francisco or Los Angeles, California.

The Authority may at any time, unless there exists any event of default as defined in Section 7.01, remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided that any such successor shall (i) be a bank or trust company doing business and having a principal office in Seattle, Washington or San Francisco or Los Angeles, California, (ii) have (or in the case of a bank or trust company which is part of a bank holding company system, the related bank holding company shall have) a combined capital (exclusive of borrowed capital) and surplus of at least seventy-five million dollars ($75,000,000) and (iii) be subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the Authority and by mailing to the Owners notice of such resignation. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. If, within 30 days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

The Trustee is hereby authorized to redeem the Bonds when duly presented for payment on their respective Bond Payment Dates or on prior redemption. The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the Authority and shall destroy such Bonds

it has received in accordance with its retention policy then in effect. The Trustee shall keep accurate records of all Bonds paid and discharged and canceled by it.

The Authority, solely from amounts held in the Costs of Issuance Fund or paid by the City specifically for such purpose, shall from time to time, subject to any agreement between the Authority and the Trustee then in force, pay to the Trustee compensation for its services, reimburse the Trustee for all its advances and expenditures, including but not limited to, advances to and fees and expenses of independent accountants and in-house and other counsel or other experts employed by it and reasonably required in the exercise and performance of its rights and obligations hereunder, and, to the extent permitted by law, indemnify and hold the Trustee and its officers, directors, employees, and agents harmless against any claim, loss, liability, damages, expenses (including legal fees and expenses), or advances not arising from the Trustee's own active or passive negligence, willful misconduct, or breach of fiduciary duty, which the Trustee may incur in the exercise and performance of its rights and obligations hereunder. The obligations of the Authority under this paragraph to compensate, indemnify, reimburse, and hold the Trustee harmless shall constitute additional indebtedness hereunder, and such indebtedness shall have priority over the Bonds in respect of all property and funds held or collected by the Trustee as such, except funds held in trust by the Trustee for the benefit of the Owners of particular Bonds, including, without limitation, funds held by the Trustee in trust to redeem all or a portion of Outstanding Bonds prior to their respective Bond Payment Dates for which a notice of redemption has been sent as provided herein.

**Section 5.02 Liability of Trustee**. The recitals of facts, agreements, and covenants herein and in the Bonds shall be taken as recitals of facts, agreements, and covenants of the Authority, and the Trustee assumes no responsibility for the use of any proceeds of the Bonds, the correctness of the same, the collection of the Revenues or makes any representation as to the sufficiency or validity hereof, of the Bonds or any security therefor or any offering material distributed in connection with the Bonds and shall not incur any responsibility in respect thereof other than in connection with the rights or obligations assigned to or imposed upon it herein, in the Bonds or in law or equity. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence, willful misconduct, or breach of fiduciary duty.

The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and such Bond is registered in such person's name.

Whenever the Trustee shall deem it necessary or desirable that a factual or legal matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a certificate conforming to the requirements herein or an opinion of counsel, which certificate or opinion shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity and all persons, including without limitation the Owners, the

Authority and the City, having any claim against the Trustee arising from this Trust Agreement not attributable to the Trustee's negligence or willful misconduct shall look only to the funds and accounts held by the Trustee hereunder for payment except as otherwise provided herein. The duties and obligations of the Trustee shall be determined solely by the express provisions of this Trust Agreement, the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Trust Agreement, and no implied covenants or obligations (fiduciary or otherwise) shall be read into this Trust Agreement against the Trustee. The Trustee shall not be liable with respect to any action taken or not taken hereunder in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding. The Trustee shall, during the existence of any event of default (which has not been cured), exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise of use under the circumstances in the conduct of its own affairs. The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee shall extend to its officers, directors, employees, and agents and such immunities and exceptions and its right to payment of its fees and expenses shall survive its resignation or removal and the final payment and defeasance of the Bonds. Under no circumstances shall the Trustee be liable in its individual capacity for the amounts due on the Bonds. The Trustee, in its individual or any other capacity, may become the Owner of any Bonds or other obligations of any party hereto with the same rights which it would have if not the Trustee. At any and all reasonable times, the Trustee and its agents shall have the right to fully inspect the Project, including all books, papers, and records of the City pertaining to the Project and the Bonds, and to take such memoranda therefrom and with regard thereto and make photocopies thereof as may be desired. The Trustee shall not be required to give any bond or surety in respect of the execution of said trusts and powers or otherwise in respect of the premises. Before taking or refraining from any action hereunder at the request or direction of the Owners, the Trustee may require that an indemnity bond satisfactory to the Trustee be furnished to it and be in full force and effect.

None of the provisions contained herein or in the Agreement shall require the Trustee to expend or risk its own funds or continue to do so or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if it shall reasonably believe that repayment of such funds or adequate indemnity against such risk or liability is not assured to it. The Trustee may rely and shall be protected in acting or failing to act upon any paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the City to make any payment of principal or interest under the Agreement when due, unless the Trustee shall be specifically notified in writing at its corporate trust office of such default by the Owners of not less than 25% of the aggregate principal amount of Bonds then Outstanding. Notwithstanding any other provision hereof, the Trustee shall have the right, but shall not be required, to demand any showings, Bonds, opinions, appraisals or other information, or official action or evidence thereof, required as a condition of such action deemed by the Trustee to be desirable for the purpose of establishing the rights of the Trustee with respect to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

The Trustee agrees to accept and act upon instructions or directions pursuant hereto sent by unsecured e-mail, facsimile transmission, or other similar unsecured electronic methods; provided, however, that the Trustee shall have received an incumbency certificate from the City listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. The Trustee shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of interception and misuse by third party.

The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include but not be limited to acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

## ARTICLE VI
## AMENDMENT OF THE TRUST AGREEMENT

**Section 6.01** **Amendment of the Trust Agreement**. This Trust Agreement and the rights and obligations of the Authority, the City, the Trustee, and the Owners may be amended at any time by a Supplemental Trust Agreement which shall become binding when the written consents of [the Insurer and] the Owners of a majority in aggregate principal amount of Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 6.02, are filed with the Trustee. No such amendment shall (1) extend the Bond Payment Date of or reduce the interest rate on or amount of interest or principal or redemption premium, if any, on any Bond without the express written consent of [the Insurer and] the Owner of such Certificate, or (2) permit the creation by the Authority of any pledge of or charge or lien upon the Revenues as provided herein superior to or on a parity with the pledge, charge, and lien created hereby for the benefit of the Bonds, or (3) reduce the percentage of Bonds required for the written consent to any such amendment or any amendment of the Agreement pursuant to Section 4.02 hereof, or (4) modify any rights or obligations of the Trustee, the Authority, or the City without their prior written consent thereto, respectively.

This Trust Agreement and the rights and obligations of the Authority, the City, and of the Owners may also be amended at any time by a Supplemental Trust Agreement which shall become binding upon adoption without the consent of any Owners, but only to the extent permitted by law and after receipt of an approving Opinion of Counsel, for any purpose that will not in the judgment of the Authority or as set forth in Opinions of Counsel materially adversely affect the interests of the Owners, including (without limitation) for any one or more of the following purposes:

(a) to add to the agreements and covenants required herein to be performed by the Authority or the City other agreements and covenants thereafter to be performed by the

Authority or the City, or to surrender any right or power reserved herein to or conferred herein on the Authority or the City;

(b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing, or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority or the City may deem desirable or necessary and not inconsistent herewith;

(c) to add to the agreements and covenants required herein, such agreements and covenants as may be necessary to qualify this Trust Agreement under the Trust Indenture Act of 1939; or

(d) for any other purpose that does not materially adversely affect the interests of the Owners [or the Insurer].

**Section 6.02 Disqualified Bonds**. Bonds owned or held by or for the account of the Authority or the City shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided in this article, and shall not be entitled to consent to or take any other action provided in this article.

**Section 6.03 Endorsement or Replacement of Bonds After Amendment**. After the effective date of any action taken as hereinabove provided, the Authority may determine that the Bonds may bear a notation by endorsement in form approved by the Authority as to such action, and in that case upon demand of the Owner of any Outstanding Bonds and presentation of such Bond for such purpose at the Office of the Trustee a suitable notation as to such action shall be made on such Bond. If the Authority shall so determine, new Bonds so modified as, in the opinion of the Authority, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Bond a new Bond or Bonds shall be exchanged at the office of the Trustee without cost to each Owner for its Bond or Bonds then Outstanding upon surrender of such Outstanding Bonds.

**Section 6.04 Amendment by Mutual Consent**. The provisions of this article shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

**Section 6.05 Information to Rating Agency**. The Authority shall provide any Rating Agency a copy of each amendment to this Trust Agreement or to the Agreement promptly following the execution and delivery of such amendment.

## ARTICLE VII
## EVENTS OF DEFAULT AND REMEDIES OF OWNERS

**Section 7.01 Events of Default**. If any default in the payment of 2021 Installment Sale Payments or any other "Event of Default" defined in the Agreement shall occur and be continuing, or if any default shall be made by the City in the performance or observance of any other of the covenants, agreements, or conditions on its part herein contained and such default shall have continued for a period of 30 days after written notice thereof shall have been given to the City by the Trustee or the Owners of not less than a majority in aggregate principal amount of the Bonds

at the time Outstanding, then such default shall constitute an "Event of Default" hereunder, and in each and every such case during the continuance of such Event of Default the Trustee or the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding shall be entitled, upon notice in writing to the City, but subject to the provisions of Section 7.06, to exercise the remedies provided under the Agreement which are necessary or desirable to collect the 2021 Installment Sale Payments. No grace period shall be permitted for payment defaults.

Subject to the following sentence, within one Business Day following the occurrence of any Triggering Event, the Trustee shall deliver a Notice of Exclusive Control to the Depository Bank. Trustee shall have no obligation to deliver a Notice of Exclusive Control pursuant to the immediately preceding sentence if Trustee previously delivered a Notice of Exclusive Control to Depository Bank, which Notice of Exclusive Control has not been rescinded as provided in the following sentence. Provided that no Event of Default has occurred and is continuing hereunder or under the 2021 Installment Sale Agreement, Trustee shall deliver to the Depository Bank a Notice of Rescission on the date that is six months following the date of the most recent Triggering Event.

The Owners of Bonds, for purposes of this Trust Agreement and the Agreement, to the extent of their interest, shall be entitled to all rights and security of the Authority pursuant to the Agreement and this Trust Agreement. The City recognizes the rights of the Owners of the Bonds, acting through the Trustee, to enforce the obligations and covenants contained in the Agreement and this Trust Agreement; provided that in no event shall the City be liable for any obligations, covenants, or damages except those which arise out of the Agreement.

**Section 7.02 Application of Funds Upon Acceleration of Agreement**. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article VII shall be deposited into the Revenue Fund and be applied by the Trustee in the following order; *provided* that the Trustee shall obtain and follow the instructions contained in an Opinion of Counsel and rebate or set aside for rebate from the specified funds held hereunder, any amount pursuant to such instructions required to be paid to the United States of America under the Code:

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

Second, to the payment of the principal and interest payable with respect to the Bonds, in connection with a mandatory redemption of Bonds pursuant to Section 2.03(b) hereof and the delivery of a Cash Flow Report; and

[Third, to the payment of amounts owed to the Insurer not paid pursuant to First and Second above.]

**Section 7.03 Other Remedies of the Trustee**.

The Trustee shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights hereunder against the City or any supervisor, council member, board member, trustee, member, officer, or employee thereof, and to compel the City or any such supervisor, council member, board member, trustee, member, officer, or employee thereof to observe or perform its or his or her duties under applicable law and the agreements, conditions, covenants, and terms contained herein, or in the Agreement, required to be observed or performed by it or him or her;

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

(c) by suit in equity upon the happening of any default hereunder to require the City and any supervisor, council member, board member, trustee, member, officer, and employee to account as the trustee of any express trust.

**Section 7.04 Non-Waiver**. A waiver by the Trustee of any default hereunder or breach of any obligation hereunder shall not affect any subsequent default hereunder or any subsequent breach of an obligation hereunder or impair any rights or remedies on any such subsequent default hereunder or on any such subsequent breach of an obligation hereunder. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default hereunder shall impair any such right or remedy or shall be construed to be a waiver of any such default hereunder or an acquiescence therein, and every right or remedy conferred upon the Trustee by applicable law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee.

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

**Section 7.05 Actions by Trustee as Attorney-in-Fact**. Any action, proceeding, or suit which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners, whether or not the Trustee is an Owner, and the Trustee is hereby appointed (and the successive Owners, by taking and holding the Bonds executed and delivered hereunder, shall be conclusively deemed to have so appointed it) the true and lawful attorney-in-fact of the Owners for the purpose of bringing any such action, proceeding, or suit and for the purpose of doing and performing any and all acts and things for and on behalf of the Owners as a class or classes as may be advisable or necessary in the opinion of the Trustee as such attorney-in-fact.

**Section 7.06 Remedies Not Exclusive**. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law. If any remedial action hereunder is discontinued or abandoned, the Trustee and the Owners shall be restored to their former positions.

**Section 7.07 Limitation on Owners' Right to Sue**. No Owner of any Bond issued hereunder shall have the right to institute any suit, action, or proceeding at law or equity, for any remedy under or upon this Trust Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an event of default as defined in Section 7.01 hereunder; (b) the Owners of at least a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action, or proceeding in its own name; (c) said Owners shall have tendered to the Trustee reasonable security or indemnity against the costs, expenses, and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such request and consent shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, consent, tender of indemnity, and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any owner of Bonds of any remedy hereunder; it being understood and intended that no one or more owners of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Trust Agreement shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

**Section 7.08 Limited Liability of the City**. Except as expressly provided in the Agreement, the City shall not have any obligation or liability to the Authority, the Trustee, or the Owners with respect to this Trust Agreement or the preparation, execution, delivery, transfer, exchange, or cancellation of the Bonds or the receipt, deposit, or disbursement of the principal and interest payable with respect to the Agreement by the Trustee, or with respect to the performance by the Trustee of any obligation contained herein required to be performed by it.

**Section 7.09 Limited Liability of the Authority**. Except as expressly provided herein, the Authority shall not have any obligation or liability to the Trustee or the Owners with respect to the payment when due of the 2021 Installment Sale Payments by the City, or with respect to the observance or performance by the City of the other agreements, conditions, covenants, and terms contained in the Agreement, or with respect to the performance by the Trustee of any obligation contained herein required to be performed by it. Notwithstanding anything to the contrary contained in the Bonds, this Trust Agreement or any other document related thereto, the Authority shall not have any liability hereunder or by reason hereof or in connection with any of the transactions contemplated hereby except to the extent payable from moneys received from or with respect to the Agreement and available thereof in accordance with this Trust Agreement.

## ARTICLE VIII
## DEFEASANCE

**Section 8.01 Discharge of Bonds**. (a) If the City shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the interest, principal, and redemption premiums, if any, due thereon at the times and in the manner stipulated herein and therein, [and the Insurer shall have been paid all amounts owed to the Insurer under the Reserve Policy,] then the Owners of such Bonds shall cease to be entitled to the pledge of and charge and

lien upon the Revenues as provided herein, and all agreements, covenants, and other obligations of the Authority and the City to the Owners of such Bonds hereunder shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction and the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant hereto which are not required for the payment of the interest and principal and redemption premiums, if any, on the Bonds.

(b) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this section if (1) in case any of such Bonds are to be redeemed on any date prior to their respective Bond Payment Dates, the Authority or the City shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide notice in accordance with Section 2.03, (2) there shall have been deposited with the Trustee either (A) money in an amount which shall be sufficient or (B) Defeasance Obligations, the interest on and principal of which when paid will provide money which, together with the money, if any, deposited with the Trustee, shall be sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the interest to become due with respect to such Bonds on and prior to the Bond Payment Date or redemption date thereof, as the case may be, and the principal and redemption premiums, if any, on the Bonds, and (2) in the event such Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Authority or the City shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Owners of such Bonds that the deposit required by clause (2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this section and stating the Bond Payment Date or redemption date upon which money is to be available for the payment of the principal and redemption premiums, if any, with respect to such Bonds.

Bonds shall be deemed "Outstanding" under this Trust Agreement unless and until they are in fact paid and retired or the above criteria are met.

[This Trust Agreement, the Agreement, and each other Related Documents shall not be discharged or terminated unless all amounts due or to become due to the Insurer have been paid in full or duly provided for. The City's obligation to pay such amounts shall expressly survive payment in full of the Bonds.]

**Section 8.02 Unclaimed Money**. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds which remains unclaimed for two (2) years after the date when such Bonds have become due and payable, either at their stated Bond Payment Dates or by call for redemption prior to such dates, if such money was held by the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when such Bonds have become due and payable, shall be repaid by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall not look to the Trustee for the payment of such Bonds. Any moneys held by the Trustee in trust for the payment and discharge of any Bonds shall not bear interest or be otherwise invested from and after such Bond Payment Date or redemption date.

## ARTICLE IX
## MISCELLANEOUS

**Section 9.01 Liability of Authority Limited to Revenues**. The Bonds are limited obligations of the Authority and are payable, as to interest, principal, and any premiums upon the redemption of any thereof, solely from the Revenues as provided herein, and the Authority is not obligated to pay them except from the Revenues. All the Bonds are equally secured by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest, principal and redemption premiums, if any, on the Bonds as provided herein. The Bonds are not a debt of the City, the State of California, or any of its political subdivisions, none of the City, said State, nor any of its political subdivisions is liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Authority as provided herein. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction.

**Section 9.02 Benefits of the Trust Agreement Limited to Parties**. Nothing contained herein, expressed or implied, is intended to give to any person other than the City, the Authority, the Trustee, [the Insurer] and the Owners any right, remedy, or claim under or by reason hereof. Any agreement or covenant required herein to be performed by or on behalf of the City or the Authority shall be for the sole and exclusive benefit of the Trustee, the Authority, [the Insurer] and the Owners.

**Section 9.03 Successor Is Deemed Included In All References To Predecessor**. Whenever either the City, the Authority, or the Trustee, or any officer thereof, is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties, and functions that are presently vested in the City, the Authority, or the Trustee, or such officer, and all agreements, conditions, covenants, and terms contained herein required to be observed or performed by or on behalf of the City, the Authority, or the Trustee or any officer thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

**Section 9.04 Execution of Documents by Owners**. Any declaration, request, or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his attorney of any declaration, request, or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer. The ownership of any Bonds and the amount, maturity, number, and date of holding the same may be proved by the registration books relating to the Bonds at the office of the Trustee.

Any declaration, request, or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done by the City, the Authority, or the Trustee in good faith and in accordance therewith.

**Section 9.05 Waiver of Personal Liability; No Liability of Authority Members**. No member, officer, or employee of the Authority or the City shall be individually or personally liable for the payment of the interest, principal, or redemption premiums, if any, with respect to the Bonds by reason of their issuance, but nothing herein contained shall relieve any such member, officer, or employee from the performance of any official duty provided by any applicable provisions of law, the Agreement, or hereby.

**Section 9.06 Acquisition of Bonds by the Authority**. All Bonds acquired by the Authority, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

**Section 9.07 Destruction of Canceled Bonds**. Whenever provision is made herein for the cancellation of any Bonds, the Trustee shall destroy such Bonds in accordance with its retention policy then in effect.

**Section 9.08 Content of Certificates; Post-Issuance Legal Opinions**. Every Certificate of the Authority or the City with respect to compliance with any agreement, condition, covenant, or term contained herein shall include: (a) a statement that the person or persons executing such certificate have read such agreement, condition, covenant, or term and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not the City or the Authority has complied with such agreement, condition, covenant or term; and (d) a statement as to whether, in the opinion of the signers, the City or the Authority has complied with such agreement, condition, covenant or term.

Any Certificate of the Authority or the City may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person or persons executing such Certificate know that the Opinion of Counsel with respect to the matters upon which his or their Certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters and information with respect to which is in the possession of the City or the Authority, upon a representation by an officer or officers of the City or the Authority unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

**Section 9.09 Publication for Successive Weeks**. Any publication required to be made hereunder for successive weeks in a financial newspaper may be made in each instance upon any Business Day of the first week and need not be made on the same Business Day of any succeeding week or in the same financial newspaper for any subsequent publication, but may be made on different Business Days or in different financial newspapers, as the case may be.

**Section 9.10 Accounts and Funds; Business Days**. Any account or fund required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such

accounting records, any audits thereof, and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with the Tax Certificate and sound accounting practice and with due regard for the protection of the security of the Bonds and the rights of the Owners. Any action required to occur hereunder on a day which is not a Business Day shall be required to occur on the next succeeding Business Day.

**Section 9.11 Article and Section Headings and References**. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction, or effect hereof. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular article, section, subdivision, or clause hereof.

**Section 9.12 Partial Invalidity**. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the City, the Authority, or the Trustee shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the Bonds, and the Owners shall retain all the benefit, protection, and security afforded to them under the Act or any other applicable provisions of law. The City, the Authority, and the Trustee hereby declare that they would have executed and delivered this Trust Agreement and each and every other article, section, paragraph, subdivision, sentence, clause, and phrase hereof and would have authorized the execution and delivery of the Bonds pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses, or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable, or invalid.

**Section 9.13 Execution in Several Counterparts**. This Trust Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the City, the Authority, and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

**Section 9.14 Governing Law**. This Trust Agreement shall be governed, in all respects including validity, interpretation and effect by, and shall be enforceable in accordance with, the laws of the United States of America and of the State of California.

**Section 9.15 Notices**. Except as otherwise provided herein, for the purposes hereof, any notice, consent, request, requisition, direction, certificate, or demand or other communication may be served or presented, and such notice or demand may be made and shall be deemed to have been sufficiently given or served for all purposes by being deposited, first-class postage redeemed, in a post office letter box, addressed, as the case may be, to the parties as follows:

If to the Authority: Independent Cities Finance Authority
P.O. Box 6740

| | |
|---|---|
| | Lancaster, California 93539<br>Attention: Executive Director |
| If to the Trustee: | U.S. Bank National Association<br>1420 Fifth Avenue, 7th Floor<br>Seattle, Washington 98101<br>Attention: Global Corporate Trust |
| If to the City: | City of Compton<br>205 South Willowbrook Avenue<br>Compton, California 90220<br>Attention: City Manager and City Attorney |
| If to the Underwriter: | Raymond James & Associates, Inc.<br>39 E. Union Street<br>Pasadena, California 91103<br>Attention: Jose A. Vera |

[If to the Insurer:]

Any party may change its address by notice to each other party.

**IN WITNESS WHEREOF**, the Authority and the City have caused this Trust Agreement to be signed in their respective names by such person as has been designated by the Board of Directors of the Authority and the City Council, respectively, and the Trustee, to evidence its acceptance of the trust hereby created, has caused this Trust Agreement to be signed in the name of the Trustee by an authorized officer of the Trustee, all as of the day and year first above written.

**INDEPENDENT CITIES FINANCE AUTHORITY**

By:_____
Authorized Signatory

**U.S. BANK NATIONAL ASSOCIATION**, as Trustee

By:_____
Authorized Signatory

**CITY OF COMPTON, CALIFORNIA**

By:_____
Mayor

**EXHIBIT A**

**FORM OF BOND**

THIS BOND IS SUBJECT TO TRANSFER RESTRICTIONS AS SET FORTH IN THE TRUST AGREEMENT (AS DEFINED HEREIN). BY POSSESSION OF THIS BOND, THE HOLDER CERTIFIES THAT IT IS (A) AN ACCREDITED INVESTOR, OR (B) A QUALIFIED INSTITUTIONAL BUYER, AND THAT THE HOLDER HAS DELIVERED AN INVESTOR LETTER TO THE TRUSTEE IN THE FORM REQUIRED BY THE TRUST AGREEMENT. THE HOLDER HEREOF, BY THE ACCEPTANCE OF THIS BOND, ACKNOWLEDGES THAT THIS BOND MAY ONLY BE REGISTERED IN THE NAME OF, OR TRANSFERRED TO, OR BENEFICIAL OWNERSHIP CAN ONLY BE HELD BY (A) AN ACCREDITED INVESTOR, OR (B) A QUALIFIED INSTITUTIONAL BUYER, AND PROVIDED THAT ANY SUCH TRANSFEREE OR HOLDER SHALL HAVE DELIVERED TO THE TRUSTEE AN INVESTOR LETTER IN THE FORM REQUIRED BY THE TRUST AGREEMENT.

**INDEPENDENT CITIES FINANCE AUTHORITY**
**(CITY OF COMPTON, CALIFORNIA)**
**SALES TAX REVENUE BOND, SERIES 2021**

**No. _____** **$_____**

| Interest Rate | Bond Payment Date | Dated as of | CUSIP |
|---|---|---|---|
| **%** | **June 1, ___** | **[_____], 2021** | N/A |

**REGISTERED OWNER:**

**PRINCIPAL SUM:**

The INDEPENDENT CITIES FINANCE AUTHORITY, a joint exercise of powers authority, duly organized and validly existing under and pursuant to the laws of the State of California (the "Authority") for value received, hereby promises to pay to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereafter provided for) the principal sum specified above, together with interest on such principal sum from the interest payment date next preceding the date of registration of this Bond, unless such date of registration is an interest payment date, in which event interest payable on this Bond shall be payable from such date, or unless such date of registration is prior to the first interest payment date, in which event interest on this Bond shall be payable from the Dated Date hereof; provided, however, that if at the time of registration of any Bond, interest is then in default on the Outstanding Bonds, interest on such Bond shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Bonds. Payment of interest on this Bond due on or before the maturity or prior redemption thereof shall be made to the person whose name appears in the registration records for the Bonds maintained by U.S. Bank National Association, as trustee (the "Trustee") under a Trust Agreement by and among the Authority, the Trustee, and the City of Compton, California, dated as of

[_____ 1], 2021 (the "Trust Agreement"), as the registered owner thereof as of the close of business on the Record Date preceding each Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check mailed on such Interest Payment Date (or the next Business Day if such Interest Payment Date is not a Business Day) to such registered owner at the address as it appears in such books or at such other address as may have been filed with the Trustee for that purpose.

Payment of the principal on this Bond shall be made by check upon the surrender of this Bond at maturity or on redemption prior to maturity at the Office of the Trustee. The registered owner of $1,000,000 or more in aggregate principal amount of the Bonds may request in writing that the Trustee pay the interest on the Bonds by wire transfer and the Trustee shall comply with such request for all Interest Payment Dates following the fifteenth day after receipt of such request until such request is rescinded. All such amounts are payable in lawful money of the United States of America.

This Bond is one of a duly authorized issue of bonds of the Authority designated as its "Independent Cities Finance Authority (City of Compton), Sales Tax Revenue Bonds, Series 2021" (the "Bonds"), issued in the aggregate principal amount of $[_____], all of like tenor and date (except such variations, if any, as may be required to designate varying numbers, maturities, and interest rates), and is issued under and pursuant to the provisions of the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto (the "Act") and under and pursuant to the provisions of the Trust Agreement. Copies of the Trust Agreement are on file at the principal office of the Trustee in Seattle, Washington.

To the extent and in the manner permitted by the terms of the Trust Agreement and the Agreement, the provisions of the Trust Agreement may be amended or supplemented by the parties thereto.

This Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the corporate trust office of the Trustee but only in the manner, subject to the limitations, and upon payment of the charges as provided in the Trust Agreement, and upon surrender of this Certificate for cancellation accompanied by delivery of a duly executed written instrument of transfer in the form appearing hereon. Upon such transfer, a new Bond or Bonds of the same series and Bond Payment Date representing the same principal amount will be executed and delivered to the transferee in exchange herefor. The Bonds are exchangeable at the corporate trust office of the Trustee for a like aggregate principal amount of Bonds of authorized denominations of the same series and Bond Payment Date, in the manner, subject to the limitations, and upon payment of the charges as provided in the Trust Agreement.

The Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the interest and principal on this Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability represented by this Bond to the extent of the sum or sums so paid.

The Bonds are authorized to be executed and delivered in the form of fully registered Bonds in denominations of $100,000 and integral multiples of $5,000 in excess thereof so long as no Bond shall represent principal becoming payable on more than one Bond Payment Date.

The Bonds are subject to optional and mandatory redemption prior to their respective Bond Payment Dates, as provided in the Trust Agreement.

The Bonds are payable from the 2021 Installment Sale Payments in an amount equal to the aggregate principal amount of Bonds originally issued by the Authority and authenticated and delivered by the Trustee pursuant to the Trust Agreement and enjoy the benefits of a security interest in the moneys held in the funds established pursuant to the Trust Agreement, subject to the provisions of the Trust Agreement permitting the disbursement thereof for or to the purposes and on the conditions and terms set forth therein. The obligation of the City to make the 2021 Installment Sale Payments is a special obligation of the City payable from the Revenues, and do not constitute a debt of the City or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

The Trustee has no obligation or liability to the registered owners of the Bonds for the payment of the interest or principal on the Bonds. Rather, the Trustee's sole obligations are to administer, for the benefit of the City and the Authority and the registered owners of the Bonds, the various funds established under the Trust Agreement and the Agreement. The Authority has no obligation or liability whatsoever to the registered owners of the Bonds.

The registered owner hereby has an interest in the 2021 Installment Sale Payments payable pursuant to the Agreement, as set forth in the Trust Agreement.

The Authority has certified to the Trustee that all acts, conditions, and things required by the statutes of the State of California and the Trust Agreement to exist, to have happened, and to have been performed precedent to and in connection with the issuance, authentication, and delivery of this Bond do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and that the Trustee is duly authorized to execute and deliver this Bond. This is to further certify that the amount of this Bond, together with all other Bonds executed and delivered under the Trust Agreement, is not in excess of the amount of Bonds authorized to be issued, authenticated, and delivered thereunder.

IN WITNESS WHEREOF, this Authority has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the President of the Authority and countersigned by the manual or facsimile signature of the Secretary of the Authority, and has caused this Bond to be dated as of the Dated Date specified above.

INDEPENDENT CITIES FINANCE AUTHORITY

_____

President

Countersigned:

_____

Authority Secretary

## FORM OF CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Trust Agreement which has been registered and authenticated on _____, 2021.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By:_____
Authorized Signatory

**FORM OF ASSIGNMENT**

For value received, the undersigned do(es) hereby sell, assign and transfer unto _____, whose address is _____ and whose social security or Taxpayer Identification No. is _____, the within Bond and do(es) hereby irrevocably constitute and appoint _____ attorney to transfer such Bond on the Bond register of the Trustee, with full power of substitution in the premises.

Dated:_____

_____

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

_____

Signature must be guaranteed by an eligible guarantor institution.

**EXHIBIT B**

**FORM REQUISITION FROM THE PROJECT FUND**

To: U.S. Bank National Association, as Trustee

From: City of Compton, California

Dated Date: _____

Re: Independent Cities Finance Authority (City of Compton, California), Sales Tax Revenue Bonds, Series 2021

Requisition No. ___

The undersigned, on behalf of the City of Compton, California (the "City"), acting as agent of the Authority pursuant to the Agreement, hereby requests payment, from the Project Fund, the amount of $_____ [by wire/check/ACH (circle one)] for the following purpose for which the City is authorized to expend moneys: _____ _____.

If the payment is by wire or ACH, please fill in the following information:

Name, Address and Phone Number of Bank:

_____

_____

_____

ABA#:_____

Account No.:_____

The undersigned hereby certifies as follows:

1. The amount requisitioned hereby is for a Project Cost incurred in connection with the Project, is properly chargeable to the Project Fund and has not been the subject of any previous requisition. The name and address of the person or persons to whom said amounts are to be disbursed and the amounts to be disbursed are as follows:

_____

_____

_____

2. As of the date hereof, no event has occurred and is continuing which constitutes an Event of Default under the Agreement or would constitute an Event of Default but for the requirement that notice be given, or time elapse, or both.

3. The information contained herein is true and correct as of the date of this Requisition.

4. Capitalized terms will herein have the meanings assigned to such terms in the Trust Agreement, dated as of [_____ 1], 2021, among the Independent Cities Finance Authority, U.S. Bank National Association, and the City.

_____

Authorized City
Representative

**EXHIBIT C**

**FORM OF INVESTOR LETTER**

Independent Cities Finance Authority
Lancaster, California

City of Compton
Compton, California

Raymond James & Associates, Inc.
Pasadena, California

Re: $_____ INDEPENDENT CITIES FINANCE AUTHORITY
(CITY OF COMPTON, CALIFORNIA)
SALES TAX REVENUE BONDS, SERIES 2021

To the Addressees:

The undersigned is a duly authorized officer of _____, a [state/federal bank] organized and existing under the laws of the [State of _____/United States of America] (the "Purchaser"). The undersigned acknowledges receipt, on behalf of Purchaser, of the fully executed Independent Cities Finance Authority (City of Compton, California) Sales Tax Revenue Bonds, Series 2021, dated _____, 2021, in the principal amount of $_____ (the "Bonds"). The undersigned represents, warrants, and covenants in conjunction with its purchase of the Bonds that:

1. Purchaser agrees to the terms and provisions set forth in the Bonds.

2. Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of prospective investments without reliance upon others. In reaching the conclusion that it desires to acquire the Bonds, Purchaser has carefully evaluated all risks associated with this purchase and acknowledges that it is able to bear the economic risk of this purchase.

3. Purchaser is [an institutional "accredited investor" within the meaning of Rule 501(a) promulgated under the Securities Act of 1933, as amended (the "1933 Act")]/[a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the "1933 Act")].

4. Purchaser presently intends to hold the Bonds to maturity, earlier redemption, or mandatory tender. Purchaser is purchasing the Bonds for investment for its own account or for its loan portfolio and is not purchasing the Bonds for resale or other disposition, and Purchaser has no present intention of reselling or otherwise disposing of all or any part of the Bonds or dividing its interest therein; however, Purchaser reserves the right to sell participation interests in or otherwise dispose of the Bonds in the future as it chooses. Purchaser agrees that it will not sell, transfer, assign, or otherwise dispose of the Bonds or such ownership interests therein (1) unless it obtains from the purchaser and delivers to the Issuer either (a) a letter similar in form and

substance to this letter, or (b) a written acknowledgement that such purchaser is either (i) an institutional "accredited investor" within the meaning of Rule 501(a) promulgated under the 1933 Act, or (ii) a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act; and (2) except in compliance with the applicable provisions of the 1933 Act, the Securities Exchange Act of 1934, as amended (the "1934 Act"), any rules and regulations promulgated under either the 1933 Act or the 1934 Act, and the applicable securities laws of any other jurisdiction. Purchaser further agrees that it shall furnish to any purchaser of the Bonds all information required by applicable law.

5. The Purchaser (a) is a bank, any entity directly or indirectly controlled by the bank or under common control with the bank, other than a broker, dealer or municipal securities dealer registered under the 1934 Act, or a consortium of such entities; and (b) has the present intent to hold the Bonds to maturity; provided, however, that the Purchaser shall not be precluded from transferring, participating or assigning its interest in the Bonds in accordance with the terms and conditions set forth in the Trust Agreement. The Purchaser understands that it may need to bear the risks of this investment for an indefinite period of time, since a sale of the Bonds, or any portion thereof, may not be possible. 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(a)(11) of the 1933 Act. The Purchaser understands that the Issuer has no obligation to register the Bonds for resale under the 1933 Act. The Purchaser further understands that the Bonds are being sold in a transaction that is exempt from the registration requirements of the 1933 Act. The Purchaser acknowledges that the City will not be entering into a continuing disclosure undertaking for the Bonds pursuant to Section 15c2-12 of the Securities Exchange Act of 1934, as amended; provided, however, that the City has agreed in the Continuing Disclosure Agreement dated as of _____ 1, 2021, between the City and Willdan Financial Services, to provide certain ongoing information to the Purchaser.

5. The Purchaser has received and carefully read all information and other items of disclosure relating to the City, the Issuer, and the Bonds that the Purchaser has deemed material for it to make an informed lending decision with respect to its purchase of the Bonds and, in connection therewith, has had access to all other materials, books, records, documents, and information relating to the City, the Issuer, and the Bonds, and has been able to verify the accuracy of, and supplement, the information contained therein.

6. The Purchaser acknowledges that it has been supplied with the Limited Offering Memorandum dated as of _____, 2021, relating to the Bonds (the "Limited Offering Memorandum"). The Purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of making a loan of the proceeds of the Bonds based solely upon (i) the Limited Offering Memorandum, (ii) it's or such representative's personal knowledge of the business and affairs of the City; and (iii) the independent inquiries and investigations undertaken by it or such representative.

7. The Purchaser represents that it can bear the economic risk of loss of the Bonds.

8. No person has given any information or made any representation not contained in the Limited Offering Memorandum referred to above or otherwise provided to the Purchaser in

writing by a person employed or authorized in writing by the Successor Agency. 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.

9. 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.

10. The Purchaser understands that the purchase of the Bonds involves significant credit risks. The Purchaser is aware that there are certain economic and regulatory variables and risks that could adversely affect the security for the Bonds. The Purchaser has reviewed the documents executed in conjunction with the issuance of Bonds, or summaries thereof, including, without limitation, the Indenture.

11. The Purchaser acknowledges and agrees that the Underwriter, the Issuer, and the City take no responsibility for, and make no representation to the Purchaser, or any subsequent purchaser, with regard to, a sale, transfer or other disposition of the Bond in violation of the provisions of the Trust Agreement, or any securities law or income tax law consequences thereof. The Purchaser also acknowledges that, with respect to the City's obligations and liabilities, the Purchaser is solely responsible for compliance with the sales restrictions on the Bond in connection with any subsequent transfer of the Bonds made by the Purchaser.

12. The Purchaser has been informed that the Bonds [(i)] have not been and will not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any jurisdiction, (ii) will not be listed on any stock or other securities exchange [and (iii) will carry no rating from any rating service.]

13. The Purchaser acknowledges that the sale of the Bonds to the Purchaser is made in reliance upon the certifications, representations and warranties herein by the addresses hereto.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Trust Agreement.

Signed and delivered as of the date shown above.

Sincerely yours,

[PURCHASER FULL CORPORATE NAME]

Signed by: _____
Print Name: _____
Print Title: _____

SOURCES AND USES OF FUNDS

Independent Cities Financing Authority
Sales Tax Revenue Bonds, Series 2021
Assumes Non-Rated Market Conditions as of 11/23/2020
Preliminary, Subject to Change

| Sources: | Sales Tax Revenue Bonds (Measure M) | Sales Tax Revenue Bonds (Measure R) | Sales Tax Revenue Bonds (Proposition C) | Total |
|---|---|---|---|---|
| Bond Proceeds: | | | | |
| Par Amount | 15,210,000.00 | 7,010,000.00 | 10,740,000.00 | 32,960,000.00 |
| Premium | 2,264,446.70 | 1,116,200.90 | 1,641,364.75 | 5,022,012.35 |
| | 17,474,446.70 | 8,126,200.90 | 12,381,364.75 | 37,982,012.35 |

| Uses: | Sales Tax Revenue Bonds (Measure M) | Sales Tax Revenue Bonds (Measure R) | Sales Tax Revenue Bonds (Proposition C) | Total |
|---|---|---|---|---|
| Project Fund Deposits: | | | | |
| Street Improvement Fund | 16,069,902.88 | 7,478,873.34 | 11,389,596.13 | 34,938,372.35 |
| Other Fund Deposits: | | | | |
| Debt Service Reserve Fund | 1,060,685.22 | 488,849.67 | 748,965.11 | 2,298,500.00 |
| Delivery Date Expenses: | | | | |
| Cost of Issuance | 206,968.60 | 95,387.89 | 146,143.51 | 448,500.00 |
| Underwriter's Discount | 136,890.00 | 63,090.00 | 96,660.00 | 296,640.00 |
| | 343,858.60 | 158,477.89 | 242,803.51 | 745,140.00 |
| | 17,474,446.70 | 8,126,200.90 | 12,381,364.75 | 37,982,012.35 |

BOND SUMMARY STATISTICS

Independent Cities Financing Authority
Sales Tax Revenue Bonds, Series 2021
Assumes Non-Rated Market Conditions as of 11/23/2020
Preliminary, Subject to Change

| | Sales Tax Revenue Bonds (Measure M) | Sales Tax Revenue Bonds (Measure R) | Sales Tax Revenue Bonds (Proposition C) | Aggregate |
|---|---|---|---|---|
| Dated Date | 03/10/2021 | 03/10/2021 | 03/10/2021 | 03/10/2021 |
| Delivery Date | 03/10/2021 | 03/10/2021 | 03/10/2021 | 03/10/2021 |
| Last Maturity | 06/01/2051 | 06/01/2039 | 06/01/2051 | 06/01/2051 |
| Arbitrage Yield | 2.964038% | 2.964038% | 2.964038% | 2.964038% |
| True Interest Cost (TIC) | 4.073267% | 3.260721% | 3.865120% | 3.893376% |
| All-In TIC | 4.247019% | 3.490856% | 4.052161% | 4.078579% |
| Average Coupon | 4.998764% | 4.960421% | 4.990408% | 4.991603% |
| Average Life (years) | 24.309 | 10.984 | 19.229 | 19.820 |
| Duration of Issue (years) | 14.841 | 8.674 | 12.642 | 12.903 |
| Par Amount | 15,210,000.00 | 7,010,000.00 | 10,740,000.00 | 32,960,000.00 |
| Bond Proceeds | 17,474,446.70 | 8,126,200.90 | 12,381,364.75 | 37,982,012.35 |
| Total Interest | 18,482,791.25 | 3,819,387.50 | 10,306,266.25 | 32,608,445.00 |
| Net Interest | 16,355,234.55 | 2,766,276.60 | 8,761,561.50 | 27,883,072.65 |
| Total Debt Service | 33,692,791.25 | 10,829,387.50 | 21,046,266.25 | 65,568,445.00 |
| Maximum Annual Debt Service | 1,598,500.00 | 599,750.00 | 700,000.00 | 2,298,500.00 |
| Average Annual Debt Service | 1,114,732.55 | 594,205.08 | 696,319.81 | 2,169,344.75 |
| Underwriter's Fees (per $1000) | | | | |
| Average Takedown | | | | |
| Other Fee | 9.000000 | 9.000000 | 9.000000 | 9.000000 |
| Total Underwriter's Discount | 9.000000 | 9.000000 | 9.000000 | 9.000000 |
| Bid Price | 113.987881 | 115.022980 | 114.382726 | 114.336688 |

| Bond Component | Par Value | Price | Average Coupon | Average Life | PV of 1 bp change |
|---|---|---|---|---|---|
| 2040 Term Bond | 5,090,000.00 | 116.446 | 5.000% | 17.399 | 4,479.20 |
| 2045 Term Bond | 7,415,000.00 | 114.965 | 5.000% | 22.321 | 6,451.05 |
| 2050 Term Bond | 11,645,000.00 | 114.533 | 5.000% | 27.868 | 10,014.70 |
| Serial Bonds | 8,810,000.00 | 115.697 | 4.927% | 8.476 | 6,211.85 |
| | 32,960,000.00 | | | 19.820 | 27,156.80 |

| | TIC | All-In TIC | Arbitrage Yield |
|---|---|---|---|
| Par Value | 32,960,000.00 | 32,960,000.00 | 32,960,000.00 |
| + Accrued Interest | | | |
| + Premium (Discount) | 5,022,012.35 | 5,022,012.35 | 5,022,012.35 |
| - Underwriter's Discount | -296,640.00 | -296,640.00 | |
| - Cost of Issuance Expense | | -448,500.00 | |
| - Other Amounts | | | |
| Target Value | 37,685,372.35 | 37,236,872.35 | 37,982,012.35 |
| Target Date | 03/10/2021 | 03/10/2021 | 03/10/2021 |
| Yield | 3.893376% | 4.078579% | 2.964038% |

BOND PRICING

Independent Cities Financing Authority
Sales Tax Revenue Bonds, Series 2021
Assumes Non-Rated Market Conditions as of 11/23/2020
Preliminary, Subject to Change

| Bond Component | Maturity Date | Amount | Rate | Yield | Price | | Yield to Maturity | Call Date | Call Price | Premium (-Discount) |
|---|---|---|---|---|---|---|---|---|---|---|
| Serial Bonds: | | | | | | | | | | |
| | 06/01/2022 | 470,000 | 4.000% | 1.750% | 102.713 | | | | | 12,751.10 |
| | 06/01/2023 | 485,000 | 4.000% | 1.860% | 104.640 | | | | | 22,504.00 |
| | 06/01/2024 | 500,000 | 4.000% | 1.930% | 106.439 | | | | | 32,195.00 |
| | 06/01/2025 | 525,000 | 4.000% | 1.950% | 108.273 | | | | | 43,433.25 |
| | 06/01/2026 | 540,000 | 5.000% | 2.060% | 114.489 | | | | | 78,240.60 |
| | 06/01/2027 | 570,000 | 5.000% | 2.140% | 116.582 | | | | | 94,517.40 |
| | 06/01/2028 | 600,000 | 5.000% | 2.250% | 118.240 | | | | | 109,440.00 |
| | 06/01/2029 | 625,000 | 5.000% | 2.370% | 119.545 | | | | | 122,156.25 |
| | 06/01/2030 | 660,000 | 5.000% | 2.460% | 120.845 | | | | | 137,577.00 |
| | 06/01/2031 | 695,000 | 5.000% | 2.540% | 120.113 | C | 2.732% | 06/01/2030 | 100.000 | 139,785.35 |
| | 06/01/2032 | 730,000 | 5.000% | 2.610% | 119.478 | C | 2.949% | 06/01/2030 | 100.000 | 142,189.40 |
| | 06/01/2033 | 765,000 | 5.000% | 2.660% | 119.026 | C | 3.116% | 06/01/2030 | 100.000 | 145,548.90 |
| | 06/01/2034 | 800,000 | 5.000% | 2.710% | 118.576 | C | 3.259% | 06/01/2030 | 100.000 | 148,608.00 |
| | 06/01/2035 | 845,000 | 5.000% | 2.750% | 118.218 | C | 3.376% | 06/01/2030 | 100.000 | 153,942.10 |
| | | 8,810,000 | | | | | | | | 1,382,888.35 |
| 2040 Term Bond: | | | | | | | | | | |
| | 06/01/2036 | 885,000 | 5.000% | 2.950% | 116.446 | C | 3.787% | 06/01/2030 | 100.000 | 145,547.10 |
| | 06/01/2037 | 930,000 | 5.000% | 2.950% | 116.446 | C | 3.787% | 06/01/2030 | 100.000 | 152,947.80 |
| | 06/01/2038 | 970,000 | 5.000% | 2.950% | 116.446 | C | 3.787% | 06/01/2030 | 100.000 | 159,526.20 |
| | 06/01/2039 | 1,025,000 | 5.000% | 2.950% | 116.446 | C | 3.787% | 06/01/2030 | 100.000 | 168,571.50 |
| | 06/01/2040 | 1,280,000 | 5.000% | 2.950% | 116.446 | C | 3.787% | 06/01/2030 | 100.000 | 210,508.80 |
| | | 5,090,000 | | | | | | | | 837,101.40 |
| 2045 Term Bond: | | | | | | | | | | |
| | 06/01/2041 | 1,345,000 | 5.000% | 3.120% | 114.965 | C | 4.027% | 06/01/2030 | 100.000 | 201,279.25 |
| | 06/01/2042 | 1,410,000 | 5.000% | 3.120% | 114.965 | C | 4.027% | 06/01/2030 | 100.000 | 211,006.50 |
| | 06/01/2043 | 1,480,000 | 5.000% | 3.120% | 114.965 | C | 4.027% | 06/01/2030 | 100.000 | 221,482.00 |
| | 06/01/2044 | 1,550,000 | 5.000% | 3.120% | 114.965 | C | 4.027% | 06/01/2030 | 100.000 | 231,957.50 |
| | 06/01/2045 | 1,630,000 | 5.000% | 3.120% | 114.965 | C | 4.027% | 06/01/2030 | 100.000 | 243,929.50 |
| | | 7,415,000 | | | | | | | | 1,109,654.75 |
| 2050 Term Bond: | | | | | | | | | | |
| | 06/01/2046 | 1,710,000 | 5.000% | 3.170% | 114.533 | C | 4.151% | 06/01/2030 | 100.000 | 248,514.30 |
| | 06/01/2047 | 1,795,000 | 5.000% | 3.170% | 114.533 | C | 4.151% | 06/01/2030 | 100.000 | 260,867.35 |

BOND PRICING

Independent Cities Financing Authority
Sales Tax Revenue Bonds, Series 2021
Assumes Non-Rated Market Conditions as of 11/23/2020
Preliminary, Subject to Change

| Bond Component | Maturity Date | Amount | Rate | Yield | Price | Yield to Maturity | Call Date | Call Price | Premium (-Discount) |
|---|---|---|---|---|---|---|---|---|---|
| 2050 Term Bond: | | | | | | | | | |
| | 06/01/2048 | 1,890,000 | 5.000% | 3.170% | 114.533 C | 4.151% | 06/01/2030 | 100.000 | 274,673.70 |
| | 06/01/2049 | 1,980,000 | 5.000% | 3.170% | 114.533 C | 4.151% | 06/01/2030 | 100.000 | 287,753.40 |
| | 06/01/2050 | 2,085,000 | 5.000% | 3.170% | 114.533 C | 4.151% | 06/01/2030 | 100.000 | 303,013.05 |
| | 06/01/2051 | 2,185,000 | 5.000% | 3.170% | 114.533 C | 4.151% | 06/01/2030 | 100.000 | 317,546.05 |
| | | 11,645,000 | | | | | | | 1,692,367.85 |
| | | 32,960,000 | | | | | | | 5,022,012.35 |

| | | |
|---|---|---|
| Dated Date | 03/10/2021 | |
| Delivery Date | 03/10/2021 | |
| First Coupon | 06/01/2021 | |
| Par Amount | 32,960,000.00 | |
| Premium | 5,022,012.35 | |
| Production | 37,982,012.35 | 115.236688% |
| Underwriter's Discount | -296,640.00 | -0.900000% |
| Purchase Price | 37,685,372.35 | 114.336688% |
| Accrued Interest | | |
| Net Proceeds | 37,685,372.35 | |

BOND DEBT SERVICE BREAKDOWN

Independent Cities Financing Authority
Sales Tax Revenue Bonds, Series 2021
Assumes Non-Rated Market Conditions as of 11/23/2020
Preliminary, Subject to Change

| Period Ending | Sales Tax Revenue Bonds (Measure M) | Sales Tax Revenue Bonds (Measure R) | Sales Tax Revenue Bonds (Proposition C) | Total |
|---|---|---|---|---|
| 06/01/2021 | 170,741.25 | 76,387.50 | 119,216.25 | 366,345 |
| 06/01/2022 | 798,850.00 | 599,500.00 | 699,850.00 | 2,098,200 |
| 06/01/2023 | 797,250.00 | 599,100.00 | 698,050.00 | 2,094,400 |
| 06/01/2024 | 795,650.00 | 598,300.00 | 696,050.00 | 2,090,000 |
| 06/01/2025 | 799,050.00 | 597,100.00 | 698,850.00 | 2,095,000 |
| 06/01/2026 | 797,250.00 | 595,500.00 | 696,250.00 | 2,089,000 |
| 06/01/2027 | 800,000.00 | 595,500.00 | 696,500.00 | 2,092,000 |
| 06/01/2028 | 797,500.00 | 599,750.00 | 696,250.00 | 2,093,500 |
| 06/01/2029 | 795,000.00 | 598,000.00 | 695,500.00 | 2,088,500 |
| 06/01/2030 | 797,500.00 | 595,500.00 | 699,250.00 | 2,092,250 |
| 06/01/2031 | 799,750.00 | 597,250.00 | 697,250.00 | 2,094,250 |
| 06/01/2032 | 796,750.00 | 598,000.00 | 699,750.00 | 2,094,500 |
| 06/01/2033 | 798,750.00 | 597,750.00 | 696,500.00 | 2,093,000 |
| 06/01/2034 | 795,500.00 | 596,500.00 | 697,750.00 | 2,089,750 |
| 06/01/2035 | 797,250.00 | 599,250.00 | 698,250.00 | 2,094,750 |
| 06/01/2036 | 798,750.00 | 595,750.00 | 698,000.00 | 2,092,500 |
| 06/01/2037 | 800,000.00 | 596,250.00 | 697,000.00 | 2,093,250 |
| 06/01/2038 | 796,000.00 | 595,500.00 | 695,250.00 | 2,086,750 |
| 06/01/2039 | 797,000.00 | 598,500.00 | 697,750.00 | 2,093,250 |
| 06/01/2040 | 1,597,750.00 | | 699,250.00 | 2,297,000 |
| 06/01/2041 | 1,598,250.00 | | 699,750.00 | 2,298,000 |
| 06/01/2042 | 1,596,500.00 | | 699,250.00 | 2,295,750 |
| 06/01/2043 | 1,597,500.00 | | 697,750.00 | 2,295,250 |
| 06/01/2044 | 1,596,000.00 | | 695,250.00 | 2,291,250 |
| 06/01/2045 | 1,597,000.00 | | 696,750.00 | 2,293,750 |
| 06/01/2046 | 1,595,250.00 | | 697,000.00 | 2,292,250 |
| 06/01/2047 | 1,595,750.00 | | 696,000.00 | 2,291,750 |
| 06/01/2048 | 1,598,250.00 | | 698,750.00 | 2,297,000 |
| 06/01/2049 | 1,597,500.00 | | 695,000.00 | 2,292,500 |
| 06/01/2050 | 1,598,500.00 | | 700,000.00 | 2,298,500 |
| 06/01/2051 | 1,596,000.00 | | 698,250.00 | 2,294,250 |
| | 33,692,791.25 | 10,829,387.50 | 21,046,266.25 | 65,568,445 |

UNIVERSAL FORMULA VERIFICATION

Independent Cities Financing Authority
Sales Tax Revenue Bonds, Series 2021
Assumes Non-Rated Market Conditions as of 11/23/2020
Preliminary, Subject to Change

| Component | Formula | Value |
|---|---|---|
| ISS | 448,500 | 448,500.00 |
| ISS | .9% of Par Amount | 296,640.00 |
| DSRF | 10% of Par Amount | 3,296,000.00 |
| DSRF | Maximum annual Debt Service | 2,298,500.00 |
| DSRF | 125% of average annual adjusted Debt Service | 2,711,680.93 |
| DSRF | Debt Service Reserve Fund | 2,298,500.00 |

BOND PRICING

Independent Cities Financing Authority
Sales Tax Revenue Bonds (Measure M)
Measure M (Limited Tax Bonds)

| Bond Component | Maturity Date | Amount | Rate | Yield | Price | | Yield to Maturity | Call Date | Call Price | Premium (-Discount) |
|---|---|---|---|---|---|---|---|---|---|---|
| Serial Bonds: | | | | | | | | | | |
| | 06/01/2022 | 40,000 | 4.000% | 1.750% | 102.713 | | | | | 1,085.20 |
| | 06/01/2023 | 40,000 | 4.000% | 1.860% | 104.640 | | | | | 1,856.00 |
| | 06/01/2024 | 40,000 | 4.000% | 1.930% | 106.439 | | | | | 2,575.60 |
| | 06/01/2025 | 45,000 | 4.000% | 1.950% | 108.273 | | | | | 3,722.85 |
| | 06/01/2026 | 45,000 | 5.000% | 2.060% | 114.489 | | | | | 6,520.05 |
| | 06/01/2027 | 50,000 | 5.000% | 2.140% | 116.582 | | | | | 8,291.00 |
| | 06/01/2028 | 50,000 | 5.000% | 2.250% | 118.240 | | | | | 9,120.00 |
| | 06/01/2029 | 50,000 | 5.000% | 2.370% | 119.545 | | | | | 9,772.50 |
| | 06/01/2030 | 55,000 | 5.000% | 2.460% | 120.845 | | | | | 11,464.75 |
| | 06/01/2031 | 60,000 | 5.000% | 2.540% | 120.113 | C | 2.732% | 06/01/2030 | 100.000 | 12,067.80 |
| | 06/01/2032 | 60,000 | 5.000% | 2.610% | 119.478 | C | 2.949% | 06/01/2030 | 100.000 | 11,686.80 |
| | 06/01/2033 | 65,000 | 5.000% | 2.660% | 119.026 | C | 3.116% | 06/01/2030 | 100.000 | 12,366.90 |
| | 06/01/2034 | 65,000 | 5.000% | 2.710% | 118.576 | C | 3.259% | 06/01/2030 | 100.000 | 12,074.40 |
| | 06/01/2035 | 70,000 | 5.000% | 2.750% | 118.218 | C | 3.376% | 06/01/2030 | 100.000 | 12,752.60 |
| | | 735,000 | | | | | | | | 115,356.45 |
| 2040 Term Bond: | | | | | | | | | | |
| | 06/01/2036 | 75,000 | 5.000% | 2.950% | 116.446 | C | 3.787% | 06/01/2030 | 100.000 | 12,334.50 |
| | 06/01/2037 | 80,000 | 5.000% | 2.950% | 116.446 | C | 3.787% | 06/01/2030 | 100.000 | 13,156.80 |
| | 06/01/2038 | 80,000 | 5.000% | 2.950% | 116.446 | C | 3.787% | 06/01/2030 | 100.000 | 13,156.80 |
| | 06/01/2039 | 85,000 | 5.000% | 2.950% | 116.446 | C | 3.787% | 06/01/2030 | 100.000 | 13,979.10 |
| | 06/01/2040 | 890,000 | 5.000% | 2.950% | 116.446 | C | 3.787% | 06/01/2030 | 100.000 | 146,369.40 |
| | | 1,210,000 | | | | | | | | 198,996.60 |
| 2045 Term Bond: | | | | | | | | | | |
| | 06/01/2041 | 935,000 | 5.000% | 3.120% | 114.965 | C | 4.027% | 06/01/2030 | 100.000 | 139,922.75 |
| | 06/01/2042 | 980,000 | 5.000% | 3.120% | 114.965 | C | 4.027% | 06/01/2030 | 100.000 | 146,657.00 |
| | 06/01/2043 | 1,030,000 | 5.000% | 3.120% | 114.965 | C | 4.027% | 06/01/2030 | 100.000 | 154,139.50 |
| | 06/01/2044 | 1,080,000 | 5.000% | 3.120% | 114.965 | C | 4.027% | 06/01/2030 | 100.000 | 161,622.00 |
| | 06/01/2045 | 1,135,000 | 5.000% | 3.120% | 114.965 | C | 4.027% | 06/01/2030 | 100.000 | 169,852.75 |
| | | 5,160,000 | | | | | | | | 772,194.00 |
| 2050 Term Bond: | | | | | | | | | | |
| | 06/01/2046 | 1,190,000 | 5.000% | 3.170% | 114.533 | C | 4.151% | 06/01/2030 | 100.000 | 172,942.70 |
| | 06/01/2047 | 1,250,000 | 5.000% | 3.170% | 114.533 | C | 4.151% | 06/01/2030 | 100.000 | 181,662.50 |

BOND PRICING

Independent Cities Financing Authority
Sales Tax Revenue Bonds (Measure M)
Measure M (Limited Tax Bonds)

| Bond Component | Maturity Date | Amount | Rate | Yield | Price | Yield to Maturity | Call Date | Call Price | Premium (-Discount) |
|---|---|---|---|---|---|---|---|---|---|
| 2050 Term Bond: | | | | | | | | | |
| | 06/01/2048 | 1,315,000 | 5.000% | 3.170% | 114.533 C | 4.151% | 06/01/2030 | 100.000 | 191,108.95 |
| | 06/01/2049 | 1,380,000 | 5.000% | 3.170% | 114.533 C | 4.151% | 06/01/2030 | 100.000 | 200,555.40 |
| | 06/01/2050 | 1,450,000 | 5.000% | 3.170% | 114.533 C | 4.151% | 06/01/2030 | 100.000 | 210,728.50 |
| | 06/01/2051 | 1,520,000 | 5.000% | 3.170% | 114.533 C | 4.151% | 06/01/2030 | 100.000 | 220,901.60 |
| | | 8,105,000 | | | | | | | 1,177,899.65 |
| | | 15,210,000 | | | | | | | 2,264,446.70 |

| | | |
|---|---|---|
| Dated Date | 03/10/2021 | |
| Delivery Date | 03/10/2021 | |
| First Coupon | 06/01/2021 | |
| Par Amount | 15,210,000.00 | |
| Premium | 2,264,446.70 | |
| Production | 17,474,446.70 | 114.887881% |
| Underwriter's Discount | -136,890.00 | -0.900000% |
| Purchase Price | 17,337,556.70 | 113.987881% |
| Accrued Interest | | |
| Net Proceeds | 17,337,556.70 | |

BOND DEBT SERVICE

Independent Cities Financing Authority
Sales Tax Revenue Bonds (Measure M)
Measure M (Limited Tax Bonds)

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 06/01/2021 | | | 170,741.25 | 170,741.25 |
| 06/01/2022 | 40,000 | 4.000% | 758,850.00 | 798,850.00 |
| 06/01/2023 | 40,000 | 4.000% | 757,250.00 | 797,250.00 |
| 06/01/2024 | 40,000 | 4.000% | 755,650.00 | 795,650.00 |
| 06/01/2025 | 45,000 | 4.000% | 754,050.00 | 799,050.00 |
| 06/01/2026 | 45,000 | 5.000% | 752,250.00 | 797,250.00 |
| 06/01/2027 | 50,000 | 5.000% | 750,000.00 | 800,000.00 |
| 06/01/2028 | 50,000 | 5.000% | 747,500.00 | 797,500.00 |
| 06/01/2029 | 50,000 | 5.000% | 745,000.00 | 795,000.00 |
| 06/01/2030 | 55,000 | 5.000% | 742,500.00 | 797,500.00 |
| 06/01/2031 | 60,000 | 5.000% | 739,750.00 | 799,750.00 |
| 06/01/2032 | 60,000 | 5.000% | 736,750.00 | 796,750.00 |
| 06/01/2033 | 65,000 | 5.000% | 733,750.00 | 798,750.00 |
| 06/01/2034 | 65,000 | 5.000% | 730,500.00 | 795,500.00 |
| 06/01/2035 | 70,000 | 5.000% | 727,250.00 | 797,250.00 |
| 06/01/2036 | 75,000 | 5.000% | 723,750.00 | 798,750.00 |
| 06/01/2037 | 80,000 | 5.000% | 720,000.00 | 800,000.00 |
| 06/01/2038 | 80,000 | 5.000% | 716,000.00 | 796,000.00 |
| 06/01/2039 | 85,000 | 5.000% | 712,000.00 | 797,000.00 |
| 06/01/2040 | 890,000 | 5.000% | 707,750.00 | 1,597,750.00 |
| 06/01/2041 | 935,000 | 5.000% | 663,250.00 | 1,598,250.00 |
| 06/01/2042 | 980,000 | 5.000% | 616,500.00 | 1,596,500.00 |
| 06/01/2043 | 1,030,000 | 5.000% | 567,500.00 | 1,597,500.00 |
| 06/01/2044 | 1,080,000 | 5.000% | 516,000.00 | 1,596,000.00 |
| 06/01/2045 | 1,135,000 | 5.000% | 462,000.00 | 1,597,000.00 |
| 06/01/2046 | 1,190,000 | 5.000% | 405,250.00 | 1,595,250.00 |
| 06/01/2047 | 1,250,000 | 5.000% | 345,750.00 | 1,595,750.00 |
| 06/01/2048 | 1,315,000 | 5.000% | 283,250.00 | 1,598,250.00 |
| 06/01/2049 | 1,380,000 | 5.000% | 217,500.00 | 1,597,500.00 |
| 06/01/2050 | 1,450,000 | 5.000% | 148,500.00 | 1,598,500.00 |
| 06/01/2051 | 1,520,000 | 5.000% | 76,000.00 | 1,596,000.00 |
| | 15,210,000 | | 18,482,791.25 | 33,692,791.25 |

BOND SOLUTION

Independent Cities Financing Authority
Sales Tax Revenue Bonds (Measure M)
Measure M (Limited Tax Bonds)

| Period Ending | Proposed Principal | Proposed Debt Service | Total Adj Debt Service | Revenue Constraints | Unused Revenues | Debt Serv Coverage |
|---|---|---|---|---|---|---|
| 06/01/2021 | | 170,741 | 170,741 | 800,000 | 629,259 | 468.54524% |
| 06/01/2022 | 40,000 | 798,850 | 798,850 | 800,000 | 1,150 | 100.14396% |
| 06/01/2023 | 40,000 | 797,250 | 797,250 | 800,000 | 2,750 | 100.34494% |
| 06/01/2024 | 40,000 | 795,650 | 795,650 | 800,000 | 4,350 | 100.54672% |
| 06/01/2025 | 45,000 | 799,050 | 799,050 | 800,000 | 950 | 100.11889% |
| 06/01/2026 | 45,000 | 797,250 | 797,250 | 800,000 | 2,750 | 100.34494% |
| 06/01/2027 | 50,000 | 800,000 | 800,000 | 800,000 | | 100.00000% |
| 06/01/2028 | 50,000 | 797,500 | 797,500 | 800,000 | 2,500 | 100.31348% |
| 06/01/2029 | 50,000 | 795,000 | 795,000 | 800,000 | 5,000 | 100.62893% |
| 06/01/2030 | 55,000 | 797,500 | 797,500 | 800,000 | 2,500 | 100.31348% |
| 06/01/2031 | 60,000 | 799,750 | 799,750 | 800,000 | 250 | 100.03126% |
| 06/01/2032 | 60,000 | 796,750 | 796,750 | 800,000 | 3,250 | 100.40791% |
| 06/01/2033 | 65,000 | 798,750 | 798,750 | 800,000 | 1,250 | 100.15649% |
| 06/01/2034 | 65,000 | 795,500 | 795,500 | 800,000 | 4,500 | 100.56568% |
| 06/01/2035 | 70,000 | 797,250 | 797,250 | 800,000 | 2,750 | 100.34494% |
| 06/01/2036 | 75,000 | 798,750 | 798,750 | 800,000 | 1,250 | 100.15649% |
| 06/01/2037 | 80,000 | 800,000 | 800,000 | 800,000 | | 100.00000% |
| 06/01/2038 | 80,000 | 796,000 | 796,000 | 800,000 | 4,000 | 100.50251% |
| 06/01/2039 | 85,000 | 797,000 | 797,000 | 800,000 | 3,000 | 100.37641% |
| 06/01/2040 | 890,000 | 1,597,750 | 1,597,750 | 1,600,000 | 2,250 | 100.14082% |
| 06/01/2041 | 935,000 | 1,598,250 | 1,598,250 | 1,600,000 | 1,750 | 100.10949% |
| 06/01/2042 | 980,000 | 1,596,500 | 1,596,500 | 1,600,000 | 3,500 | 100.21923% |
| 06/01/2043 | 1,030,000 | 1,597,500 | 1,597,500 | 1,600,000 | 2,500 | 100.15649% |
| 06/01/2044 | 1,080,000 | 1,596,000 | 1,596,000 | 1,600,000 | 4,000 | 100.25063% |
| 06/01/2045 | 1,135,000 | 1,597,000 | 1,597,000 | 1,600,000 | 3,000 | 100.18785% |
| 06/01/2046 | 1,190,000 | 1,595,250 | 1,595,250 | 1,600,000 | 4,750 | 100.29776% |
| 06/01/2047 | 1,250,000 | 1,595,750 | 1,595,750 | 1,600,000 | 4,250 | 100.26633% |
| 06/01/2048 | 1,315,000 | 1,598,250 | 1,598,250 | 1,600,000 | 1,750 | 100.10949% |
| 06/01/2049 | 1,380,000 | 1,597,500 | 1,597,500 | 1,600,000 | 2,500 | 100.15649% |
| 06/01/2050 | 1,450,000 | 1,598,500 | 1,598,500 | 1,600,000 | 1,500 | 100.09384% |
| 06/01/2051 | 1,520,000 | 1,596,000 | 1,596,000 | 1,600,000 | 4,000 | 100.25063% |
| | 15,210,000 | 33,692,791 | 33,692,791 | 34,400,000 | 707,209 | |

NET DEBT SERVICE

Independent Cities Financing Authority
Sales Tax Revenue Bonds (Measure M)
Measure M (Limited Tax Bonds)

| Period Ending | Total Debt Service | ICFA Fees (10bps Annually on Outstanding Par) | Debt Service Reserve Fund | Net Debt Service |
|---|---|---|---|---|
| 06/01/2021 | 170,741.25 | 3,422.25 | | 174,163.50 |
| 06/01/2022 | 798,850.00 | 15,210.00 | | 814,060.00 |
| 06/01/2023 | 797,250.00 | 15,170.00 | | 812,420.00 |
| 06/01/2024 | 795,650.00 | 15,130.00 | | 810,780.00 |
| 06/01/2025 | 799,050.00 | 15,090.00 | | 814,140.00 |
| 06/01/2026 | 797,250.00 | 15,045.00 | | 812,295.00 |
| 06/01/2027 | 800,000.00 | 15,000.00 | | 815,000.00 |
| 06/01/2028 | 797,500.00 | 14,950.00 | | 812,450.00 |
| 06/01/2029 | 795,000.00 | 14,900.00 | | 809,900.00 |
| 06/01/2030 | 797,500.00 | 14,850.00 | | 812,350.00 |
| 06/01/2031 | 799,750.00 | 14,795.00 | | 814,545.00 |
| 06/01/2032 | 796,750.00 | 14,735.00 | | 811,485.00 |
| 06/01/2033 | 798,750.00 | 14,675.00 | | 813,425.00 |
| 06/01/2034 | 795,500.00 | 14,610.00 | | 810,110.00 |
| 06/01/2035 | 797,250.00 | 14,545.00 | | 811,795.00 |
| 06/01/2036 | 798,750.00 | 14,475.00 | | 813,225.00 |
| 06/01/2037 | 800,000.00 | 14,400.00 | | 814,400.00 |
| 06/01/2038 | 796,000.00 | 14,320.00 | | 810,320.00 |
| 06/01/2039 | 797,000.00 | 14,240.00 | | 811,240.00 |
| 06/01/2040 | 1,597,750.00 | 14,155.00 | | 1,611,905.00 |
| 06/01/2041 | 1,598,250.00 | 13,265.00 | | 1,611,515.00 |
| 06/01/2042 | 1,596,500.00 | 12,330.00 | | 1,608,830.00 |
| 06/01/2043 | 1,597,500.00 | 11,350.00 | | 1,608,850.00 |
| 06/01/2044 | 1,596,000.00 | 10,320.00 | | 1,606,320.00 |
| 06/01/2045 | 1,597,000.00 | 9,240.00 | | 1,606,240.00 |
| 06/01/2046 | 1,595,250.00 | 8,105.00 | | 1,603,355.00 |
| 06/01/2047 | 1,595,750.00 | 6,915.00 | | 1,602,665.00 |
| 06/01/2048 | 1,598,250.00 | 5,665.00 | | 1,603,915.00 |
| 06/01/2049 | 1,597,500.00 | 4,350.00 | | 1,601,850.00 |
| 06/01/2050 | 1,598,500.00 | 2,970.00 | | 1,601,470.00 |
| 06/01/2051 | 1,596,000.00 | 1,520.00 | 1,060,685.22 | 536,834.78 |
| | 33,692,791.25 | 369,747.25 | 1,060,685.22 | 33,001,853.28 |

BOND PRICING

Independent Cities Financing Authority
Sales Tax Revenue Bonds (Measure R)
Measure R (Limited Tax Bonds)

| Bond Component | Maturity Date | Amount | Rate | Yield | Price | Yield to Maturity | Call Date | Call Price | Premium (-Discount) |
|---|---|---|---|---|---|---|---|---|---|
| Serial Bonds: | | | | | | | | | |
| | 06/01/2022 | 260,000 | 4.000% | 1.750% | 102.713 | | | | 7,053.80 |
| | 06/01/2023 | 270,000 | 4.000% | 1.860% | 104.640 | | | | 12,528.00 |
| | 06/01/2024 | 280,000 | 4.000% | 1.930% | 106.439 | | | | 18,029.20 |
| | 06/01/2025 | 290,000 | 4.000% | 1.950% | 108.273 | | | | 23,991.70 |
| | 06/01/2026 | 300,000 | 5.000% | 2.060% | 114.489 | | | | 43,467.00 |
| | 06/01/2027 | 315,000 | 5.000% | 2.140% | 116.582 | | | | 52,233.30 |
| | 06/01/2028 | 335,000 | 5.000% | 2.250% | 118.240 | | | | 61,104.00 |
| | 06/01/2029 | 350,000 | 5.000% | 2.370% | 119.545 | | | | 68,407.50 |
| | 06/01/2030 | 365,000 | 5.000% | 2.460% | 120.845 | | | | 76,084.25 |
| | 06/01/2031 | 385,000 | 5.000% | 2.540% | 120.113 C | 2.732% | 06/01/2030 | 100.000 | 77,435.05 |
| | 06/01/2032 | 405,000 | 5.000% | 2.610% | 119.478 C | 2.949% | 06/01/2030 | 100.000 | 78,885.90 |
| | 06/01/2033 | 425,000 | 5.000% | 2.660% | 119.026 C | 3.116% | 06/01/2030 | 100.000 | 80,860.50 |
| | 06/01/2034 | 445,000 | 5.000% | 2.710% | 118.576 C | 3.259% | 06/01/2030 | 100.000 | 82,663.20 |
| | 06/01/2035 | 470,000 | 5.000% | 2.750% | 118.218 C | 3.376% | 06/01/2030 | 100.000 | 85,624.60 |
| | | 4,895,000 | | | | | | | 768,368.00 |
| 2040 Term Bond: | | | | | | | | | |
| | 06/01/2036 | 490,000 | 5.000% | 2.950% | 116.446 C | 3.787% | 06/01/2030 | 100.000 | 80,585.40 |
| | 06/01/2037 | 515,000 | 5.000% | 2.950% | 116.446 C | 3.787% | 06/01/2030 | 100.000 | 84,696.90 |
| | 06/01/2038 | 540,000 | 5.000% | 2.950% | 116.446 C | 3.787% | 06/01/2030 | 100.000 | 88,808.40 |
| | 06/01/2039 | 570,000 | 5.000% | 2.950% | 116.446 C | 3.787% | 06/01/2030 | 100.000 | 93,742.20 |
| | 06/01/2040 | | 5.000% | 2.950% | 116.446 C | 3.787% | 06/01/2030 | 100.000 | |
| | | 2,115,000 | | | | | | | 347,832.90 |
| | | 7,010,000 | | | | | | | 1,116,200.90 |

BOND PRICING

Independent Cities Financing Authority
Sales Tax Revenue Bonds (Measure R)
Measure R (Limited Tax Bonds)

| | | |
|---|---|---|
| Dated Date | 03/10/2021 | |
| Delivery Date | 03/10/2021 | |
| First Coupon | 06/01/2021 | |
| Par Amount | 7,010,000.00 | |
| Premium | 1,116,200.90 | |
| Production | 8,126,200.90 | 115.922980% |
| Underwriter's Discount | -63,090.00 | -0.900000% |
| Purchase Price | 8,063,110.90 | 115.022980% |
| Accrued Interest | | |
| Net Proceeds | 8,063,110.90 | |

BOND DEBT SERVICE

Independent Cities Financing Authority
Sales Tax Revenue Bonds (Measure R)
Measure R (Limited Tax Bonds)

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 06/01/2021 | | | 76,387.50 | 76,387.50 |
| 06/01/2022 | 260,000 | 4.000% | 339,500.00 | 599,500.00 |
| 06/01/2023 | 270,000 | 4.000% | 329,100.00 | 599,100.00 |
| 06/01/2024 | 280,000 | 4.000% | 318,300.00 | 598,300.00 |
| 06/01/2025 | 290,000 | 4.000% | 307,100.00 | 597,100.00 |
| 06/01/2026 | 300,000 | 5.000% | 295,500.00 | 595,500.00 |
| 06/01/2027 | 315,000 | 5.000% | 280,500.00 | 595,500.00 |
| 06/01/2028 | 335,000 | 5.000% | 264,750.00 | 599,750.00 |
| 06/01/2029 | 350,000 | 5.000% | 248,000.00 | 598,000.00 |
| 06/01/2030 | 365,000 | 5.000% | 230,500.00 | 595,500.00 |
| 06/01/2031 | 385,000 | 5.000% | 212,250.00 | 597,250.00 |
| 06/01/2032 | 405,000 | 5.000% | 193,000.00 | 598,000.00 |
| 06/01/2033 | 425,000 | 5.000% | 172,750.00 | 597,750.00 |
| 06/01/2034 | 445,000 | 5.000% | 151,500.00 | 596,500.00 |
| 06/01/2035 | 470,000 | 5.000% | 129,250.00 | 599,250.00 |
| 06/01/2036 | 490,000 | 5.000% | 105,750.00 | 595,750.00 |
| 06/01/2037 | 515,000 | 5.000% | 81,250.00 | 596,250.00 |
| 06/01/2038 | 540,000 | 5.000% | 55,500.00 | 595,500.00 |
| 06/01/2039 | 570,000 | 5.000% | 28,500.00 | 598,500.00 |
| | 7,010,000 | | 3,819,387.50 | 10,829,387.50 |

BOND SOLUTION

Independent Cities Financing Authority
Sales Tax Revenue Bonds (Measure R)
Measure R (Limited Tax Bonds)

| Period Ending | Proposed Principal | Proposed Debt Service | Total Adj Debt Service | Revenue Constraints | Unused Revenues | Debt Serv Coverage |
|---|---|---|---|---|---|---|
| 06/01/2021 | | 76,388 | 76,388 | 600,000 | 523,613 | 785.46883% |
| 06/01/2022 | 260,000 | 599,500 | 599,500 | 600,000 | 500 | 100.08340% |
| 06/01/2023 | 270,000 | 599,100 | 599,100 | 600,000 | 900 | 100.15023% |
| 06/01/2024 | 280,000 | 598,300 | 598,300 | 600,000 | 1,700 | 100.28414% |
| 06/01/2025 | 290,000 | 597,100 | 597,100 | 600,000 | 2,900 | 100.48568% |
| 06/01/2026 | 300,000 | 595,500 | 595,500 | 600,000 | 4,500 | 100.75567% |
| 06/01/2027 | 315,000 | 595,500 | 595,500 | 600,000 | 4,500 | 100.75567% |
| 06/01/2028 | 335,000 | 599,750 | 599,750 | 600,000 | 250 | 100.04168% |
| 06/01/2029 | 350,000 | 598,000 | 598,000 | 600,000 | 2,000 | 100.33445% |
| 06/01/2030 | 365,000 | 595,500 | 595,500 | 600,000 | 4,500 | 100.75567% |
| 06/01/2031 | 385,000 | 597,250 | 597,250 | 600,000 | 2,750 | 100.46044% |
| 06/01/2032 | 405,000 | 598,000 | 598,000 | 600,000 | 2,000 | 100.33445% |
| 06/01/2033 | 425,000 | 597,750 | 597,750 | 600,000 | 2,250 | 100.37641% |
| 06/01/2034 | 445,000 | 596,500 | 596,500 | 600,000 | 3,500 | 100.58676% |
| 06/01/2035 | 470,000 | 599,250 | 599,250 | 600,000 | 750 | 100.12516% |
| 06/01/2036 | 490,000 | 595,750 | 595,750 | 600,000 | 4,250 | 100.71339% |
| 06/01/2037 | 515,000 | 596,250 | 596,250 | 600,000 | 3,750 | 100.62893% |
| 06/01/2038 | 540,000 | 595,500 | 595,500 | 600,000 | 4,500 | 100.75567% |
| 06/01/2039 | 570,000 | 598,500 | 598,500 | 600,000 | 1,500 | 100.25063% |
| 06/01/2040 | | | | | | |
| | 7,010,000 | 10,829,388 | 10,829,388 | 11,400,000 | 570,613 | |

NET DEBT SERVICE

Independent Cities Financing Authority
Sales Tax Revenue Bonds (Measure R)
Measure R (Limited Tax Bonds)

| Period Ending | Total Debt Service | ICFA Fees (10bps Annually on Outstanding Par) | Debt Service Reserve Fund | Net Debt Service |
|---|---|---|---|---|
| 06/01/2021 | 76,387.50 | 1,577.25 | | 77,964.75 |
| 06/01/2022 | 599,500.00 | 7,010.00 | | 606,510.00 |
| 06/01/2023 | 599,100.00 | 6,750.00 | | 605,850.00 |
| 06/01/2024 | 598,300.00 | 6,480.00 | | 604,780.00 |
| 06/01/2025 | 597,100.00 | 6,200.00 | | 603,300.00 |
| 06/01/2026 | 595,500.00 | 5,910.00 | | 601,410.00 |
| 06/01/2027 | 595,500.00 | 5,610.00 | | 601,110.00 |
| 06/01/2028 | 599,750.00 | 5,295.00 | | 605,045.00 |
| 06/01/2029 | 598,000.00 | 4,960.00 | | 602,960.00 |
| 06/01/2030 | 595,500.00 | 4,610.00 | | 600,110.00 |
| 06/01/2031 | 597,250.00 | 4,245.00 | | 601,495.00 |
| 06/01/2032 | 598,000.00 | 3,860.00 | | 601,860.00 |
| 06/01/2033 | 597,750.00 | 3,455.00 | | 601,205.00 |
| 06/01/2034 | 596,500.00 | 3,030.00 | | 599,530.00 |
| 06/01/2035 | 599,250.00 | 2,585.00 | | 601,835.00 |
| 06/01/2036 | 595,750.00 | 2,115.00 | | 597,865.00 |
| 06/01/2037 | 596,250.00 | 1,625.00 | | 597,875.00 |
| 06/01/2038 | 595,500.00 | 1,110.00 | | 596,610.00 |
| 06/01/2039 | 598,500.00 | 570.00 | 488,849.67 | 110,220.33 |
| | 10,829,387.50 | 76,997.25 | 488,849.67 | 10,417,535.08 |

BOND PRICING

Independent Cities Financing Authority
Sales Tax Revenue Bonds (Proposition C)
Proposition C (Limited Tax Bonds)

| Bond Component | Maturity Date | Amount | Rate | Yield | Price | | Yield to Maturity | Call Date | Call Price | Premium (-Discount) |
|---|---|---|---|---|---|---|---|---|---|---|
| Serial Bonds: | | | | | | | | | | |
| | 06/01/2022 | 170,000 | 4.000% | 1.750% | 102.713 | | | | | 4,612.10 |
| | 06/01/2023 | 175,000 | 4.000% | 1.860% | 104.640 | | | | | 8,120.00 |
| | 06/01/2024 | 180,000 | 4.000% | 1.930% | 106.439 | | | | | 11,590.20 |
| | 06/01/2025 | 190,000 | 4.000% | 1.950% | 108.273 | | | | | 15,718.70 |
| | 06/01/2026 | 195,000 | 5.000% | 2.060% | 114.489 | | | | | 28,253.55 |
| | 06/01/2027 | 205,000 | 5.000% | 2.140% | 116.582 | | | | | 33,993.10 |
| | 06/01/2028 | 215,000 | 5.000% | 2.250% | 118.240 | | | | | 39,216.00 |
| | 06/01/2029 | 225,000 | 5.000% | 2.370% | 119.545 | | | | | 43,976.25 |
| | 06/01/2030 | 240,000 | 5.000% | 2.460% | 120.845 | | | | | 50,028.00 |
| | 06/01/2031 | 250,000 | 5.000% | 2.540% | 120.113 | C | 2.732% | 06/01/2030 | 100.000 | 50,282.50 |
| | 06/01/2032 | 265,000 | 5.000% | 2.610% | 119.478 | C | 2.949% | 06/01/2030 | 100.000 | 51,616.70 |
| | 06/01/2033 | 275,000 | 5.000% | 2.660% | 119.026 | C | 3.116% | 06/01/2030 | 100.000 | 52,321.50 |
| | 06/01/2034 | 290,000 | 5.000% | 2.710% | 118.576 | C | 3.259% | 06/01/2030 | 100.000 | 53,870.40 |
| | 06/01/2035 | 305,000 | 5.000% | 2.750% | 118.218 | C | 3.376% | 06/01/2030 | 100.000 | 55,564.90 |
| | | 3,180,000 | | | | | | | | 499,163.90 |
| 2040 Term Bond: | | | | | | | | | | |
| | 06/01/2036 | 320,000 | 5.000% | 2.950% | 116.446 | C | 3.787% | 06/01/2030 | 100.000 | 52,627.20 |
| | 06/01/2037 | 335,000 | 5.000% | 2.950% | 116.446 | C | 3.787% | 06/01/2030 | 100.000 | 55,094.10 |
| | 06/01/2038 | 350,000 | 5.000% | 2.950% | 116.446 | C | 3.787% | 06/01/2030 | 100.000 | 57,561.00 |
| | 06/01/2039 | 370,000 | 5.000% | 2.950% | 116.446 | C | 3.787% | 06/01/2030 | 100.000 | 60,850.20 |
| | 06/01/2040 | 390,000 | 5.000% | 2.950% | 116.446 | C | 3.787% | 06/01/2030 | 100.000 | 64,139.40 |
| | | 1,765,000 | | | | | | | | 290,271.90 |
| 2045 Term Bond: | | | | | | | | | | |
| | 06/01/2041 | 410,000 | 5.000% | 3.120% | 114.965 | C | 4.027% | 06/01/2030 | 100.000 | 61,356.50 |
| | 06/01/2042 | 430,000 | 5.000% | 3.120% | 114.965 | C | 4.027% | 06/01/2030 | 100.000 | 64,349.50 |
| | 06/01/2043 | 450,000 | 5.000% | 3.120% | 114.965 | C | 4.027% | 06/01/2030 | 100.000 | 67,342.50 |
| | 06/01/2044 | 470,000 | 5.000% | 3.120% | 114.965 | C | 4.027% | 06/01/2030 | 100.000 | 70,335.50 |
| | 06/01/2045 | 495,000 | 5.000% | 3.120% | 114.965 | C | 4.027% | 06/01/2030 | 100.000 | 74,076.75 |
| | | 2,255,000 | | | | | | | | 337,460.75 |
| 2050 Term Bond: | | | | | | | | | | |
| | 06/01/2046 | 520,000 | 5.000% | 3.170% | 114.533 | C | 4.151% | 06/01/2030 | 100.000 | 75,571.60 |
| | 06/01/2047 | 545,000 | 5.000% | 3.170% | 114.533 | C | 4.151% | 06/01/2030 | 100.000 | 79,204.85 |

BOND PRICING

Independent Cities Financing Authority
Sales Tax Revenue Bonds (Proposition C)
Proposition C (Limited Tax Bonds)

| Bond Component | Maturity Date | Amount | Rate | Yield | Price | Yield to Maturity | Call Date | Call Price | Premium (-Discount) |
|---|---|---|---|---|---|---|---|---|---|
| 2050 Term Bond: | | | | | | | | | |
| | 06/01/2048 | 575,000 | 5.000% | 3.170% | 114.533 C | 4.151% | 06/01/2030 | 100.000 | 83,564.75 |
| | 06/01/2049 | 600,000 | 5.000% | 3.170% | 114.533 C | 4.151% | 06/01/2030 | 100.000 | 87,198.00 |
| | 06/01/2050 | 635,000 | 5.000% | 3.170% | 114.533 C | 4.151% | 06/01/2030 | 100.000 | 92,284.55 |
| | 06/01/2051 | 665,000 | 5.000% | 3.170% | 114.533 C | 4.151% | 06/01/2030 | 100.000 | 96,644.45 |
| | | 3,540,000 | | | | | | | 514,468.20 |
| | | 10,740,000 | | | | | | | 1,641,364.75 |

| | | |
|---|---|---|
| Dated Date | 03/10/2021 | |
| Delivery Date | 03/10/2021 | |
| First Coupon | 06/01/2021 | |
| Par Amount | 10,740,000.00 | |
| Premium | 1,641,364.75 | |
| Production | 12,381,364.75 | 115.282726% |
| Underwriter's Discount | -96,660.00 | -0.900000% |
| Purchase Price | 12,284,704.75 | 114.382726% |
| Accrued Interest | | |
| Net Proceeds | 12,284,704.75 | |

BOND DEBT SERVICE

Independent Cities Financing Authority
Sales Tax Revenue Bonds (Proposition C)
Proposition C (Limited Tax Bonds)

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---|---|---|---|---|
| 06/01/2021 | | | 119,216.25 | 119,216.25 |
| 06/01/2022 | 170,000 | 4.000% | 529,850.00 | 699,850.00 |
| 06/01/2023 | 175,000 | 4.000% | 523,050.00 | 698,050.00 |
| 06/01/2024 | 180,000 | 4.000% | 516,050.00 | 696,050.00 |
| 06/01/2025 | 190,000 | 4.000% | 508,850.00 | 698,850.00 |
| 06/01/2026 | 195,000 | 5.000% | 501,250.00 | 696,250.00 |
| 06/01/2027 | 205,000 | 5.000% | 491,500.00 | 696,500.00 |
| 06/01/2028 | 215,000 | 5.000% | 481,250.00 | 696,250.00 |
| 06/01/2029 | 225,000 | 5.000% | 470,500.00 | 695,500.00 |
| 06/01/2030 | 240,000 | 5.000% | 459,250.00 | 699,250.00 |
| 06/01/2031 | 250,000 | 5.000% | 447,250.00 | 697,250.00 |
| 06/01/2032 | 265,000 | 5.000% | 434,750.00 | 699,750.00 |
| 06/01/2033 | 275,000 | 5.000% | 421,500.00 | 696,500.00 |
| 06/01/2034 | 290,000 | 5.000% | 407,750.00 | 697,750.00 |
| 06/01/2035 | 305,000 | 5.000% | 393,250.00 | 698,250.00 |
| 06/01/2036 | 320,000 | 5.000% | 378,000.00 | 698,000.00 |
| 06/01/2037 | 335,000 | 5.000% | 362,000.00 | 697,000.00 |
| 06/01/2038 | 350,000 | 5.000% | 345,250.00 | 695,250.00 |
| 06/01/2039 | 370,000 | 5.000% | 327,750.00 | 697,750.00 |
| 06/01/2040 | 390,000 | 5.000% | 309,250.00 | 699,250.00 |
| 06/01/2041 | 410,000 | 5.000% | 289,750.00 | 699,750.00 |
| 06/01/2042 | 430,000 | 5.000% | 269,250.00 | 699,250.00 |
| 06/01/2043 | 450,000 | 5.000% | 247,750.00 | 697,750.00 |
| 06/01/2044 | 470,000 | 5.000% | 225,250.00 | 695,250.00 |
| 06/01/2045 | 495,000 | 5.000% | 201,750.00 | 696,750.00 |
| 06/01/2046 | 520,000 | 5.000% | 177,000.00 | 697,000.00 |
| 06/01/2047 | 545,000 | 5.000% | 151,000.00 | 696,000.00 |
| 06/01/2048 | 575,000 | 5.000% | 123,750.00 | 698,750.00 |
| 06/01/2049 | 600,000 | 5.000% | 95,000.00 | 695,000.00 |
| 06/01/2050 | 635,000 | 5.000% | 65,000.00 | 700,000.00 |
| 06/01/2051 | 665,000 | 5.000% | 33,250.00 | 698,250.00 |
| | 10,740,000 | | 10,306,266.25 | 21,046,266.25 |

BOND SOLUTION

Independent Cities Financing Authority
Sales Tax Revenue Bonds (Proposition C)
Proposition C (Limited Tax Bonds)

| Period Ending | Proposed Principal | Proposed Debt Service | Total Adj Debt Service | Revenue Constraints | Unused Revenues | Debt Serv Coverage |
|---|---|---|---|---|---|---|
| 06/01/2021 | | 119,216 | 119,216 | 700,000 | 580,784 | 587.16828% |
| 06/01/2022 | 170,000 | 699,850 | 699,850 | 700,000 | 150 | 100.02143% |
| 06/01/2023 | 175,000 | 698,050 | 698,050 | 700,000 | 1,950 | 100.27935% |
| 06/01/2024 | 180,000 | 696,050 | 696,050 | 700,000 | 3,950 | 100.56749% |
| 06/01/2025 | 190,000 | 698,850 | 698,850 | 700,000 | 1,150 | 100.16456% |
| 06/01/2026 | 195,000 | 696,250 | 696,250 | 700,000 | 3,750 | 100.53860% |
| 06/01/2027 | 205,000 | 696,500 | 696,500 | 700,000 | 3,500 | 100.50251% |
| 06/01/2028 | 215,000 | 696,250 | 696,250 | 700,000 | 3,750 | 100.53860% |
| 06/01/2029 | 225,000 | 695,500 | 695,500 | 700,000 | 4,500 | 100.64702% |
| 06/01/2030 | 240,000 | 699,250 | 699,250 | 700,000 | 750 | 100.10726% |
| 06/01/2031 | 250,000 | 697,250 | 697,250 | 700,000 | 2,750 | 100.39441% |
| 06/01/2032 | 265,000 | 699,750 | 699,750 | 700,000 | 250 | 100.03573% |
| 06/01/2033 | 275,000 | 696,500 | 696,500 | 700,000 | 3,500 | 100.50251% |
| 06/01/2034 | 290,000 | 697,750 | 697,750 | 700,000 | 2,250 | 100.32247% |
| 06/01/2035 | 305,000 | 698,250 | 698,250 | 700,000 | 1,750 | 100.25063% |
| 06/01/2036 | 320,000 | 698,000 | 698,000 | 700,000 | 2,000 | 100.28653% |
| 06/01/2037 | 335,000 | 697,000 | 697,000 | 700,000 | 3,000 | 100.43042% |
| 06/01/2038 | 350,000 | 695,250 | 695,250 | 700,000 | 4,750 | 100.68321% |
| 06/01/2039 | 370,000 | 697,750 | 697,750 | 700,000 | 2,250 | 100.32247% |
| 06/01/2040 | 390,000 | 699,250 | 699,250 | 700,000 | 750 | 100.10726% |
| 06/01/2041 | 410,000 | 699,750 | 699,750 | 700,000 | 250 | 100.03573% |
| 06/01/2042 | 430,000 | 699,250 | 699,250 | 700,000 | 750 | 100.10726% |
| 06/01/2043 | 450,000 | 697,750 | 697,750 | 700,000 | 2,250 | 100.32247% |
| 06/01/2044 | 470,000 | 695,250 | 695,250 | 700,000 | 4,750 | 100.68321% |
| 06/01/2045 | 495,000 | 696,750 | 696,750 | 700,000 | 3,250 | 100.46645% |
| 06/01/2046 | 520,000 | 697,000 | 697,000 | 700,000 | 3,000 | 100.43042% |
| 06/01/2047 | 545,000 | 696,000 | 696,000 | 700,000 | 4,000 | 100.57471% |
| 06/01/2048 | 575,000 | 698,750 | 698,750 | 700,000 | 1,250 | 100.17889% |
| 06/01/2049 | 600,000 | 695,000 | 695,000 | 700,000 | 5,000 | 100.71942% |
| 06/01/2050 | 635,000 | 700,000 | 700,000 | 700,000 | | 100.00000% |
| 06/01/2051 | 665,000 | 698,250 | 698,250 | 700,000 | 1,750 | 100.25063% |
| | 10,740,000 | 21,046,266 | 21,046,266 | 21,700,000 | 653,734 | |

NET DEBT SERVICE

Independent Cities Financing Authority
Sales Tax Revenue Bonds (Proposition C)
Proposition C (Limited Tax Bonds)

| Period Ending | Total Debt Service | ICFA Fees (10bps Annually on Outstanding Par) | Debt Service Reserve Fund | Net Debt Service |
|---|---|---|---|---|
| 06/01/2021 | 119,216.25 | 2,416.50 | | 121,632.75 |
| 06/01/2022 | 699,850.00 | 10,740.00 | | 710,590.00 |
| 06/01/2023 | 698,050.00 | 10,570.00 | | 708,620.00 |
| 06/01/2024 | 696,050.00 | 10,395.00 | | 706,445.00 |
| 06/01/2025 | 698,850.00 | 10,215.00 | | 709,065.00 |
| 06/01/2026 | 696,250.00 | 10,025.00 | | 706,275.00 |
| 06/01/2027 | 696,500.00 | 9,830.00 | | 706,330.00 |
| 06/01/2028 | 696,250.00 | 9,625.00 | | 705,875.00 |
| 06/01/2029 | 695,500.00 | 9,410.00 | | 704,910.00 |
| 06/01/2030 | 699,250.00 | 9,185.00 | | 708,435.00 |
| 06/01/2031 | 697,250.00 | 8,945.00 | | 706,195.00 |
| 06/01/2032 | 699,750.00 | 8,695.00 | | 708,445.00 |
| 06/01/2033 | 696,500.00 | 8,430.00 | | 704,930.00 |
| 06/01/2034 | 697,750.00 | 8,155.00 | | 705,905.00 |
| 06/01/2035 | 698,250.00 | 7,865.00 | | 706,115.00 |
| 06/01/2036 | 698,000.00 | 7,560.00 | | 705,560.00 |
| 06/01/2037 | 697,000.00 | 7,240.00 | | 704,240.00 |
| 06/01/2038 | 695,250.00 | 6,905.00 | | 702,155.00 |
| 06/01/2039 | 697,750.00 | 6,555.00 | | 704,305.00 |
| 06/01/2040 | 699,250.00 | 6,185.00 | | 705,435.00 |
| 06/01/2041 | 699,750.00 | 5,795.00 | | 705,545.00 |
| 06/01/2042 | 699,250.00 | 5,385.00 | | 704,635.00 |
| 06/01/2043 | 697,750.00 | 4,955.00 | | 702,705.00 |
| 06/01/2044 | 695,250.00 | 4,505.00 | | 699,755.00 |
| 06/01/2045 | 696,750.00 | 4,035.00 | | 700,785.00 |
| 06/01/2046 | 697,000.00 | 3,540.00 | | 700,540.00 |
| 06/01/2047 | 696,000.00 | 3,020.00 | | 699,020.00 |
| 06/01/2048 | 698,750.00 | 2,475.00 | | 701,225.00 |
| 06/01/2049 | 695,000.00 | 1,900.00 | | 696,900.00 |
| 06/01/2050 | 700,000.00 | 1,300.00 | | 701,300.00 |
| 06/01/2051 | 698,250.00 | 665.00 | 748,965.11 | -50,050.11 |
| | 21,046,266.25 | 206,521.50 | 748,965.11 | 20,503,822.64 |

**ATTACHMENT H**

ICFA (COMPTON) SALES TAX REVENUE BONDS 2021

COST OF ISSUANCE

| **Payee** | **Purpose** | **Payment*** |
|---|---|---|
| Butler Snow LLP &<br>Stradling Yocca Carlson Rauth | Co-Bond & Disclosure Counsel | $170,000.00 |
| ICFA | Issuer | $100,000 |
| Best, Best Krieger | Issuer Counsel | $11,000 |
| Willdan Financial Services | Municipal Advisor | $40,000 |
| Us Bank | Trustee | $6,000 |
| City Attorney | City Legal Services | $75,000 |
| Printer | TBD | $3,000 |
| City of Compton | Legal Services | TBD |
| Standard & Poors | Rating Agency | $33,500 |
| Contingency | | $10,000.00 |
| TOTAL | | $448,500 |

**$_____**
**INDEPENDENT CITIES FINANCE AUTHORITY**
**(CITY OF COMPTON, CALIFORNIA)**
**SALES TAX REVENUE BONDS, SERIES 2021**

# BOND PURCHASE AGREEMENT

December [__], 2020

Independent Cities Finance Authority
P.O. Box 6740
Lancaster, California 93539-6740

City of Compton
205 South Willowbrook Ave.
Compton, California 90220

Ladies and Gentlemen:

The undersigned Raymond James & Associates, Inc. (the "Underwriter") offers to enter into this Bond Purchase Agreement (this "Purchase Agreement") with the Independent Cities Finance Authority (the "Authority") and the City of Compton, California (the "City"), which, upon the acceptance by the Authority and the City, will be binding upon the Authority, the City and the Underwriter. This offer is made subject to acceptance by the Authority and by the City by the execution of this Purchase Agreement and delivery of the same to the Underwriter prior to 11:59 P.M., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority and the City at any time prior to the acceptance hereof by the Authority and the City. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Trust Agreement (defined herein).

**Section 1. Purchase and Sale.** Upon the terms and conditions and on the basis of the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the Authority, and the Authority hereby agrees to issue, sell and deliver to the Underwriter all (but not less than all) of the Independent Cities Finance Authority (City of Compton, California) Sales Tax Revenue Bonds, Series 2021 (the "Bonds") in the aggregate principal amount of $_____. The Bonds shall be dated as of their date of delivery. Interest on the Bonds shall be payable semiannually on June 1 and December 1 in each year, commencing June 1, 2021 (each an "Interest Payment Date") and will bear interest at the rates and on the dates as set forth in Exhibit A hereto. The purchase price for the Bonds shall be $_____ (which represents the principal amount of the Bonds in the amount of $_____, [plus][less] a net [premium][discount] in the amount of $_____, less an Underwriter's discount of $_____).

[At the request of the Authority, on the date of Closing (as defined below), the Underwriter will wire to _____ an amount equal to $_____, representing the premium for the reserve surety bond (the "Surety Bond"). As a result, the net amount to be wired to the Authority by the Underwriter in connection with the purchase of the Bonds will be $_____.]

The City and Authority acknowledge and agree that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction among the City, the Authority and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as a municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), financial advisor or fiduciary; (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City or the Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City or the Authority on other matters); (iv) the City and the Authority have consulted their own legal, financial, municipal and other advisors to the extent they have deemed appropriate; and (v) the Underwriter has provided the Authority and the City with certain disclosures required under the rules of the Municipal Securities Rulemaking Board (the "MSRB").

The Authority and the City hereby acknowledge receipt from the Underwriters of disclosures required by MSRB Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012), relating to disclosures concerning the Underwriters' role in the transaction, disclosures concerning the Underwriters' compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

**Section 2. The Bonds and Related Documents.** The Bonds shall be issued pursuant to a Trust Agreement, dated as of January 1, 2021 (the "Trust Agreement"), by and among the Authority, the City and U.S. Bank National Association, Los Angeles, California, as trustee (the "Trustee"). The Bonds are payable from the Revenues (defined below) pledged under the Trust Agreement. The Revenues consist primarily of installment payments (the "Installment Payments") to be made by the City to the Authority and investment earnings derived from amounts held in certain funds and accounts established pursuant to the Trust Agreement (collectively with the Installment Payments, the "Revenues"). The Bonds are being issued to (i) finance the design, acquisition and construction of certain local roadway and street improvement projects (collectively, the "Projects") in the City, (ii) purchase a debt service reserve policy to satisfy the reserve requirement for the Bonds and (iii) pay the costs of issuing the Bonds. The Authority will sell the Projects to the City pursuant to an Installment Sale Agreement, dated as of January 1, 2021 (the "Installment Sale Agreement"), by and between the Authority and the City. The Bonds shall be as described in the Trust Agreement and the Limited Offering Memorandum dated the date hereof relating to the Bonds (which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Underwriter, is hereinafter called the "Limited Offering Memorandum").

The City will undertake, pursuant to the provisions of a Continuing Disclosure Agreement, to be dated the date of the Closing (the "Disclosure Agreement"), by and between the City and [_____], as dissemination agent, to provide certain annual information and notices of the occurrence of certain enumerated events. A description of the undertaking is set forth in the Preliminary Limited Offering Memorandum (as defined below) and will also be set forth in the Limited Offering Memorandum. The Trust Agreement, the Installment Sale Agreement and this Purchase Agreement are sometimes collectively referred to herein as the "Authority Documents."

**Section 3. Public Offering and Establishment of Issue Price.** The Underwriter agrees to make a *bona fide* initial public offering of all the Bonds at the public offering prices (or yields) set forth on Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as they deem necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change

the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing (as defined below) an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel (as defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

[Except as otherwise set forth in Exhibit A attached hereto,] [t]he Authority will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of Bonds. [If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter's reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Authority or Bond Counsel.] For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

[The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Authority promptly after the close of the fifth ($5^{th}$) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.]

The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Authority acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party;

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) "sale date" means the date of execution of this Purchase Agreement by all parties.

**Section 4. The Limited Offering Memorandum.** By their acceptance of this Purchase Agreement, the Authority and the City ratify, confirm and approve of the use and distribution by the Underwriter prior to the date hereof of the Preliminary Limited Offering Memorandum relating to the Bonds, dated [_____], 2020 (including the cover page, all appendices and all information incorporated therein and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the "Preliminary Limited Offering Memorandum") that authorized officers of the City and the Authority deemed "final" as of its date, for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12") except for certain omissions permitted to be omitted therefrom by Rule 15c2-12. The Authority and the City hereby agree to deliver or cause to be delivered to the Underwriter, within seven (7) business days of the date hereof, copies of the final Limited Offering Memorandum, dated the date hereof, relating to the Bonds (including all information previously permitted to have been omitted by Rule 15c2-12, the cover page, all appendices, all information incorporated therein and any amendments or supplements as have been approved by the Authority, the City and the Underwriter (the "Limited Offering Memorandum")) in such quantity as the Underwriter shall reasonably request to comply with Rule 15c2-12(b)(4) and the rules of the MSRB.

**Section 5. Closing.** At 8:30 a.m., California time, on January [__], 2021, or at such other time or date as the Authority, the City and the Underwriter mutually agree upon, the Authority shall deliver or cause to be delivered to the Trustee, and the Trustee shall deliver or cause to be delivered through the facilities of The Depository Trust Company, New York New York ("DTC"), the Bonds in definitive form, duly executed and authenticated. Concurrently with the delivery of the Bonds, the Authority and the City shall deliver the documents hereinafter mentioned at the offices of Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California ("Stradling") or another place to be mutually agreed upon by the Authority, the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds. This payment for and delivery of the Bonds, together with the delivery of the aforementioned documents referenced herein, is called the "Closing."

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC in denominations of $100,000 and any integral multiple thereof, and shall be made available to the Underwriter at least one

(1) business day before the Closing for purposes of inspection and packaging. The Authority and the City acknowledge that the services of DTC will be used initially by the Underwriter to permit the issuance of the Bonds in book-entry form, and agree to cooperate fully with the Underwriter in employing such services.

**Section 6. Representations, Warranties and Covenants of the Authority.** The Authority represents, warrants and covenants to the Underwriter and the City that:

(a) The Authority is and will be at the date of Closing a joint exercise of powers authority organized and existing under the laws of the State of California (the "State"), including Section 6500 *et seq.* of the Government Code of the State of California (the "JPA Act") with all necessary power and authority to enter into and perform its duties under the Authority Documents.

(b) The Authority has complied with all filing requirements of the JPA Act.

(c) By official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has duly approved the distribution of the Preliminary Limited Offering Memorandum and the distribution of the Limited Offering Memorandum (including in electronic form), and has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained, in the Authority Documents. When executed and delivered, each Authority Document will constitute the legal, valid and binding obligation of the Authority enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally.

(d) Prior to the date hereof, the Authority has provided to the Underwriter for its review the Preliminary Limited Offering Memorandum that an authorized officer of the Authority has deemed final for purposes of Rule 15c2-12, has approved the distribution of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and has duly authorized the execution and delivery of the Limited Offering Memorandum (including in electronic form). The Preliminary Limited Offering Memorandum, at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in light of the circumstances under which they were made, not misleading. As of the date hereof and on the Closing, the final Limited Offering Memorandum did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in light of the circumstances under which they were made, not misleading.

(e) The execution and delivery by the Authority of the Authority Documents and the approval and execution by the Authority of the Limited Offering Memorandum and compliance with the provisions on the Authority's part contained in the Authority Documents, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject to, which conflict, breach or default has or may have a material adverse effect on the ability of the Authority to carry out its obligations under the Authority Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument, except as provided by the Authority Documents.

(f) The Authority will advise the Underwriter promptly of any proposal to amend or supplement the Limited Offering Memorandum and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Limited Offering Memorandum in connection with the offering, sale or distribution of the Bonds.

(g) The Authority is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, in each case which breach or default has or may have a material adverse effect on the ability of the Authority to perform its obligations under the Authority Documents.

(h) As of the time of acceptance hereof and as of the date of Closing, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending with respect to which the Authority has been served or, to the best knowledge of the officers of the Authority, threatened (i) in any way questioning the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices, (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the Authority Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Bonds from gross income for federal income tax purposes or contesting the powers of the Authority to enter into the Authority Documents or (iii) contesting the completeness or accuracy of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum or any supplement or amendment thereto or asserting that the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clause (i) through (iii) of this sentence.

(i) Any certificate signed by any officer of the Authority authorized to execute such certificate in connection with the issuance, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the Authority to the Underwriter and the City as to the statements made therein but not of the person signing such certificate.

(j) The Authority will apply the proceeds of the Bonds in accordance with the Trust Agreement.

**Section 7. Representations, Warranties and Covenants of the City.** The City represents, warrants and covenants to the Underwriter and the Authority that:

(a) The City is and will be at the date of Closing a municipal corporation and charter city duly organized and existing pursuant to and under the Constitution and laws of the State and has all necessary power and authority to enter into and perform its duties under the Disclosure Agreement, the Trust Agreement, the Installment Sale Agreement and this Purchase Agreement (collectively, the "City Documents" and, together with the Authority Documents, the "Legal Documents") and has by official action duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the City Documents.

(b) By official action of the City prior to or concurrently with the acceptance hereof, the City has duly approved the distribution of the Preliminary Limited Offering Memorandum and the distribution of the Limited Offering Memorandum (including in electronic form), and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained, in the City Documents. When executed and delivered, each City Document will constitute the legally valid and binding obligation of the City enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally.

(c) The Preliminary Limited Offering Memorandum heretofore delivered to the Underwriter is hereby deemed final by the City as of its date and as of the date hereof, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(i) of Rule 15c2-12. The Preliminary Limited Offering Memorandum, at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in the light of the circumstances under which they were made, not misleading. As of the date hereof and on the Closing, the Limited Offering Memorandum did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in the light of the circumstances under which they were made, not misleading.

(d) The execution and delivery by the City of the City Documents and the approval by the City of the Limited Offering Memorandum and compliance with the provisions on the City's part contained in the City Documents, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject to, which conflict, breach or default has or may have a material adverse effect on the ability of the City to carry out its obligations under the City Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument, except as provided by the City Documents.

(e) The City will advise the Underwriter promptly of any proposal to amend or supplement the Limited Offering Memorandum and will not effect or consent to any such amendment or supplement without first conferring with the Underwriter regarding the form and substance of such amendment or supplement. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Limited Offering Memorandum in connection with the offering, sale or distribution of the Bonds.

(f) The City is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, in each case which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents.

(g) The audited financial statements of the City appended to the Limited Offering Memorandum for the year ended June 30, 2019, and any unaudited financial information presented in the body thereof, fairly present the financial position and results of the City as of the dates and for the periods

set forth. Except as disclosed in the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the City or in its operations since June 30, 2019 and, except as disclosed in the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum or otherwise disclosed in writing to the Underwriter, there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(h) As of the time of acceptance hereof and as of the date of Closing, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the knowledge of the officers of the City, threatened (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the City Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Bonds from gross income for federal income tax purposes or contesting the power of the City to enter into the City Documents; (iii) which may result in any material adverse change to the financial condition of the City or to its ability to pay the Installment Payments when due; or (iv) contesting the completeness or accuracy of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum or any supplement or amendment thereto or asserting that the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clause (i) through (iv) of this sentence.

(i) To the extent required by law, the City will undertake, pursuant to the Disclosure Agreement, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Limited Offering Memorandum and will also be set forth in the Limited Offering Memorandum. Except as otherwise disclosed in the Preliminary Limited Offering Memorandum, the City has not failed to comply in all material respects with any previous undertakings with regard to Rule 15c2-12 to provide annual reports or notices of enumerated events in the past five years.

(j) Any certificate signed by any officer of the City authorized to execute such certificate in connection with the issuance, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the City to the Underwriter and the Authority as to the statements made therein but not of the person signing such certificate.

(k) As of the date hereof, the City does not have any material obligations secured by the Measure M Receipts, the Measure R Receipts or the Proposition C Receipts, except as disclosed in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

(l) The City has obtained all approvals required for the City to enter into the Installment Sale Agreement, including the pledge of Measure R Receipts, Measure M Receipts, and Proposition C Receipts to payment of the 2020 Installment Sale Payments (defined in the Installment Sale Agreement), including without limitation approval from the Los Angeles County Metrololitan Transit Authority ("MTA"). The City is in compliance in all material respects with the Guidelines promulgated by MTA with respect to the receipt by the City of Measure R Receipts, Measure M Receipts, and Proposition C Receipts to pay the costs of the Project, including to pay the 2020 Installment Sale Payments.

**Section 8. Conditions to the Obligations of the Underwriter.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the Authority and the City contained herein. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the date of the Closing shall be subject, at the option of the Underwriter, to the accuracy in all respects of the statements of the officers and other officials of the Authority and of the City, as well as authorized representatives of Stradling and Butler Snow, LLP, Atlanta, Georgia ("Butler Snow," and together with Stradling, in such capacity, "Bond Counsel"), Disclosure Counsel (as defined herein) and the Trustee made in any Bonds or other documents furnished pursuant to the provisions hereof; to the performance by the Authority and the City of their obligations to be performed hereunder at or prior to the date of the Closing; and to the following additional conditions:

(a) The representations, warranties and covenants of the City and the Authority contained herein shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing;

(b) At the time of Closing, the Legal Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the Legal Documents and the Limited Offering Memorandum shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and all such reasonable actions as, in the opinion of Bond Counsel, shall reasonably deem necessary in connection with the transactions contemplated hereby;

(c) At the time of the Closing, no default shall have occurred or be existing under the Authority Documents, the City Documents, or any other agreement or document pursuant to which any of the City's financial obligations were executed and delivered, and the City shall not be in default in the payment of principal or interest with respect to any of its financial obligations, which default would adversely impact the ability of the City to make the Installment Payments;

(d) In recognition of the desire of the Authority, the City and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Agreement shall be subject to termination in the absolute discretion of the Underwriter by notification, in writing, to the Authority and the City prior to delivery of and payment for the Bonds, if at any time prior to such time, regardless of whether any of the following statements of fact were in existence or known of on the date of this Purchase Agreement:

(i) any event shall occur which makes untrue any statement or results in an omission to state a material fact necessary to make the statements in the Limited Offering Memorandum, in the light of the circumstances under which they were made, not misleading, which event, in the reasonable opinion of the Underwriter would materially or adversely affect the ability of the Underwriter to market the Bonds; or

(ii) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States of America or by any legislation in or by the Congress of the United States of America or by the State, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States of America, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States of America, the Treasury Department of the United States of America, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and

Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States of America, or the favorable reporting for passage of legislation to either House of the Congress of the United States of America by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority affecting the federal or State tax status of the Authority or the City, or the interest on or with respect to bonds or notes (including the Bonds); or

(iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds; or

(iv) an order, decree or injunction issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that: (i) obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Trust Agreement is not exempt from qualification under the Trust Indenture Act of 1939, as amended; or (ii) the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Limited Offering Memorandum, is or would be in violation of the federal securities laws as amended and then in effect; or

(v) legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that obligations of the general character of the Bonds, or the Bonds are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Trust Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

(vi) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any domestic governmental authority or by any domestic national securities exchange, which are material to the marketability of the Bonds; or

(vii) a general banking moratorium shall have been declared by federal, State or New York authorities, or the general suspension of trading on any national securities exchange; or

(viii) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of America of a national emergency or war or other calamity or crisis the effect of which on financial markets is materially adverse such as to

make it, in the sole judgment of the Underwriter, impractical to proceed with the purchase or delivery of the Bonds as contemplated by the final Limited Offering Memorandum (exclusive of any amendment or supplement thereto); or

(ix) any rating of the Bonds shall have been downgraded or withdrawn by a national rating service, which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(x) the commencement of any action, suit or proceeding described in Section 6(h) or Section 7(h);

(e) at or prior to the Closing, the Underwriter shall receive the following documents, in each case to the reasonable satisfaction in form and substance of the Underwriter:

(i) all resolutions relating to the Bonds adopted by the Authority and certified by an authorized official of the Authority authorizing the execution and delivery of the Bonds, the Authority Documents and the Limited Offering Memorandum;

(ii) all resolutions relating to the Bonds adopted by the City and certified by an authorized official of the City authorizing the execution and delivery of the City Documents and the delivery of the Bonds and the Limited Offering Memorandum;

(iii) the Legal Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

(iv) the approving opinion of Bond Counsel, dated the date of Closing and addressed to the Authority and the City, in substantially the form attached as Appendix D to the Limited Offering Memorandum, together with a reliance letter thereon addressed to the Underwriter;

(v) a supplemental opinion of Bond Counsel dated the date of Closing and addressed to the Underwriter, in substantially the form attached as Exhibit C hereto;

(vi) the Limited Offering Memorandum, executed on behalf of the Authority and the City;

(vii) evidence that the Bonds have been rated "[__]" by S&P Global Ratings;

(viii) a certificate, dated the date of Closing, signed by a duly authorized officer of the Authority satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the Authority contained in this Purchase Agreement are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of the Closing by the Authority, and the Authority has complied with all of the terms and conditions of this Purchase Agreement required to be complied with by the Authority at or prior to the date of Closing; (ii) to the best of such officer's knowledge, no event affecting the Authority has occurred since the date of the Limited Offering Memorandum which should be disclosed in the Limited Offering Memorandum for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iii) the information and statements contained in

the Limited Offering Memorandum (other than information relating to DTC and its book-entry system) did not as of its date and do not as of the Closing contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; and (iv) the Authority is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, which would have a material adverse impact on the Authority's ability to perform its obligations under the Authority Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or an event of default under any such instrument;

(ix) a certificate, dated the date of Closing, signed by a duly authorized officer of the City satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the City contained in this Purchase Agreement are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of the Closing by the City, and the City has complied with all of the terms and conditions of the Purchase Agreement required to be complied with by the City at or prior to the date of Closing; (ii) to the best of such officer's knowledge, no event affecting the City has occurred since the date of the Limited Offering Memorandum which should be disclosed in the Limited Offering Memorandum for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iii) the information and statements contained in the Limited Offering Memorandum (other than information relating to DTC and its book-entry system) did not as of its date and do not as of the Closing contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; (iv) the City is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, which would have a material adverse impact on the City's ability to perform its obligations under the City Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or an event of default under any such instrument; and (v) no further consent is required for inclusion of its audited financial statements in the Limited Offering Memorandum;

(x) an opinion dated the date of Closing and addressed to the Authority, the City, the Underwriter, the Trustee and Bond Counsel, of Best, Best and Krieger LLP, as Counsel to the Authority, in substantially the form attached hereto as Exhibit D;

(xi) an opinion dated the date of Closing and addressed to the Authority, the City, the Underwriter, the Trustee and the Bond Counsel, of the Office of the City Attorney of the City, in substantially the form attached hereto as Exhibit E;

(xii) Disclosure Letter. A letter from Stradling and Butler Snow (together, "Disclosure Counsel"), dated the date of the Closing, addressed to the Underwriter substantially in the form attached hereto as Exhibit F.

(xiii) an opinion of counsel to the Trustee, addressed to the Underwriter and the Authority, dated the date of the Closing, to the effect that:

(A) the Trustee is a national banking association duly organized and validly existing under the laws of the United States of America, having full corporate power to undertake the trust created under the Trust Agreement;

(B) the Trust Agreement has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other party thereto, the Trust Agreement constitutes the valid, legal and binding obligation of the Trustee enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(C) the Trustee has duly authenticated the Bonds upon the order of Authority;

(D) the Trustee's actions in executing and delivering the Trust Agreement are in full compliance with, and do not conflict with any applicable law or governmental regulation and, to the best of such counsel's knowledge, after reasonable inquiry with respect thereto, do not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound;

(E) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Trust Agreement; and

(F) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending or, to the best of such counsel's knowledge, threatened against or affecting the Trustee, which would materially adversely impact the Trustee's ability to complete the transactions contemplated by the Trust Agreement.

(xiv) a certificate, dated the date of Closing, signed by a duly authorized officer of the Trustee satisfactory in form and substance to the Underwriter, to the effect that:

(A) the Trustee is duly organized and existing as a national banking association under the laws of the United States of America, having the full corporate power and authority to enter into and perform its duties under the Trust Agreement;

(B) the Trustee is duly authorized to enter into the Trust Agreement and has duly executed and delivered the Trust Agreement, and assuming due authorization and execution by the other party thereto, the Trust Agreement is legal, valid and binding upon the Trustee and enforceable against such party in accordance with its terms;

(C) the Trustee has duly authenticated the Bonds under the Trust Agreement and delivered the Bonds to or upon the order of the Underwriter;

(D) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Trust Agreement; and

(E) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending or, to the best of such counsel's knowledge, threatened against or affecting the Trustee, which would materially adversely impact the Trustee's ability to complete the transactions contemplated by the Trust Agreement.

(xv) the preliminary and final forms required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 53583 of the Government Code of the State of California and Section 8855(i) and (j) of the Government Code;

(xvi) a copy of the executed Blanket Issuer Letter of Representations by and between the Authority and DTC relating to the book-entry system;

(xvii) the tax and nonarbitrage certificate by the Authority and the City in form and substance to the reasonable satisfaction of Bond Counsel, the Underwriter and Nixon Peabody LLP ("Underwriter's Counsel");

(xviii) an opinion of Underwriter's Counsel in form and substance acceptable to the Underwriter;

(xix) a certificate, dated the date of the Preliminary Limited Offering Memorandum, of the City, deeming the Preliminary Limited Offering Memorandum final for purposes of Rule 15c2-12;

(xx) a certificate, dated the date of the Preliminary Limited Offering Memorandum, of the Authority, deeming the sections of the Preliminary Limited Offering Memorandum describing the Authority, final for purposes of Rule 15c2-12;

(xxi) letter or letters of approval from MTA;

(xxii) a certified copies of the Joint Exercise of Powers Agreement establishing the Authority, and all amendments thereto, and related certificates issued by the Secretary of State of the State; and

(xxiii) [reference provider, certificate and opinion if such municipal bond insurance or surety is purchased for the Bonds]; and

(xxiv) such additional legal opinions, Bonds, proceedings, instruments or other documents as the Underwriter or Underwriter's Counsel may reasonably request.

**Section 9. Changes in Limited Offering Memorandum.** Within 90 days after the Closing or within 25 days following the "end of the underwriting period" (as defined in Rule 15c2-12), whichever occurs first, if any event relating to or affecting the Bonds, the Trustee, the City or the Authority shall occur as a result of which it is necessary, in the reasonable opinion of the Underwriter, to amend or supplement the Limited Offering Memorandum in order to make the Limited Offering Memorandum not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the Authority will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Limited Offering Memorandum so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Limited Offering Memorandum is delivered to purchaser, not misleading. The City and the Authority shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Limited Offering Memorandum with the MSRB. The Underwriter acknowledges that the "end of the underwriting period" will be the date of Closing unless the Underwriter otherwise notifies the City in writing that it still owns some or all of the Bonds.

**Section 10. Expenses.** (a) Whether or not the Underwriter accepts delivery of and pays for the Bonds as set forth herein, it shall be under no obligation to pay, and the Authority shall pay, or cause the City to pay, out of the proceeds of the Bonds or any other legally available funds of the City or the Authority, all expenses incidental to the performance of the Authority's obligations hereunder, including but not limited to the cost of printing and delivering the Legal Documents to the Underwriter; the costs of printing and shipping and electronic distribution of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum in reasonable quantities; the fees and disbursements of the Authority, the Trustee and its counsel, Bond Counsel, Disclosure Counsel, Authority Counsel, the City Attorney, the municipal advisor and any other experts or consultants retained by the City or the Authority in connection with the issuance and sale of the Bonds; rating agency fees; advertising expenses; and any other expenses not specifically enumerated in paragraph (b) of this Section incurred in connection with the issuance and sale of the Bonds. The Authority shall pay, or cause the City to pay out of the proceeds of the Bonds, for any expenses incurred by the Underwriter on behalf of the City's or the Authority's employees and representatives which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, and lodging of those employees and representatives.

(b) Whether or not the Bonds are delivered to the Underwriter as set for herein, the Authority shall be under no obligation to pay, and the Underwriter shall be responsible for and pay (which may be included as an expense component of the Underwriter's discount), MSRB, CUSIP Bureau and CDIAC fees and expenses to qualify the Bonds for sale under any "blue sky" laws; the cost of a continuing disclosure compliance review performed by DAC; and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds not specifically enumerated in paragraph (a) of this Section, including the cost of preparing this Purchase Agreement and other Underwriter documents, travel expenses and the fees and disbursements of Underwriter's Counsel.

**Section 11. Notices.** Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Raymond James & Associates, Inc. 39 E. Union Street, Pasadena, CA 91103, Attention: Jose A. Vera, Managing Director. Any notice or communication to be given the Authority under this Purchase Agreement may be given by delivering the same in writing to the Independent Cities Finance Authority, P.O. Box 6740, Lancaster, CA 93539, Attention: Executive Director. Any notice or communication to be given the City under this Purchase Agreement may be given by delivering the same in writing to the City of Compton, 205 South Willowbrook Ave., Compton, CA 90220, Attention: City Manager. All notices or communications hereunder by any party shall be given and served upon each other party.

**Section 12. Parties in Interest.** This Purchase Agreement is made solely for the benefit of the Authority, the City and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the Authority and the City in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

**Section 13. Counterparts.** This Purchase Agreement 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.

[Remainder of page intentionally left blank.]

**Section 14. Governing Law.** This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

RAYMOND JAMES & ASSOCIATES, INC.

By:_____
Jose A. Vera
Managing Director

Accepted:

INDEPENDENT CITIES FINANCE AUTHORITY

By:_____
Executive Director

Time of Execution: ____:____

Accepted:

CITY OF COMPTON

By:_____
City Manager

Time of Execution: ____:____

**EXHIBIT A**

**MATURITY SCHEDULE**

**$_____**
**INDEPENDENT CITIES FINANCE AUTHORITY**
**(CITY OF COMPTON, CALIFORNIA)**
**SALES TAX REVENUE BONDS, SERIES 2021**

| Maturity Date | Principal Amount | Interest Rate | Yield | Price | 10% Test Used | Hold-The-Offering-Price Used |
|---|---|---|---|---|---|---|

* Yield calculated to the first optional redemption date of _____ 1, 20__.

**EXHIBIT B**

**$_____**
**INDEPENDENT CITIES FINANCE AUTHORITY**
**(CITY OF COMPTON, CALIFORNIA)**
**SALES TAX REVENUE BONDS, SERIES 2021**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of Raymond James & Associates, Inc. (the "**Underwriter**"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "**Bonds**").

1. ***Sale of the [Bonds][10% Maturities]***. As of the date of this Certificate, for each Maturity of the [Bonds][10% Maturities], the first price at which a Substantial Amount of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the [Bonds][Undersold Maturities]***.

(a) The Underwriter offered the [Bonds][Undersold Maturities] to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, the Underwriter has agreed in writing that, for each Maturity of the [Bonds][Undersold Maturities], it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Offering Period for such Maturity, nor would it permit a related party to do so. Pursuant to such agreement, the Underwriter has neither offered nor sold any Maturity of the [Bonds][Undersold Maturities] at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Offering Period.

3. ***Defined Terms***.

[(a) *10% Maturities* means those Maturities of the Bonds shown in Schedule A hereto as the "10% Maturities."]

(b) *Issuer* means Independent Cities Finance Authority.

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

[(d) *Offering Period* means, with respect to an Undersold Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2019), or (ii) the date on which the Underwriter has sold a Substantial Amount of such Undersold Maturity to the Public at a price that is no higher than the Initial Offering Price for such Undersold Maturity.]

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Regulatory Underwriter or a related party to a Regulatory Underwriter. The term "related party" for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Regulatory Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2019.

(h) *Substantial Amount* means ten percent.

[(i) *Undersold Maturities* means those Maturities of the Bonds shown in Schedule A hereto as the "Undersold Maturities."]

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax and Nonarbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Butler Snow LLP and Stradling Yocca Carlson & Rauth, A Professional Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

RAYMOND JAMES & ASSOCIATES, INC.

By: _____

Name: _____

Title: _____

Dated: _____, 2021

**SCHEDULE A**
**SALE PRICES OF THE GENERAL RULE MATURITIES AND**
**INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**
(*Attached*)

**SCHEDULE B**
**PRICING WIRE OR EQUIVALENT COMMUNICATION**
(*Attached*)

**EXHIBIT C**

**FORM OF SUPPLEMENTAL OPINION**

*Upon the initial issuance of the Bonds, Stradling Yocca Carlson & Rauth, A Professional Corporation, and Butler Snow LLP, Co-Bond Counsel, each propose to deliver a supplemental opinion to the Underwriter in substantially the form set forth below:*

[LETTERHEAD OF CO-BOND COUNSEL]

_____, 2021

Raymond James & Associates, Inc.
Los Angeles, California

$_____
Independent Cities Finance Authority
(City of Compton, California)
Sales Tax Revenue Bonds
Series 2021

Ladies and Gentlemen:

We have acted as Co-Bond Counsel in connection with the issuance by the Independent Cities Finance Authority (the "**Authority**") of its Independent Cities Finance Authority (City of Compton, California) Sales Tax Revenue Bonds, Series 2021 (the "**Bonds**"), dated _____, 2021, and the sale of the Bonds to you pursuant to the Bond Purchase Agreement, dated _____, 2021 (the "**Bond Purchase Agreement**"), by and among you, the Authority, and the City of Compton, California (the "**City**"). Capitalized terms not defined herein have the meanings set forth in the Bond Purchase Agreement.

We have examined certified copies of the Resolution No. _____ adopted by the governing body of the Authority on _____, 2021, Resolution No. _____ adopted by the governing body of the City on _____, 2021, the Limited Offering Memorandum dated _____, 2021 (the "**Limited Offering Memorandum**"), the Bond Purchase Agreement, and such other proofs and proceedings as we have deemed necessary as a basis for the opinions hereinafter expressed. In making such examinations for the purposes of this letter, we have assumed the authenticity of all original documents and the conformity to original documents of all documents submitted to us as conformed copes or photocopies of original documents, the genuineness of all signatures, the due authorization, execution and delivery of such documents and the due authority of all persons executing such documents. Further, we have relied on the statements of fact contained in such statements, and documents, and the legal conclusions provided in such opinions without independently verifying the truth or accuracy of such statements, documents and opinions.

Based upon the foregoing, and subject to the qualifications and assumptions herein, we are of the opinion that:

1. The information in the Limited Offering Memorandum under the captions "INTRODUCTION," "THE BONDS," "SOURCES OF PAYMENT FOR THE BONDS," and "TAX MATTERS," and in APPENDIX A – "SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS" and APPENDIX D – "FORM OF OPINION OF CO-BOND COUNSEL," insofar as such information purports to summarize certain provisions of the Bonds, the Installment Sale Agreement, the Trust Agreement (other than financial or statistical data contained in the Limited Offering Memorandum and excluding any material that may be treated as included under such captions and appendices by any cross-reference, as to which we express no opinion), the Internal Revenue Code of 1986, as amended, and our opinion of even date herewith approving the validity of the Bonds (the "**Approving Opinion**"), are accurate and fair statements or summaries in all material respects and do not omit any material fact which, in our opinion, should be included or referred to therein to make the statements made therein not misleading in any material respect.

2. The Bond Purchase Agreement has been duly authorized, executed, and delivered by the Authority and the City and is the valid, legal, and binding agreement of the Authority and the City, enforceable in accordance with its terms.

3. Under existing laws, the Bonds may be offered and sold without registration under the Securities Act of 1933, as amended, and the Trust Agreement is not required to be qualified under the Trust Indenture Act of 1939, as amended.

You may rely on the Approving Opinion as if the same were addressed to you.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. We call attention to the fact that the rights and obligations under the Bond Purchase Contract, the Trust Agreement, the Installment Sale Agreement, or the Bonds are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California.

By delivering this letter, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the Bond Purchase Agreement, the Trust Agreement, the Installment Sale Agreement, or the Bonds, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the Trust Agreement, the Installment Sale Agreement, or the Bonds, or the accuracy or sufficiency of the description of such assets, or the remedies available to enforce liens on, any such assets.

Except as expressly set forth in the Approving Opinion, we express no opinion regarding any tax consequences with respect to the Bonds. No opinion is expressed herein with respect to the compliance with, or applicability of, any "blue sky" laws of any state as they relate to the offer or sale of the Bonds.

This opinion is limited to matters governed by the laws of the State of California and federal securities laws, and we assume no responsibility with respect to the applicability or the effect of the

laws of any other jurisdiction. This letter is furnished by us as Co-Bond Counsel with respect to the Bonds. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter in connection with the sale and issuance of the Bonds.

This letter is delivered to you as underwriter of the Bonds, is solely for your benefit as such underwriter and neither this letter nor the Approving Opinion is to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person without our express written consent, except that it may be included in any transcript of closing documents relating to the issuance and delivery of the Bonds. Neither this letter nor the Approving Opinion is intended to be relied upon by owners of the Bonds.

This letter is issued as of the date hereof, and we assume no obligation to update, revise or supplement this letter or the Approving Opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, or interpretations thereof, that may hereafter occur, or for any other reason whatsoever.

Very truly yours,

[BUTLER SNOW LLP]

[STRADLING YOCCA CARLSON & RAUTH, A PROFESSIONAL CORPORATION]

**EXHIBIT D**

**FORM OF OPINION OF COUNSEL TO THE AUTHORITY**

*Upon the initial issuance of the Bonds, Best Best & Krieger, Counsel to the Authority, proposes to deliver an opinion in substantially the form set forth below:*

_____, 2021

Independent Cities Finance Authority
Lancaster, California

City of Compton
Compton, California

Butler Snow LLP
Atlanta, Georgia

Stradling Yocca Carlson & Rauth, A Professional Corporation
Newport Beach, California

Raymond James & Associates, Inc.
Pasadena, California

$_____
Independent Cities Finance Authority
(City of Compton, California)
Sales Tax Revenue Bonds
Series 2021

Ladies and Gentlemen:

We have acted as general counsel to the Independent Cities Finance Authority (the "**Authority**") in connection with the issuance by the Authority of $_____ aggregate principal amount of Independent Cities Finance Authority (City of Compton, California) Sales Tax Revenue Bonds, Series 2021 (the "**Bonds**"), pursuant to a Trust Agreement (the "**Trust Agreement**"), dated as of _____, 2021, among the Authority, U.S. Bank National Association (the "**Trustee**"), and the City of Compton, California (the "**City**"). In such connection, we have reviewed Resolution No. _____ (the "**Resolution**") adopted by the governing body of the Authority on _____, 2021 approving and authorizing the execution and delivery of the Authority Documents (defined below), the Bonds, the Bond Purchase Agreement dated as of _____, 2021 by and among the Authority, the City, and Raymond James & Associates, Inc. (the "**Purchase Agreement**"), Limited Offering Memorandum (the

"**Limited Offering Memorandum**"), dated _____, 2021, the Installment Sale Agreement (the "**Installment Sale Agreement**") dated as of January 1, 2021, by and between the Authority and the City, certificates of the Authority and others as to certain factual matters, and such documents and matters to the extent we deemed necessary to render the opinions set forth herein. The Trust Agreement, the Installment Sale Agreement, and the Purchase Agreement are sometimes collectively referred to herein as the "**Authority Documents**."

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings, and court decisions. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. With the delivery of this letter, our engagement with respect to the Bonds has concluded, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, all parties thereto. We have assumed, without undertaking to verify independently, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the first paragraph hereof. Our engagement with respect to the Bonds as general counsel to the Authority was limited to the matters expressly covered by the numbered opinions set out below. We express no opinion as to the validity or enforceability of the Bonds or any of the documents or actions authorized by the Resolution or as to the tax status of interest with respect to the Bonds.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Authority is a joint powers agency duly organized and validly existing under the laws of the State of California.

2. The Resolution was duly adopted at a meeting of the governing body of the Authority which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the resolution is now in full force and effect and has not been amended or superseded in any way.

3. There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending with respect to which the Authority has been served or, to the best of such counsel's knowledge, threatened against or affecting the Authority, except as may be disclosed in the Limited Offering Memorandum, which would materially adversely impact the Authority's ability to complete the transactions contemplated by the Authority Documents, the Limited Offering Memorandum or any other document or certificate related to such transactions, restrain or enjoin the collection of 2021 Installment Sale Payments under the Installment Sale Agreement, or in any way contesting or affecting the validity of the Bonds, the Limited Offering Memorandum, the Authority Documents or the transactions described in and contemplated thereby wherein an unfavorable decision, ruling or finding would

materially adversely affect the validity and enforceability of the Bonds or the Authority Documents or in which a final adverse decision could materially adversely affect the operations of the Authority.

4. The execution and delivery of the Authority Documents and the issuance of the Bonds and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Authority is subject, which breach or default has or may have a material adverse effect on the ability of the Authority to perform its obligations under the Authority Documents.

This letter is furnished by us as general counsel to the Authority. No attorney-client relationship has existed or exists between our firm and the addressees hereof in connection with the Bonds or by virtue of this letter. This letter is solely for the benefit of the addressees hereof, and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any person other than the addressees of this letter. This letter is not intended to, and may not, be relied upon by owners of any Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

BEST, BEST KRIEGER LLP

**EXHIBIT E**

**FORM OF OPINION OF CITY ATTORNEY**

*Upon the initial issuance of the Bonds, the City Attorney of the City of Compton proposes to deliver an opinion in substantially the form set forth below:*

_____, 2021

Independent Cities Finance Authority
Lancaster, California

City of Compton
Compton, California

Butler Snow LLP
Atlanta, Georgia

Stradling Yocca Carlson & Rauth, A Professional Corporation
Newport Beach, California

Raymond James & Associates, Inc.
Pasadena, California

$_____
Independent Cities Finance Authority
(City of Compton, California)
Sales Tax Revenue Bonds
Series 2021

Ladies and Gentlemen:

I am the duly appointed and acting City Attorney of the City of Compton, California (the "**City**") in connection with the execution and delivery by the City of the Installment Sale Agreement (the "**Installment Sale Agreement**") dated as of January 1, 2021, by and between the Independent Cities Finance Authority (the "**Authority**") and the City and the issuance by the Authority of $_____ aggregate principal amount of Independent Cities Finance Authority (City of Compton, California) Sales Tax Revenue Bonds, Series 2021 (the "**Bonds**"), pursuant to a Trust Agreement (the "**Trust Agreement**"), dated as of _____, 2021, among the Authority, U.S. Bank National Association (the "**Trustee**"), and the City. In such connection, I have reviewed Resolution No. _____ (the "**Resolution**") adopted by the City Council of the City on _____, 2021 approving and authorizing the execution and delivery of the City Documents (defined below), the Bond Purchase Agreement dated as of _____, 2021 by and among the Authority, the City, and Raymond James & Associates, Inc. (the "**Purchase**

**Agreement**"), the Limited Offering Memorandum (the "**Limited Offering Memorandum**"), dated _____, 2021, the Continuing Disclosure Agreement dated as of January 1, 2021, by and between the City and Willdan Financial Services (the "**Continuing Disclosure Agreement**"), certificates of the City and others as to certain factual matters, and such documents and matters to the extent I deemed necessary to render the opinions set forth herein. The Trust Agreement, the Installment Sale Agreement, the Continuing Disclosure Agreement, and the Purchase Agreement are sometimes collectively referred to herein as the "**City Documents**."

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings, and court decisions. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. I have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to my attention after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. With the delivery of this letter, my engagement with respect to the Bonds has concluded, and I disclaim any obligation to update this letter. I have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, all parties thereto. I have assumed, without undertaking to verify independently, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the first paragraph hereof. My engagement with respect to the Bonds as City Attorney of the City was limited to the matters expressly covered by the numbered opinions set out below. I express no opinion as to the validity or enforceability of the Bonds or any of the documents or actions authorized by the Resolution or as to the tax status of interest with respect to the Bonds.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, I am of the following opinions:

5. the City is a municipal corporation and a charter city duly organized and validly existing under the Constitution and laws of the State of California;

6. the resolution of the City approving and authorizing the execution and delivery of the City Documents and approving and authorizing the issuance of the Bonds and the delivery of the Limited Offering Memorandum and other actions of the City was duly adopted at a meeting of the governing body of the City which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the resolution is now in full force and effect and has not been amended or superseded in any way;

7. there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending with respect to which the City has been served or, to the best of such City Attorney's knowledge, threatened against or affecting the City, except as may be disclosed in the Limited Offering Memorandum, which would materially adversely impact the City's ability to complete the transactions contemplated by the City Documents, the Limited Offering Memorandum or any other document or certificate related to such transactions,

restrain or enjoin the collection of Installment Payments with respect to the Installment Sale Agreement, or in any way contesting or affecting the validity of the Bonds, the Limited Offering Memorandum or the City Documents;

8. the execution and delivery of the City Documents and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the City is subject, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents; and

9. no authorization, approval, consent, or other order of the State of California or any other governmental body within the State of California or the Los Angeles County Metropolitan Transportation Authority is required for the valid authorization, execution and delivery of the City Documents or the consummation by the City of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the Bonds by the Underwriter

10. The information in the Limited Offering Memorandum is accurate in all material respects and does not omit any material fact which, in my opinion, should be included or referred to therein to make the statements made therein not misleading in any material respect.

This letter is furnished by me as City Attorney of the City. No attorney-client relationship has existed or exists between me and the addressees hereof in connection with the Bonds or by virtue of this letter. This letter is solely for the benefit of the addressees hereof, and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any person other than the addressees of this letter. This letter is not intended to, and may not, be relied upon by owners of any Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

Damon M. Brown

**EXHIBIT F**

**FORM OF DISCLOSURE COUNSEL LETTER**

*Upon the initial issuance of the Bonds, Stradling Yocca Carlson & Rauth, A Professional Corporation, and Butler Snow LLP, Co-Disclosure Counsel, each propose to deliver a negative assurance letter to the Underwriter in substantially the form set forth below:*

_____, 2021

Stifel, Nicolaus & Company, Incorporated
Pasadena, California

$_____
Independent Cities Finance Authority
(City of Compton, California)
Sales Tax Revenue Bonds
Series 2021

Ladies and Gentlemen:

We have acted as Co-Disclosure Counsel to the Independent Cities Finance Authority (the "**Authority**") and the City of Compton (the "**City**"), and not any other person, in connection with the issuance of the above-referenced bonds (the "**Bonds**"), dated _____, 2021. This letter is being delivered in satisfaction of the requirements of Section 8(e)(xii) of the Bond Purchase Agreement dated _____, 2021, by and among the Authority, the City, and you (the "Purchase Agreement"), but no attorney-client relationship has existed or exists between you and our firm in connection with the issuance of the Bonds or by virtue of this letter. All capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Purchase Agreement.

In providing the statement of belief set forth in the third succeeding paragraph, reference is made to the Preliminary Limited Offering Memorandum dated _____ (together with any amendments and supplements thereto and additional matters included in the final Limited Offering Memorandum, the "**Preliminary Limited Offering Memorandum**"), the Limited Offering Memorandum dated _____ (the "**Limited Offering Memorandum**"). As Co-Disclosure Counsel, we have reviewed the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and the letters, certificates, and opinions delivered to you pursuant to the provisions of the Purchase Agreement, including, but not limited to, Section 8(e) thereof, and we have participated in conferences in which the contents of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and other matters were discussed. The purpose of our professional engagement was not to establish or to confirm factual matters set forth in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum, and we have not undertaken to verify independently any of such factual matters.

The conclusions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform you or any other person, whether any such actions are taken or omitted or whether such events do occur or any other matters come to our attention after

the date hereof. We have assumed, but not independently verified, that the signatures on all documents, letters, opinions and certificates which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto and that all representations made in the documents that we have reviewed are true and accurate. We have assumed, without independent verification, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in any opinions referenced in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

By delivering this letter, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in any document referenced in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the Trust Agreement dated as of January __, 2021, by and among the Authority, the City, and U.S. Bank National Association, as trustee (the "Trustee"), or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services as Co-Disclosure Counsel to the Authority and City did not involve the rendering of financial or other non-legal advice to you, the Authority, the City, or any other party to the transaction.

Subject to the foregoing and on the basis of the information we gained in the course of performing the services referred to above, we confirm to you as a matter of fact and not opinion that no facts have come to the attention of the attorneys in our firm rendering legal services in connection with this matter that cause them to believe that the Preliminary Limited Offering Memorandum as of its date or the Limited Offering Memorandum as of its date or as of the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, we are not passing on and do not assume responsibility for the accuracy, completeness, or fairness of the statements contained in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum, nor do we express any view with respect to: (i) the expressions of opinion, the assumptions, the projections, estimates and forecasts, the charts, the financial statements or other financial, numerical, economic, demographic or statistical data, or assessed valuations contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum; (ii) any CUSIP numbers or information relating thereto; (iii) any information with respect to The Depository Trust Company and its book-entry system; (iv) any information contained in the appendices to the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum; (v) any information incorporated by reference into the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum; (vi) the Authority's and the City's compliance with their obligations to provide notice of the events described in part (b)(5)(i)(C) of Rule 15c2-12 promulgated under the Securities Act of 1934 ("Rule 15c2-12") or to file annual reports described in part (b)(5)(i)(A) of Rule 15c2-12; (vii) any information with respect to the underwriter or underwriting matters with respect to the Bonds, including but not limited to information under the caption "CONCLUDING INFORMATION—Underwriting;" and (viii) information under the captions "TAX MATTERS" and "LEGAL MATTERS—Absence of Litigation." Finally, we advise you that, other than reviewing the various certificates and opinions required by Section 8(e) of the Purchase Agreement, we have not taken any steps

since the date of the Limited Offering Memorandum to verify the accuracy of the statements contained in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum as of the date hereof. No responsibility is undertaken or opinion rendered with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by, or incorporated by reference in, the Limited Offering Memorandum.

By acceptance of this letter you recognize and acknowledge that: (i) the negative assurance above is not an opinion and is based on certain limited activities performed by specific attorneys in our firm in our role as Co-Disclosure Counsel to the Authority and the City; (ii) the scope of the activities performed by such attorneys in our role as Co-Disclosure Counsel to the Authority and the City and for purposes of delivering such negative assurances were inherently limited and do not purport to encompass all activities necessary for compliance by you or others in accordance with applicable state and federal securities laws; and (iii) the activities performed by such attorneys in our role as Co-Disclosure Counsel to the Authority and the City rely in part by representations, warranties, certifications and opinions of other parties to the transaction, including representations, warranties and certifications made by the Authority and the City.

This letter is being furnished to you solely for your benefit in connection with your purchase of the Bonds in accordance with the Purchase Agreement and is not to be used, circulated, quoted or otherwise referred to for any other purpose without our prior written consent. No attorney-client relationship has existed or exists between our firm and you in connection with the issuance of the Bonds or by virtue of this letter. We note you were represented by separate counsel retained by you in connection with the transaction described in the Limited Offering Memorandum. This letter is limited to matters governed by federal securities laws, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

Our engagement as Co-Disclosure Counsel to the Authority and the City terminates as of the date hereof, and we have not undertaken any duty, and expressly disclaim any responsibility, to advise you as to events occurring after the date hereof with respect to the Bonds or other matters discussed in the Limited Offering Memorandum. This letter is not intended to, and may not, be relied upon by owners of the Bonds, the owners of any beneficial ownership interest in the Bonds or by any other party to whom it is not addressed.

Very truly yours,

[BUTLER SNOW LLP]

[STRADLING YOCCA CARLSON & RAUTH, A PROFESSIONAL CORPORATION]

**PRELIMINARY LIMITED OFFERING MEMORANDUM DATED _____, 2021**

OFFERED ONLY TO QUALIFIED INSTITUTIONAL BUYERS [OR ACCREDITED INVESTORS]

**NEW ISSUE- BOOK-ENTRY ONLY** **RATING**

**RATING: S&P: "____"**
(See "CONCLUDING INFORMATION - Rating on the Bonds" herein.)

*In the opinion of Co-Bond Counsel, under existing laws, regulations, rulings, and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Bonds is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds, and such interest is excludable from federal alternative minimum taxable income as defined in Section 55(b)(2) of the Code. Co-Bond Counsel is further of the opinion that, under existing law, interest on the Bonds is exempt from State of California personal income tax. For a more complete description, see "TAX MATTERS" herein.*

# $_____
# INDEPENDENT CITIES FINANCE AUTHORITY
# (CITY OF COMPTON, CALIFORNIA)
# SALES TAX REVENUE BONDS, SERIES 2021

**Dated: Date of Delivery** **Due: June 1 as shown on the inside front cover page**

The Independent Cities Finance Authority (City of Compton, California) Sales Tax Revenue Bonds, Series 2021 (the "Bonds"), are being issued to (i) finance the design, acquisition, and construction of certain local roadway and street improvement projects (each a "Project" and collectively, the "Projects") in the City of Compton (the "City"), (ii) purchase a debt service reserve policy to satisfy the reserve requirement for the Bonds and (iii) pay the costs incurred in connection with the issuance of the Bonds.

The Bonds are payable from the Revenues, as defined herein, pledged under the Trust Agreement, as defined herein, consisting primarily of installment payments (the "Installment Sale Payments") to be made by the City to the Independent Cities Finance Authority (the "Authority") from Measure M Receipts, Measure R Receipts and Proposition C Receipts (collectively, the "Sales Tax Receipts"), as defined herein, pursuant to an Installment Sale Agreement, as defined herein, and from certain funds held under the Trust Agreement and insurance or condemnation awards. The City is required under the Installment Sale Agreement to make Installment Sale Payments in each fiscal year in an amount sufficient to pay the annual principal and interest due with respect to the Bonds, as described herein. See "SOURCES OF PAYMENT FOR THE BONDS" and "RISK FACTORS" herein. The Sales Tax Receipts are the only source of payment of the Installment Sale Payments, and the City has covenanted to use the net proceeds of the Bonds to fund only Projects that constitute Measure M Project, Measure R Project and Proposition C Project, as applicable, as described herein. Neither the general fund of the City nor any other moneys of the City are available to pay or secure the Installment Sale Payments or the Bonds.

Interest on the Bonds is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2021, until maturity or earlier redemption. See "THE BONDS - General Provisions" and "THE BONDS - Redemption" herein.

THE BONDS ARE PAYABLE EXCLUSIVELY FROM THE REVENUES AND OTHER FUNDS AS IS PROVIDED IN THE TRUST AGREEMENT. THE GENERAL FUND OF THE AUTHORITY IS NOT LIABLE, AND THE CREDIT OF THE AUTHORITY IS NOT PLEDGED, FOR THE PAYMENT OF THE INTEREST AND PREMIUM (IF ANY) ON OR PRINCIPAL OF THE BONDS. THE PRINCIPAL OF AND INTEREST ON THE BONDS, AND ANY PREMIUM UPON THE REDEMPTION OF ANY THEREOF, SHALL NOT BE A LEGAL OR EQUITABLE PLEDGE, CHARGE, LIEN OR ENCUMBRANCE UPON ANY PROPERTY OF THE AUTHORITY OR UPON ANY OF ITS INCOME, RECEIPTS OR REVENUES EXCEPT THE REVENUES AND OTHER FUNDS PLEDGED TO THE PAYMENT THEREOF AS PROVIDED IN THE TRUST AGREEMENT. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO MAKE INSTALLMENT SALE PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY TO MAKE INSTALLMENT SALE PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE CITY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS OTHER THAN THE AUTHORITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

**THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY AND IS NOT A SUMMARY OF THE TRANSACTION. INVESTORS MUST READ THE ENTIRE LIMITED OFFERING MEMORANDUM TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.**

**THE BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THE BONDS ARE BEING OFFERED ONLY TO QUALIFIED INSTITUTIONAL BUYERS WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED. SUBSEQUENT TRANSFERS OF THE BONDS WILL BE LIMITED TO QUALIFIED INSTITUTIONAL BUYERS [OR ACCREDITED INVESTORS] WHO EXECUTE AN INVESTOR LETTER IN THE FORM ATTACHED HERETO AS APPENDIX F. SEE "RISK FACTORS – RESTRICTED PURCHASERS OF BONDS" HEREIN.**

The Bonds are being offered when, as and if issued, subject to the approval as to their legality by Butler Snow LLP, Atlanta, California, and Stradling Yocca Carlson & Rauth, A Professional Corporation, as Co-Bond Counsel. Certain legal matters will also be passed on for the City and the Authority by Butler Snow LLP, Atlanta, Georgia, and Stradling Yocca Carlson & Rauth, A Professional Corporation, as Co-Disclosure Counsel, and by the City Attorney. Certain legal matters will be passed on for the Authority by Best Best & Krieger LLP, Riverside, California. Certain legal matters will be passed on for the Underwriter by its counsel, Nixon Peabody LLP, Los Angeles, California. It is anticipated that the Bonds will be available for delivery through the book-entry facilities of The Depository Trust Company on or about _____, 2021 (see "APPENDIX E - THE BOOK-ENTRY SYSTEM" herein).

[Raymond James Logo]

*The date of the Limited Offering Memorandum: _____, 2021*

_____

***** Preliminary; subject to change.

# $_____
# INDEPENDENT CITIES FINANCE AUTHORITY
# (CITY OF COMPTON, CALIFORNIA)
# SALES TAX REVENUE BONDS, SERIES 2021

**MATURITY SCHEDULE**

**(Base CUSIP®† _____)**

| Maturity Date June 1 | Principal Amount | Interest Rate | Yield | CUSIP®† |
|---|---|---|---|---|

**$_____ Term Bond due June 1, 20___ — Rate: _____%; Yield: _____% — CUSIP†: ____**

**$_____ Term Bond due June 1, 20___ — Rate: _____%; Yield: _____% — CUSIP†: ____**

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Authority, the City, the Municipal Advisor or the Underwriter and are included solely for the convenience of the holders of the Bonds. None of the Authority, the City, the Municipal Advisor or the Underwriters is responsible for the selection or use of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

## GENERAL INFORMATION ABOUT THIS LIMITED OFFERING MEMORANDUM

***Use of Limited Offering Memorandum.*** This Limited Offering Memorandum is submitted in connection with the offer and sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Limited Offering Memorandum is not to be construed as a contract with the purchasers of the Bonds.

***Effective Date.*** This Limited Offering Memorandum speaks only as of its date, and the information and expressions of opinion contained in this Limited Offering Memorandum are subject to change without notice. Neither the delivery of this Limited Offering Memorandum nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the City or any other parties described in this Limited Offering Memorandum.

***No Offering May be Made Except by This Limited Offering Memorandum.*** No dealer, broker, salesperson or other person has been authorized by the Authority or the City to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and if given or made, such other information or representation must not be relied upon as having been authorized by the Authority, the City or the Municipal Advisor. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

***Preparation of this Limited Offering Memorandum.*** The information contained in this Limited Offering Memorandum has been obtained from sources that are believed to be reliable. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Limited Offering Memorandum is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of the Bonds, the Installment Sale Agreement, the Trust Agreement or other documents, are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the City Clerk for further information. See "INTRODUCTION - Summaries Not Definitive."

The Underwriter has provided the following sentence for inclusion in this Limited Offering Memorandum: The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

***Bonds are Exempt from Securities Laws Registration.*** The issuance, sale and delivery of the Bonds has not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the execution, sale and delivery of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(l2) of the Securities Exchange Act of 1934.

***Estimates and Forecasts.*** When used in this Limited Offering Memorandum and in any continuing disclosure by the Authority or the City, any press release and any oral statement made with the approval of an authorized officer of the Authority or the City or any other entity described or referenced herein, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

***Stabilization of and Changes to Offering Prices.*** In connection with this offering, the Underwriters may overallot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices set forth on the inside front cover page hereof and said public offering prices may be changed from time to time by the Underwriters.

***City Website.*** The City maintains a website. The information on such website is not part of this Limited Offering Memorandum and is not intended to be relied on by investors with respect to the Bonds unless specifically set forth or incorporated herein.

PRIOR TO THE INITIAL DELIVERY OF THE BONDS, EACH INITIAL PURCHASER OF BONDS WILL BE REQUIRED TO EXECUTE AN INVESTOR LETTER IN THE FORM ATTACHED HERETO AS APPENDIX F (THE "INVESTOR LETTER") IN WHICH, AMONG OTHER MATTERS, SUCH PURCHASER WILL REPRESENT THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT. THE BONDS MAY BE TRANSFERRED ONLY TO QUALIFIED INSTITUTIONAL BUYERS [OR ACCREDITED INVESTORS] WHO SIGN AN INVESTOR LETTER.

**INDEPENDENT CITIES FINANCE AUTHORITY**

**GOVERNING BOARD**

**MEMBERS:**

The Cities of Baldwin Park, Compton, Huntington Park,
Lynwood, San Fernando, South Gate and Vernon

**ASSOCIATE MEMBERS:**

The Cities of Alhambra, Apple Valley, Azusa, Barstow, Bell, Bellflower, Brea, Calaveras County Water District, Capitola, Carpinteria, Carson, Chino, Claremont, Clovis, Colton, Commerce, Covina, Downey, Duarte, El Monte, Fairfield, Fontana, Fresno, Gardena, Garden Grove, Glendale, Glendora, Hawaiian Gardens, Hawthorne, Indio, Inglewood, La Habra, La Puente, Lakewood, Lancaster, Lawndale, Long Beach, Los Angeles, Monrovia, Montclair, Montebello, Monterey Park, Morgan Hill, Norwalk, Oceanside, Palmdale, Palm Springs, Paramount, Pico Rivera, Planada Community Services District, Pomona, Rancho Cucamonga, Rialto, Riverside, Rohnert Park, Salinas, San Bernardino, San Bernardino County, San Diego County, San Juan Capistrano, San Marcos, San Mateo County, Santa Clarita, Santa Rosa, Signal Hill, Union City, Visalia, Vista, West Covina, Whittier and Yucaipa.

**AUTHORITY OFFICERS**

Sylvia Ballin, President
Deborah J. Smith, Secretary and Executive Director

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**Municipal Advisor**
Willdan Financial Services
Temecula, California

**Co-Bond and Co-Disclosure Counsel**
Butler Snow LLP
Atlanta, Georgia

Stradling Yocca Carlson & Rauth, A Professional Corporation
Newport Beach, California

**Trustee**
U.S. Bank National Association
Seattle, Washington

# CITY OF COMPTON

## MAYOR AND CITY COUNCIL

Aja Brown, Mayor

Michelle Chambers (District 1)
Isaac Galvan (District 2)
Tana McCoy (District 3)
Emma Sharif (District 4)

## CITY STAFF

Craig J. Cornwell, City Manager

Michael L. Antwine II, Assistant City Manager
Triphenia Simmons, Assistant City Manager
Damon Brown, City Attorney
Douglas Sanders, City Treasurer
Sharon Rahban Navizadeh, City Controller

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# LIMITED OFFERING MEMORANDUM

## $_____*
## INDEPENDENT CITIES FINANCE AUTHORITY
## (CITY OF COMPTON, CALIFORNIA)
## SALES TAX REVENUE BONDS, SERIES 2021

This Limited Offering Memorandum, which includes the cover page and appendices (the "Limited Offering Memorandum"), is provided to furnish certain information concerning the sale of the Independent Cities Finance Authority (City of Compton, California) Sales Tax Revenue Bonds, Series 2021 (the "Bonds"), in the aggregate principal amount of $_____.

# INTRODUCTION

*This Introduction contains only a brief description of this issue and does not purport to be complete. This Introduction is subject in all respects to more complete information in the entire Limited Offering Memorandum and the offering of the Bonds to potential investors is made only by means of the entire Limited Offering Memorandum and the documents summarized herein. Potential investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision (see "RISK FACTORS" herein). For definitions of certain capitalized terms used herein and not otherwise defined, and the terms relating to the Bonds, see the summary included in "APPENDIX A - SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS" herein.*

## The City and the Authority

The City of Compton (the "City") is located in the geographical center of the County of Los Angeles (the "County"), between the greater Los Angeles and Long Beach metropolitan areas. The City had approximately 98,032 residents as of January 1, 2020 and encompasses an area of approximately 10.2 square miles.

The Independent Cities Finance Authority (the "Authority") is a joint powers authority created pursuant to a joint exercise of powers agreement, dated May 5, 1988, as amended, and the joint exercise of powers law of the State of California. The Authority has 7 members and 71 associate members.

The Authority has not assumed responsibility for any information in this Limited Offering Memorandum, except for the information relating to the Authority under this caption and the caption "LEGAL MATTERS – Absence of Litigation."

## Purpose

The Bonds are being issued to finance the design, acquisition, and construction of certain local roadway and street improvement projects (collectively, the "Projects") in the City, purchase a debt service reserve policy to satisfy the reserve requirement for the Bonds and to pay the costs of issuing the Bonds. See "THE FINANCING PLAN" herein.

## Security and Sources of Repayment

The Bonds are being issued under a Trust Agreement, dated as of _____ 1, 2021 (the "Trust Agreement"), by and among the Authority, the City and U.S. Bank National Association, Los Angeles,

* Preliminary; subject to change.

California, as trustee (the "Trustee"). See "APPENDIX A - SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS" herein.

The Bonds are payable from the Revenues pledged under the Trust Agreement. The Revenues consist primarily of Installment Sale Payments (the "Installment Sale Payments") to be made by the City to the Authority and of certain funds held under the Trust Agreement and investment earnings thereon (collectively with the Installment Sale Payments, the "Revenues"). The Authority will sell the improvements to the City pursuant to an Installment Sale Agreement, dated as of _____ 1, 2021 (the "Installment Sale Agreement"), by and between the Authority and the City.

Under the Installment Sale Agreement, the Installment Sale Payments are payable from and secured by a first lien on:

- all Measure M Receipts (as such term is defined herein), which consist of certain amounts received by the City from a 0.5% retail transactions and use tax that is collected by the County; and

- all Measure R Receipts (as such term is defined herein), which consist of certain amounts received by the City from a 0.5% retail transactions and use tax that is collected by the County through June 30, 2039; and

- all Proposition C Receipts (as such term is defined herein), which consist of certain amounts received by the City from a 0.5% retail transaction and use tax that is collected by the County.

The Measure M Receipts will only be available to pay Installment Sale Payments to the extent such Installment Sale Payments are attributable to a Measure M Project, the Measure R Receipts will only be available to pay Installment Sale Payments to the extent such Installment Sale Payments are attributable to a Measure R Project, and the Proposition C Receipts will only be available to pay Installment Sale Payments to the extent such Installment Sale Payments are attributable to a Proposition C Project, as reflected in a certificate of an Authorized City Representative delivered to the Depository Bank and the Trustee. Approximately __% of the Projects constitutes a Proposition C Project. All of the Projects financed using proceeds of the Bonds constitute a Measure M Project and a Measure R Project.

Installment Sale Payments are payable in an amount that is sufficient to pay, when due, the annual principal of and interest on the Bonds. See "SOURCES OF PAYMENT FOR THE BONDS," "MEASURE M, MEASURE R AND PROPOSITION C SALES TAX," and "RISK FACTORS." The Tax Revenues are the only source of payment of the Installment Sale Payments. Neither the general fund of the City nor any other moneys of the City are available to pay or secure the Installment Sale Payments.

All of the Authority's right, title and interest in and to the Installment Sale Agreement (apart from certain indemnification rights), including the right to receive Installment Sale Payments under the Installment Sale Agreement, are assigned to the Trustee under the Trust Agreement for the benefit of Bondholders.

For a summary of the Trust Agreement and the Installment Sale Agreement, see "APPENDIX A - SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS" herein. Certain capitalized terms used in this Limited Offering Memorandum and not otherwise defined have the meanings given them in "APPENDIX A."

## Depository Account Control Agreement

The City, the Trustee and Bank of the West (the "Depository Bank") have entered into Deposit Account Control Agreements, each dated as of _____, 2021, pursuant to which the Depository Bank has agreed to comply with written instructions ("Orders") originated by the Trustee for the disposition of funds in the Measure R Receipts Account, the Measure M Receipts Account and the Proposition C Receipts Account where all Measure R Receipts, Measure M Receipts and Proposition C Receipts, respectively, are deposited,

upon the Depository Bank's receipt of a written notice (the "Notice of Exclusive Control") for the disposition of funds in such Accounts without further consent from the City and without regard to any inconsistent or conflicting Orders given to the Depository Bank by the City.

Within one Business Day following the occurrence of a Triggering Event, the Trustee is required to deliver a Notice of Exclusive Control to the Depository Bank. Provided that no Triggering Event has occurred since the date of the prior Notice of Exclusive Control, the Trustee is required to deliver to the Depository Bank a [notice rescinding all prior Notices of Exclusive Control] on the date that is six months following the date of the prior Notice of Exclusive Control.

See "SOURCES OF PAYMENT FOR THE BONDS - Flow of Funds Under the Installment Sale Agreement" for description of the City's obligation to transfer, or cause to be transferred, on a daily basis, all amounts on deposit in the Pledged Tax Fund to the Trustee for deposit in the Revenue Fund.

"Triggering Event" means (a) a transfer from the Reserve Fund to the Interest Fund or the Principal Fund is made pursuant to the Trust Agreement to cure a deficiency in the Interest Fund or the Principal Fund, or (b) an Event of Default occurs of which the Trustee receives notice.

"Diversion Period" means the period from and including the date on which any Triggering Event occurs, to and including the date that is six months after the date of the most recent Triggering Event.

## Reserve Fund Insurance Policy

In order to further secure the payment of the principal of and interest on the Bonds, a Reserve Fund has been established by the Trust Agreement. The Reserve Fund will be funded by the purchase of a Debt Service Reserve Municipal Bond Insurance Policy (the "Reserve Policy") issued by _____ ("_____") in an amount equal to the Reserve Fund Requirement as defined in the Trust Agreement. See "SOURCES OF PAYMENT FOR THE BONDS - Reserve Fund."

## Limited Obligation

The Bonds are payable exclusively from the Revenues and other funds as is provided in the Trust Agreement. The general fund of the Authority is not liable, and the credit of the Authority is not pledged, for the payment of the interest and premium (if any) on or principal of the Bonds. The principal of and interest on the Bonds, and any premium upon the redemption of any thereof, shall not be a legal or equitable pledge, charge, lien or encumbrance upon any property of the Authority or upon any of its income, receipts or revenues except the Revenues and other funds pledged to the payment thereof as provided in the Trust Agreement. The Authority has no taxing power. The obligation of the City to make Installment Sale Payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Installment Sale Payments constitutes an indebtedness of the City, the State of California (the "State") or any of its political subdivisions other than the Authority within the meaning of any constitutional or statutory debt limitation or restriction.

## Covid-19 Pandemic

**[CONFIRM/UPDATE]** The COVID-19 pandemic that has affected the United States and the world during 2020 has led to efforts to quarantine individuals in order to reduce the spread of the virus. As such, the United States, the State, the County, and the City had each declared a "state of emergency" or equivalent. Additionally, the State issued a "stay at home" order that severely restricts the movement of residents and generally mandates residents to remain in their home and, in effect, prohibits non-essential workers from working outside their home. This caused the disruption of daily life in all jurisdictions, including the closure

of, among others, bars, dine-in restaurants, retail stores, schools, gyms, movie theatres, certain government buildings and religious institutions, and general prohibitions on gatherings.

As a result of the emergency declaration, the City has reduced its workforce and is operating primarily with limited staffing with a focus on providing essential services only. City buildings housing essential services remain open at this time, although some services may not be available on-site. The City has asked members of the public who have business to conduct with the City do so over the phone, via email or online if possible.

The economic shut-down caused by the COVID-19 pandemic and related government restrictions on activity materially reduced spending and sales tax revenues collected in the County beginning in the fourth quarter of Fiscal Year 2020. The City expects declines and delays in Revenues although it does not know the full fiscal impact that the COVID-19 pandemic will have. See "RISK FACTORS—COVID-19 Pandemic" for more information on the City's response to the COVID-19 pandemic.

## Legal Matters

All legal proceedings in connection with the issuance of the Bonds are subject to the approving opinion of Butler Snow LLP, Atlanta, Georgia, and Stradling Yocca Carlson & Rauth, A Professional Corporation as Co-Bond Counsel. Such opinion, and certain tax consequences incident to the ownership of the Bonds are described more fully under the heading "TAX MATTERS" herein. Certain legal matters will be passed on for the City and the Authority by Butler Snow LLP, Atlanta, Georgia, and Stradling Yocca Carlson & Rauth, A Professional Corporation as Co-Disclosure Counsel. Certain legal matters will be passed on for the Authority by Best Best & Krieger LLP, Riverside, California, and for the City by the City Attorney. Certain legal matters will be passed on for the Underwriter by its Counsel, Nixon Peabody LLP, Los Angeles, California.

## Offering of the Bonds

**Authority for Issuance and Delivery.** The Bonds are to be issued in accordance with applicable provisions of the California Government Code, the Trust Agreement and by a resolution of the Authority adopted on [December 1], 2020.

**Offering and Delivery of the Bonds.** The Bonds are offered, when, as and if issued, subject to the approval as to their legality by Butler Snow LLP, and Stradling Yocca Carlson & Rauth, A Professional Corporation, Co-Bond Counsel. It is anticipated that the Bonds, in book-entry form, will be available for delivery on or about _____, 2021 through the facilities of The Depository Trust Company ("DTC"). See "APPENDIX E - THE BOOK-ENTRY SYSTEM."

**THE BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THE BONDS ARE BEING OFFERED ONLY TO QUALIFIED INSTITUTIONAL BUYERS WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED. SUBSEQUENT TRANSFERS OF THE BONDS WILL BE LIMITED TO QUALIFIED INSTITUTIONAL BUYERS [OR ACCREDITED INVESTORS] WHO EXECUTE AN INVESTOR LETTER IN THE FORM ATTACHED HERETO AS APPENDIX F. SEE "RISK FACTORS – RESTRICTED PURCHASERS OF BONDS" HEREIN.**

## Summaries Not Definitive

The summaries and references contained herein with respect to the Trust Agreement, the Installment Sale Agreement, the Bonds and other statutes or documents do not purport to be comprehensive or definitive and are qualified by reference to each such document or statute, and references to the Bonds are qualified in their entirety by reference to the form thereof included in the Trust Agreement. Copies of the documents

described herein are available for inspection during the period of initial offering of the Bonds at the offices of the Municipal Advisor. Copies of these documents may be obtained after delivery of the Bonds at the trust office of the Trustee, U.S. Bank National Association, Los Angeles, California or from the City at 205 South Willowbrook Avenue, Compton, CA 90220.

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## Scheduled Debt Service on the Bonds

The following is a schedule of annualized Installment Sale Payments and therefore the total scheduled debt service on the Bonds, assuming no optional redemptions are made.

| Bond Year Ending (June 1) | Principal | Interest | Annualized Debt Service |
|---|---|---|---|
| | | | |
| **Total** | | | |

# THE FINANCING PLAN

## The Projects

The descriptions of the Projects to be financed using the proceeds of the Bonds are as follows:

**RESIDENTIAL STREET REHABILITATION PROJECT**
**CIP# 18-01, Phase 1**

| | *Street* | *From* | *To* | *Potential Funding Source* |
|---|---|---|---|---|
| 1 | Tajauta Avenue | Rosecrans Avenue | Compton Boulevard | Measure R & M |
| 2 | Myrrh Street | Santa Fe | East City Limit | Measure R & M |
| 3 | Bradfield Avenue | Pixley Street | Compton Boulevard | Measure R & M |
| 4 | Elva Avenue | Parmelee Avenue | 138th Street | Measure R & M |
| 5 | Grandee Avenue | El Segundo Boulevard | 138th Street | Measure R & M |
| 6 | Caldwell Street | Oleander | West City Limits | Prop C, Measure R & M |
| 7 | Alondra Boulevard | Lime Avenue | East City Limit | Measure R & M |

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**RESIDENTIAL STREET REHABILITATION PROJECT**
**CIP# 18-01, Phase 2**

| | *Street* | *From* | *To* | *Potential Funding Source* |
|---|---|---|---|---|
| 1 | 135th Street/Stockwell Street | Parmelee Avenue | Elva | Measure R & M |
| 2 | Alameda Street East | City Limit North | City Limit South | Prop C, Measure R & M |
| 3 | Alameda Street West | City Limit North | City Limit South | Prop C, Measure R & M |
| 4 | Alondra Boulevard | City Limit West | Lime Avenue | Prop C, Measure R & M |
| 5 | Bradfield Avenue | Compton Boulevard | Alondra Boulevard | Measure R & M |
| 6 | Bullis Road | City Limit North | City Limit South | Prop C, Measure R & M |
| 7 | Compton Avenue | 130th Street | 134th Place | Measure R & M |
| 8 | Compton Boulevard | City Limit East | City Limit West | Prop C. Measure R & M |
| 9 | Greenleaf Boulevard | City Limit East | Alameda Street | Prop C, Measure R & M |
| 10 | Oris Street | Willowbrook Avenue | City Limit East | Measure R & M |
| 11 | Palmer Street | Alameda Street | Bowen | Measure R & M |
| 12 | Parmelee Avenue | City Limit North | 138th Street | Measure R & M |
| 13 | Rosecrans Avenue | City Limit East | Alameda Street | Prop C, Measure R & M |
| 14 | Sante Fe Avenue | City Limit North | City Limit South | Prop C, Measure R & M |
| 15 | Slater Street | 133rd Street | Wilmington Avenue | Measure R & M |
| 16 | Tucker Street | Van Ness Avenue | Long Beach Boulevard | Measure R & M |
| 17 | Greenleaf Boulevard | Central Avenue | Whitemarsh Avenue | Prop C, Measure R & M |
| 18 | Walnut Street, | Walnut Park Drive | Walnut Park Way | Prop C, Measure R & M |
| 19 | Wilmington Avenue | Rosecrans Avenue | City Limit South | Prop C, Measure R & M |
| 20 | Willowbrook Avenue (East) | Rosecrans Avenue | Greenleaf Blvd. | Prop C, Measure R & M |
| 21 | Willowbrook Avenue (West) | Rosecrans Avenue | Greenleaf Blvd. | Prop C, Measure R & M |

## Estimated Sources and Uses of Funds

Under the provisions of the Trust Agreement, the Trustee will receive the proceeds from the sale of the Bonds and will apply them as follows:

| | |
|---|---|
| **Sources of Funds** | |
| Par Amount of Bonds | |
| Original Issue Premium/Discount | |
| Total Sources of Funds | |
| **Uses of Funds** | |
| Project Fund | |
| Underwriter's Discount | |
| Costs of Issuance Fund [(1)] | |
| Total Uses of Funds | |

[(1)] Expenses include fees and expenses of Co-Bond Counsel, Municipal Advisor, Co-Disclosure Counsel and Trustee, rating fees, the Reserve Policy premium, costs of printing the Limited Offering Memorandum, and other costs of issuance of the Bonds.

# THE BONDS

## General Provisions

**Payment of the Bonds.** The Bonds will be issued in the form of fully registered Bonds in denominations of $100,000 and any integral multiple of $5,000 in excess thereof. Interest on the Bonds is payable semi-annually on June 1 and December 1 of each year, commencing on June 1, 2021 (each, an "Interest Payment Date"), at the rates per annum set forth on the inside front cover page hereof, until maturity or earlier redemption. Interest on the Bonds will be computed on the basis of a year consisting of 360 days and twelve 30-day months. Principal on the Bonds is payable on June 1 in each of the years and in the amounts set forth on the inside front cover page hereof.

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

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

**Book-Entry System.** DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. Interest on and principal of the Bonds will be payable when due by wire of the Trustee to DTC which will in turn remit such interest and principal to DTC Participants (as defined herein), which will in turn remit such interest and principal to Beneficial Owners (as defined herein) of the Bonds (see "APPENDIX E - THE BOOK-ENTRY SYSTEM" herein). As long as DTC is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Trustee will send any notices to Bond Owners only to DTC.

**THE BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THE BONDS ARE BEING OFFERED ONLY TO QUALIFIED INSTITUTIONAL BUYERS WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED. SUBSEQUENT TRANSFERS OF THE BONDS WILL BE LIMITED TO QUALIFIED INSTITUTIONAL BUYERS [OR ACCREDITED INVESTORS] WHO EXECUTE AN INVESTOR LETTER IN THE FORM ATTACHED HERETO AS APPENDIX F. SEE "RISK FACTORS – RESTRICTED PURCHASERS OF BONDS" HEREIN.**

## Redemption

**Optional Redemption.** The Bonds maturing on or after [June 1, 2031] shall be subject to optional redemption prior to maturity, at the option of the City, on or after [June 1, 2030], in whole or in part (by lot within any maturity), on any date, at a Redemption Price equal to the principal amount to be redeemed, plus accrued interest to the date fixed for redemption, without premium. The City shall provide notice to the Authority and the Trustee at least forty-five (45) days prior to the redemption date (or such lesser period of time acceptable to the Trustee in its sole discretion) specifying the principal amount of the Installment Sale Payments to be prepaid).

**Mandatory Redemption Upon Event of Default.** The Bonds shall be subject to mandatory redemption prior to maturity, in whole or in part (by lot among Bonds with the same maturity in any manner which the Trustee in its sole discretion shall deem appropriate), on any date, from amounts received upon the acceleration of Installment Sale Payments upon the occurrence of an Event of Default under the Installment Sale Agreement, at a Redemption Price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption, without premium).

**Mandatory Sinking Account Redemption.** The Bonds maturing on June 1, 20__ (the "Term Bonds") are subject to mandatory sinking fund redemption at a price equal to the principal amount thereof plus accrued interest thereon to the redemption date.

As and for a sinking fund for the redemption of the Term Bonds maturing on June 1, 20__, the City shall deposit in the Interest Fund and the Principal Fund moneys which are sufficient to redeem the following principal amount of the Term Bonds maturing on June 1, 20__:

| Redemption Date (June 1) | Principal Amount |
|---|---|

* Maturity

**Purchase in Lieu of Redemption.** In lieu of redemption of any Bonds, amounts on deposit in the Revenue Fund or in any sinking account therein may also be used and withdrawn by the Trustee at any time, upon the Request of the City, for the purchase of such Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as the City may in its discretion determine, but not in excess of the principal amount thereof plus accrued interest to the purchase date. The principal amount of any Bonds so purchased by the Trustee in any twelve-month period ending 60 days prior to any Bond Payment Date in any year shall be credited towards and shall reduce the principal amount of such Term Bonds, if any, required to be redeemed on such Bond Payment Date in such year.

**Notice or Redemption or Purchase.** Notice of redemption or purchase shall be mailed by first-class mail by the Trustee, upon direction of the City, not less than 20 nor more than 60 days prior to the redemption or purchase date, to (i) the respective Owners of any Bonds designated for redemption or purchase at their addresses appearing on the registration books of the Trustee, and (ii) if the Bonds are no longer held by the Depository, to the Securities Depositories and the Municipal Securities Rulemaking Board through its Electronic Municipal Marketplace Access (EMMA) System. Notice of redemption shall be given by telecopy, certified, registered, or overnight mail to the Securities Depositories and the Municipal Securities Rulemaking Board through its Electronic Municipal Marketplace Access (EMMA) System. Each notice of redemption or purchase shall state the date of such notice, the date of issuance of the Bonds, the redemption or purchase date, the Redemption Price or Purchase Price, the place or places of redemption or purchase (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the Bonds of each Bond Payment Date or Dates, and, if less than all of the Bonds of any such Bond Payment Date, the distinctive bond numbers of the Bonds with such Bond Payment Date, to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions 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 Redemption Price or Purchase Price represented thereby or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption or purchase date, and that from and after such redemption or purchase date, interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

Notice of redemption or purchase of Bonds shall be given by the Trustee (upon direction of the City), at the expense of the Authority. Conditional notice of optional redemption may be given at the direction of the City and shall be given if funds sufficient to redeem the Bonds are not then on deposit with the Trustee. If at the time of mailing of notice, funds are not then on deposit with the Trustee, such notice shall state that it is conditional upon the deposit of the funds not later than the opening of business on the date of redemption of the Bonds, and such notice shall be of no effect unless such moneys are so deposited.

Failure by the Trustee to give notice pursuant to this Section 2.03 to the Municipal Securities Rulemaking Board through its Electronic Municipal Marketplace Access (EMMA) System or Securities Depositories shall not affect the sufficiency of the proceedings for redemption or purchase. Failure by the Trustee to mail notice of redemption or purchase pursuant to this Section 2.03 to any one or more of the respective Owners of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Owner or Owners to whom such notice was mailed.

**Effect of Redemption.** Notice of redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of, together with interest accrued to the redemption date with respect to, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable at the Redemption Price specified in such notice and interest accrued thereon to the redemption date, interest

on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Trust Agreement, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest.

All Bonds redeemed pursuant to the provisions of this Section shall be cancelled upon surrender thereof by the Trustee. All Bonds purchased pursuant to the provisions of this Section shall be registered in the name of the Authority and delivered to, or as directed in writing by, the Authority.

# SOURCES OF PAYMENT FOR THE BONDS

## General

The Bonds are payable from and secured by a pledge of Revenues and certain funds and accounts established and held by the Trustee under the Trust Agreement. Revenues, as defined in the Trust Agreement, means all Installment Sale Payments and other payments paid by the City and received by the Authority pursuant to the Installment Sale Agreement and all interest or other income from any investment of any money in any fund or account under the Trust Agreement (other than the Rebate Fund). See "APPENDIX A - SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS" herein.

The Authority will assign to the Trustee for the payment of the Bonds the Authority's rights, title and interest in the Installment Sale Agreement (with certain exceptions), including the right to receive Installment Sale Payments to be made by the City under the Installment Sale Agreement.

The Bonds are limited obligations of the Authority payable solely from and secured by a pledge of Revenues and certain funds and accounts held under the Trust Agreement. The Authority has no taxing power.

## Installment Sale Payments

The City is required to pay the Installment Sale Payments from a lien on the Sales Tax Receipts (see "Pledge of Sales Tax Receipts" below), in an amount equal to the principal and interest due with respect to the Bonds. The Installment Sale Agreement requires the City to make Installment Sale Payments to the Authority on or before each Installment Sale Payment Date. Installment Sale Payments to be paid by the City are assigned and are to be transmitted directly to the Trustee. The Trust Agreement provides that the Installment Sale Payments will be deposited in the Bond Fund maintained by the Trustee under the Trust Agreement and applied to pay the principal and interest on the Bonds.

The obligation of the City to pay Installment Sale Payments does not constitute an obligation for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation of the City to pay Installment Sale Payments does not constitute a debt of the City, the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

## Measure M Sales Tax

The term "Measure M Ordinance" is defined in the Installment Sale Agreement to mean Ordinance No. 16-01, the Los Angeles County Traffic Improvement Plan, adopted by the Los Angeles County Metropolitan Transit Authority ("MTA") on June 23, 2016, and approved by at least two-thirds of electors voting on such proposition in the November 8, 2016 election, as supplemented and amended.

The term "Measure M Revenues" is defined in the Installment Sale Agreement to mean revenues of the MTA pursuant to the Measure M Ordinance derived from a retail transactions and use tax imposed in the County pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code of the State of California, as

now in effect and as it may from time to time hereafter be amended or supplemented, Division 12 (Section 130350 et seq.) of the Public Utilities Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented, and the Measure M Ordinance. Collection of the Measure M Revenues commenced on July 1, 2017 and authorization to collect Measure M Revenues does not terminate.

The term "Measure M Receipts" is defined in the Installment Sale Agreement to mean Measure M Revenues allocated by the MTA to the City pursuant to the Measure M Ordinance from the Local Return Subfund established under the Measure M Ordinance.

The Measure M Receipts will only be available to pay Installment Sale Payments to the extent such Installment Sale Payments are attributable to a Measure M Project, as reflected in a certificate of an Authorized City Representative delivered to the Depository Bank and the Trustee. The City believes that all of the Projects financed using proceeds of the Bonds constitute a Measure M Project. See "THE FINANCING PLAN — The Projects" for a description of the projects eligible for funding through Measure M.

The term "Measure M Project" is defined in the Installment Sale Agreement to mean a capital project for which Measure M Receipts may be expended, including the related Administration Fee. See the caption "THE FINANCING PLAN - The Projects."

## Measure R Sales Tax

The term "Measure R Ordinance" is defined in the Installment Sale Agreement to mean Ordinance No. 08-01, the Traffic Relief and Rail Expansion Ordinance, adopted by the MTA on July 24, 2008, and approved by at least two-thirds of electors voting on such proposition in the November 4, 2008 election, as supplemented and amended.

The term "Measure R Revenues" is defined in the Installment Sale Agreement to mean revenues of the MTA pursuant to the Measure R Ordinance derived from a retail transactions and use tax imposed in the County pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented, Division 12 (Section 130350 et seq.) of the Public Utilities Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented, and the Measure R Ordinance. Collection of the Measure R Revenues commenced on July 1, 2009 and terminates on June 30, 2039.

The term "Measure R Receipts" is defined in the Installment Sale Agreement to mean Measure R Revenues allocated by the MTA to the City pursuant to the Measure R Ordinance from the Local Return Subfund established under the Measure R Ordinance.

The Measure R Receipts will only be available to pay Installment Sale Payments to the extent such Installment Sale Payments are attributable to a Measure R Project, as reflected in a certificate of an Authorized City Representative delivered to the Depository Bank and the Trustee. The City believes that all of the Projects financed using proceeds of the Bonds constitute a Measure R Project. See "THE FINANCING PLAN — The Projects" for a description of the projects eligible for funding through Measure R.

The term "Measure R Project" is defined in the Trust Agreement to mean a capital project for which Measure R Receipts may be expended, including the related Administration Fee. See the caption "THE FINANCING PLAN - The Projects."

## Proposition C Sales Tax

The term "Proposition C Ordinance" is defined in the Installment Sale Agreement to mean Ordinance No. 49 adopted by the Los Angeles County Transportation Commission, predecessor to the MTA, on August 8, 1990, and approved by at least two-thirds of electors voting on such proposition in the November 6, 1990 election, as supplemented and amended.

The term "Proposition C Revenues" is defined in the Installment Sale Agreement to mean revenues of the MTA pursuant to the Proposition C Ordinance derived from a retail transactions and use tax imposed in the County of Los Angeles pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented, Division 12 (Section 130350 et seq.) of the Public Utilities Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented, and the Proposition C Ordinance. Collection of the Proposition C Revenues commenced on April 1, 1991 and does not terminate under the terms of the Proposition C Ordinance.

The term "Proposition C Receipts" is defined in the Installment Sale Agreement to mean Proposition C Revenues allocated by the MTA to the City pursuant to the Proposition C Ordinance.

The Proposition C Receipts will only be available to pay Installment Sale Payments to the extent such Installment Sale Payments are attributable to a Proposition C Project, as reflected in a certificate of an Authorized City Representative delivered to the Depository Bank and the Trustee. Approximately __% of the Projects financed using proceeds of the Bonds constitutes a Proposition C Project. See "THE FINANCING PLAN — The Projects" for a description of the projects eligible for funding through Proposition C.

The term "Proposition C Project" is defined in the Installment Sale Agreement to mean a capital project for which Proposition C Receipts may be expended, including the related Administration Fee. See the caption "THE FINANCING PLAN - The Projects."

## Pledge of Sale Tax Receipts

The City has covenanted and agreed to apply the Sales Tax Receipts to the payment of the annual Installment Sale Payments prior to any other expenditure of such funds, subject to the terms for release for expenditure as proved in the Installment Sale Agreement.

All Sales Tax Receipts and any other amounts held by the trustee in any fund or account established under the Trust Agreement (other than the Project Fund or the Rebate Fund) have been irrevocably pledged to the payment of the principal of and interest on the Bonds as provided in the Trust Agreement. The Sales Tax Receipts will not be used for any other purpose while the Bonds remain outstanding, however, out of the Sales Tax Receipts there may be applied such sums for such purposes as are permitted by the Trust Agreement. Such pledge will constitute a first pledge of and charge and lien on Sales Tax Receipts and any other amounts held by the trustee in any fund or account established under the Trust Agreement (other than the Project Fund or the Rebate Fund) for the payment of the principal of and interest on the Bonds.

Pursuant to the Trust Agreement, the Authority assigned all of its rights and remedies under the Installment Sale Agreement, including its right to receive the Installment Sale Payments and its security interest in and lien on the Sales Tax Receipts.

## Flow of Funds Under the Trust Agreement

**Revenue Fund.** In order to carry out and effectuate the pledge, charge, and lien contained herein, the Authority agrees and covenants that all Revenues when and as received shall be received by the Authority

in trust for the benefit of the Owners and shall be deposited when and as received by the Authority in the Revenue Fund which fund is hereby created and which fund the Authority hereby agrees and covenants to maintain with the Trustee so long as any Bonds shall be Outstanding under this Trust Agreement. All Revenues shall be held in trust in the Revenue Fund. All Revenues, whether received by the Authority in trust or deposited with the Trustee, shall nevertheless be allocated, applied, and disbursed solely for the purposes and uses set forth in the Trust Agreement, and shall be accounted for separately and apart from all other accounts, funds, money or other resources of the Authority, and the Authority shall have no beneficial right or interest in any of the Revenues except only as provided in the Trust Agreement.

All money in the Revenue Fund shall be set aside by the Trustee in the following respective special funds and accounts within the Revenue Fund in the following order of priority:

(1) Interest Fund. All money in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on the Bonds purchased or redeemed prior to the payment dates thereof);

(2) Principal Fund. All money in the Principal Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal on the Bonds as it shall become due and payable, whether on Bond Payment Dates or redemption, except that any money in any sinking fund account shall be used and withdrawn by the Trustee only to purchase or to redeem or to pay Term Bonds for which such sinking fund account was created.

(3) Reserve Fund. All money in the Reserve Fund (including all amounts which may be obtained from any insurance policy on deposit in the Reserve Fund) shall be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Fund or the Principal Fund, in that order, in the event of any deficiency at any time in either of such Funds, but solely for the purpose of paying the interest or principal due on the Bonds, except that any cash amounts in the Reserve Fund in excess of the amount required to be on deposit therein shall be withdrawn from the Reserve Fund on each Interest Payment Date and deposited in the Interest Fund.

(4) Administration Fund. All money in the Administration Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the fees of the Authority, the Trustee, and the Rebate Analyst, payable with respect to the Agreement, this Indenture, or the Bonds, except that any cash amounts in the Administration Fund in excess of the amount required to be on deposit therein shall be withdrawn from the Administration Fund on each Interest Payment Date and deposited in the Interest Fund.

(5) Surplus Account. So long as no Event of Default of the City has occurred and is continuing hereunder or under the Installment Sale Agreement, the Trustee shall transfer or deposit amounts in the Surplus Account as instructed in a Certificate signed by an Authorized City Representative and the City may use amounts so released from the Surplus Account for any purpose permitted by applicable law, including without limitation the Measure M Ordinance, the Measure R Ordinance, and the Proposition C Ordinance.

On the [sixth ($6^{th}$)] day of every month, [commencing _____ 6, 20___], the Trustee shall deposit or transfer such amounts in the following order of priority, the requirements of each deposit or transfer of each priority to be fully satisfied, leaving no deficiencies, prior to any deposit or transfer later in priority:

(1) Interest Fund and Principal Fund. The Trustee shall deposit in the Interest Fund, an amount equal to the sum of (I) the product of (aa) a fraction, the numerator of which is 1, and the denominator of which is 6, times (bb) the amount of the interest payment due with respect to the Bonds and any Contracts, on the following Interest Payment Date, less the amount, if any, available in any capitalized interest fund

established to pay interest on Contracts; provided, however, that from and after the day on which the sum of the amounts on deposit in the Interest Fund and such interest accounts established for such Contracts is equal to the amount of interest payable on such Interest Payment Date on all outstanding Bonds and Contracts, less any amount available in any capitalized interest fund established to pay interest on Contracts, no further amounts shall be required to be so deposited pursuant to this clause (I), and, provided further that if the amount available is not sufficient to make all such deposits in full, then to such deposits ratably according to the full amount of each such deposit specified to be made, and (II) the Trustee shall deposit in the Principal Fund and the principal account established in connection with any Contracts, the product of (aa) a fraction, the numerator of which is 1, and the denominator of which is 12, times (aa) the amount of the principal payment due with respect to the Bonds and any Contracts, on the following June 1; provided, however, that from and after the day on which the sum of the amounts on deposit in the Principal Fund and such principal accounts established for such Contracts is equal to the amount of principal payable on such June 1 on all outstanding Bonds and Contracts, no further amounts shall be required to be so deposited pursuant to this clause (II), and, provided further that if the amount available is not sufficient to make all such deposits in full, then to such deposits ratably according to the full amount of each such deposit specified to be made, plus an amount equal to any shortfalls in required deposits from prior periods not previously cured. The City shall, at the request of the Trustee, certify to the Trustee the amount of the next interest payments and principal payments, if any, coming due with respect to Contracts. In the event insufficient amounts are available in the Revenue Fund to make all payments required by this paragraph, the available amounts shall be applied to such payments pro-rata based on the amount of the interest or principal payments, as applicable, due on the Bonds and any Contracts.

(2) Reserve Fund. If at any time the amount on deposit in the Reserve Fund is less than the Reserve Fund Requirement due to (I) a transfer from the Reserve Fund to the Interest Fund or the Principal Fund to make up a deficiency therein, or (II) a realized loss on a Permitted Investment held therein, the Trustee shall deposit in the Reserve Fund, until the aggregate amount of such deposits equals the amount so transferred or lost, an amount equal to the lesser of (aa) the product of (1) a fraction, the numerator of which is 1, and the denominator of which is 12, times (2) an amount equal to the amount so transferred or lost, plus an amount equal to any shortfalls in required deposits from prior periods not previously cured, or (bb) the amount necessary to cause the amount on deposit in the Reserve Fund to be equal to the Reserve Fund Requirement; no deposit need be made in the Reserve Fund so long as there shall be on deposit therein a sum equal to the Reserve Fund Requirement.

(3) Rebate Fund. The Trustee shall deposit the Rebate Amount in the Rebate Fund if and to the extent required pursuant to the terms of the Trust Agreement.

(4) Administration Fund. The Trustee shall, until the amount on deposit in the Administration Fund is equal to the Administration Fee, deposit in the Administration Fund an amount equal to the lesser of (I) the product of (aa) a fraction, the numerator of which is 1, and the denominator of which is 12, times (bb) the amount of the Administration Fee, or (II) the amount necessary to cause the amount on deposit in the Administration Fund to be equal to Administration Fee, plus an amount equal to any shortfalls in required deposits from prior periods not previously cured.

(5) Surplus Account. The Trustee shall deposit in the Surplus Account all money remaining in the Revenue Fund after the deposits required by paragraphs (1), (2), (3) and (4) above have been made.

## Reserve Fund

The Reserve Fund is established under the Trust Agreement to be funded in an amount equal to the "Reserve Fund Requirement." As defined in the Trust Agreement, the term "Reserve Fund Requirement" means, as of any calculation, an amount equal to the least of (i) 10% of the initial stated principal amount (within the

meaning of Section 148 of the Code) of the Installment Sale Payments; (ii) 125% of the average annual Installment Sale Payments, or (iii) the Maximum Annual Debt Service calculated only with respect to the Installment Sale Payments. As of the Closing date, the Reserve Fund Requirement is $_____.

The Authority will satisfy the Reserve Fund Requirement for the Bonds by depositing the Reserve Policy in the face amount of $_____, to be issued by _____ concurrently with the issuance of the Bonds.

**The Authority is not required under the Trust Agreement to replace the Reserve Policy with cash or a replacement instrument in the event the ratings of _____ decline or are withdrawn. Neither the Authority nor the City will have an obligation to replace the Reserve Policy or to fund the Reserve Fund with cash if, at any time that the Bonds are Outstanding, amounts are not available under the Reserve Policy other than in connection with a draw on the Reserve Policy.**

## Flow of Funds Under the Installment Sale Agreement

**Deposit to and Transfer from Pledged Tax Fund.** The City has established the "City of Compton Pledged Tax Fund" (the "Pledged Tax Fund") and within the Pledged Tax Fund, the "Measure R Receipts Account," the "Measure M Receipts Account," and the "Proposition C Receipts Account," which fund and accounts therein the City agrees and covenants to maintain so long as any Installment Sale Payments remain unpaid. The Measure R Receipts Account, the Measure M Receipts Account and the Proposition C Receipts Account shall at all times be subject to one or more Deposit Account Control Agreements, each dated as of [_____], 2021, entered into by and among the City, the Trustee and Bank of the West, as Depository Bank (the "Depository Bank") (collectively, the "Lockbox Agreements"). The City agrees and covenants that (i) all Measure R Receipts received by it shall be deposited when and as received in the Measure R Receipts Account, (ii) all Measure M Receipts received by it shall be deposited when and as received in the Measure M Receipts Account, and (iii) all Proposition C Receipts received by it shall be deposited when and as received in the Proposition C Receipts Account.

The City covenants and agrees to use and apply all Measure R Receipts, Measure M Receipts, and Proposition C Receipts as received on an annual basis to the payment of Installment Sale Payments prior to any other expenditure of such Tax Revenues, subject to the release for expenditure as provided below and only in an amount not exceeding the Measure R Receipts, the Measure M Receipts, and the Proposition C Receipts.

[The City covenants and agrees to include all amounts reimbursable to the Insurer (as more fully described in the Trust Agreement) and Policy Costs (as more fully described in the Trust Agreement) in its calculation of Installment Sale Payments and shall pay all such payments from the Tax Revenues.]

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

Notwithstanding anything to the contrary set forth in the Installment Sale Agreement, (a) the Measure M Receipts will only be available to pay Installment Sale Payments to the extent such Installment Sale Payments are attributable to a Measure M Project, (b) the Measure R Receipts will only be available to pay Installment Sale Payments to the extent such Installment Sale Payments are attributable to a Measure R Project, and (c) the Proposition C Receipts will only be available to pay Installment Sale Payments to the extent such Installment Sale Payments are attributable to a Proposition C Project, as reflected in a certificate of an Authorized City Representative delivered to the Trustee.

Notwithstanding the foregoing, the City may at any time transfer to the Trustee for deposit in the Revenue Fund Other Available Revenues, and if and when so deposited, all such Other Available Revenues deposited in the Revenue Fund shall be irrevocably pledged to the payment of Installment Sale Payments and shall serve to offset Tax Revenues needed to pay Installment Sale Payments and the Administration Fee.

During any period that is not a Diversion Period, the City shall transfer, or cause to be transferred, on the [fifth (5th)] day of every month (or the next Business Day if such day is not a Business Day), from amounts on deposit in the Pledged Tax Fund to the Trustee for deposit in the Revenue Fund an amount sufficient for the Trustee to make the deposits, if any, required to be made pursuant to the Trust Agreement. The City shall only be required to make transfers pursuant to this paragraph to the extent of amounts on deposit in the Pledged Tax Fund.

During any period that is not a Diversion Period, on or after the [sixteenth] day of each month and after the transfers described in paragraph have been made, and provided that sufficient amounts have been transferred by the City to the Trustee to enable the Trustee to make the deposits, if any, required by the Trust Agreement, then all moneys remaining in the Pledged Tax Fund shall be released from the pledge and lien in favor of the Installment Sale Payments and the Installment Sale Payments and the City may withdraw any such amounts on deposit in the Pledged Tax Fund and use such moneys for any purpose permitted by applicable law, including without limitation uses permitted by the Measure M Ordinance, the Measure R Ordinance, and the Proposition C Ordinance, as applicable.

During any Diversion Period, the City shall transfer, or cause to be transferred, on a daily basis, all amounts on deposit in the Pledged Tax Fund to the Trustee for deposit in the Revenue Fund.

## Additional Contracts

So long as the City is not in default under the Installment Sale Agreement, the City may at any time execute any Contract creating obligations that are payable from the Tax Revenues on a parity with the Installment Sale Payments, provided that the Tax Revenues (to the extent pledged to the payment of such obligations), for the Fiscal Year next preceding the date of the adoption by the City Council of the resolution authorizing the execution of such Contract, or for any more recent period of twelve (12) consecutive months, as evidenced by both a calculation prepared by the City and a special report prepared by an Independent Certified Public Accountant on such calculation on file with the City shall have produced a sum equal to at least 150% of the Maximum Annual Debt Service on the Installment Sale Agreement and any other Contract outstanding after the execution of such amendment or proposed Contract. [Policy Costs due and owing to the Insurer shall be included in the Maximum Annual Debt Service requirement for purposes of the foregoing calculation and the calculation of Maintenance of Tax Revenues in the Installment Sale Agreement.]

Notwithstanding the foregoing, the City may incur Contracts to refund outstanding Installment Sale Payments or outstanding Contracts if, after giving effect to the application of the proceeds thereof, total Debt Service will not be increased in any Fiscal Year in which the Installment Sale Agreement or Contracts (outstanding on the date of incurrence of such refunding Contracts, but excluding such refunding Contracts) not being refunded are outstanding.

Nothing herein shall preclude the City from issuing any bonds or notes or executing contracts under which the payments from Tax Revenues are subordinate to any of the Installment Sale Payments or any Contracts of the City.

# MEASURE M, MEASURE R AND PROPOSITION C SALES TAX

## State Sales Tax

In general, the State sales tax ("State Sales Tax") applies to the gross receipts of retailers from the sale of tangible personal property. The State use tax is imposed on the storage, use, or other consumption in the State of property purchased from a retailer for such storage, use, or other consumption. Because the use tax does not apply to cases where the sale of the property is subject to the sales tax, the application of the use tax generally is to purchases made outside of the State for use within the State. The current Statewide tax rate is 7.25%.

Many categories of transactions are exempt from the State Sales Tax. The most important of these exemptions are sales of food products for home consumption, prescription medicine, edible livestock and their feed, seed and fertilizer used in raising food for human consumption, and gas, electricity, and water when delivered to consumers through mains, lines and pipes. In addition, Occasional Sales (i.e., sales of property not held or used by a seller in the course of activities for which he or she is required to hold a seller's permit) are generally exempt from the State Sales Tax; however, the Occasional Sales exemption does not apply to the sale of an entire business and other sales of machinery and equipment used in a business. Sales of property to be used outside the County that are shipped to a point outside the County, pursuant to the contract of sale, by delivery to such point by the retailer, or by delivery by the retailer to a carrier for shipment to a consignee, at such point, are exempt from both the State Sales Tax and the State use tax.

## Measure M Sales Tax

In an election on November 8, 2016, more than two-thirds of the voters in the County approved the Measure M Ordinance, thereby imposing a 0.5% retail transactions and use tax on the gross receipts of retailers from the sale of tangible personal property sold in the County and a use tax at the same rate upon the storage, use, or other consumption in the County of such property purchased from any retailer for storage, use, or other consumption in the County, subject to certain limited exceptions described below (the "Measure M Sales Tax"). The Measure M Sales Tax commenced on July 1, 2017, is administered by MTA and is not limited in duration, and will increase to a 1.0% sales tax on July 1, 2039 concurrently with the expiration of the Measure R Sales Tax described below.

The Measure M Ordinance provides for the collection and allocation of revenues as follows: (i) 1% for regional rail; (ii) 2% for Metro State of Good Repair; (iii) 2% for Americans with Disabilities Act ("ADA") Paratransit for Disabled and MTA discounts for seniors and students; (iv) 2% for Metro Active Transportation Program; (v) 5% for MTA rail operations; (vi) 17% for highway construction; (vii) 17% for local return (increasing to 20% on July 1, 2039); (viii) 20% for transit operations; and (ix) 35% for transit construction. The Measure M Receipts constitute the local return portion of such Measure M Revenues allocable to the City (as described in clause (vii) in the previous sentence).

The Measure M Sales Tax imposed in the County for transportation purposes and administered by MTA is in addition to the State Sales Tax. The Measure M Sales Tax is generally imposed upon the same transactions and items that are subject to the State Sales Tax, with generally the same exceptions.

The Measure M Sales Tax is also in addition to: (i) a 0.5% retail transactions and use tax on the gross receipts of retailers from the sale of tangible personal property sold in the County, administered by the MTA, which commenced on July 1, 2009, and will terminate on June 30, 2039, known as the "Measure R Sales Tax", (ii) a 0.5% sales tax imposed by the Los Angeles County Transportation Commission (the "Commission"), predecessor to the MTA, beginning in 1990 and currently imposed by MTA pursuant to Ordinance No. 49 of the Commission, known as the "Proposition C Sales Tax;" (iii) a 0.5% sales tax imposed by the Commission beginning in 1980 and currently imposed by MTA pursuant to Ordinance No.

16 of the Commission, known as the "Proposition A Sales Tax;" and (iv) sales taxes that apply only within certain cities within the County. The Measure M Sales Tax will increase to a 1.0% sales tax on July 1, 2039 when the Measure R Sales Tax terminates.

Action by the State Legislature or by voter initiative could change the transactions and items upon which the State Sales Tax and the Measure M Sales Tax are imposed. Such changes or amendments could have either an adverse effect on Measure M Revenues. Neither the Authority nor the City is currently aware of any proposed legislative change that would have a material adverse effect on Measure M Revenues.

For information related to MTA, see the caption "LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY."

## Measure R Sales Tax

In an election on November 4, 2008, more than two-thirds of the voters in the County approved the Measure R Ordinance, thereby imposing a 0.5% retail transactions and use tax on the gross receipts of retailers from the sale of tangible personal property sold in the County and a use tax at the same rate upon the storage, use, or other consumption in the County of such property purchased from any retailer for storage, use, or other consumption in the County, subject to certain limited exceptions described below (the "Measure R Sales Tax"). The Measure R Sales Tax commenced on July 1, 2009, is administered by MTA and will terminate after 30 years on June 30, 2039.

The Measure R Ordinance provides for the collection and allocation of revenues as follows: (i) 2% for MTA rail capital improvements; (ii) 3% for Metrolink capital improvements; (iii) 5% for rail operations for new transit projects; (iv) 15% for local return (the "Measure R Local Return"); (v) 20% for bus operations allocated using MTA's formula allocation procedure; (vi) 20% for highway capital projects; and (vii) 35% for new rail and bus rapid transit projects. The Measure R Receipts constitute the local return portion of such Measure R Revenues allocable to the City (as described in clause (iv) in the previous sentence).

The Measure R Sales Tax imposed in the County for transportation purposes and administered by MTA is in addition to the State Sales Tax. The Measure R Sales Tax is generally imposed upon the same transactions and items that are subject to the State Sales Tax, with generally the same exceptions. The Measure R Sales Tax is also in addition to (i) the Measure M Sales Tax (ii) the Proposition C Sales Tax; (iii) the Proposition A Sales Tax; and (iv) sales taxes that apply only within certain cities within the County.

Action by the State Legislature or by voter initiative could change the transactions and items upon which the State Sales Tax and the Measure R Sales Tax are imposed. Such changes or amendments could have either an adverse effect on Measure R Revenues. Neither the Authority nor the City is currently aware of any proposed legislative change that would have a material adverse effect on Measure R Revenues.

## Proposition C Sales Tax

The Proposition C Sales Tax, approved by voters in 1990, is an additional one-half of 1% tax on retail sales in the County. MTA returns 20% of the Proposition C Sales Tax to the cities in the County for transportation purposes. The balance of the Proposition C Sales Tax is restricted 40% for construction and operation of the bus transit and rail system; 5% to expand rail and bus security; 10% for commuter rail, construction of transit centers, park and ride lots and freeway bus stops; and 25% for transit-related improvements to freeways and state highways.

On November 3, 1998 an initiative affecting the Proposition C Sales Tax (the "1998 Initiative") was submitted and approved by the voters of Los Angeles County. Pursuant to this 1998 Initiative, MTA is no longer allowed to expend Proposition C Sales Tax on the costs of planning, design, construction or operation of any "New Subway." New Subway is defined to mean any rail line in a tunnel below the earth's

surface, except for the existing segments of the Metro Red Line. The 1998 Initiative did not limit the collection of the Proposition C Sales Tax. Proposition C did not set forth a sunset date for collection of the Proposition C Sales Tax.

The Proposition C Sales Tax is also in addition to: (i) a 0.5% Measure R Sales Tax; (ii) a 0.5% Measure M Sales Tax; (iii) a 0.5% sales tax imposed by the Commission beginning in 1980 and currently imposed by MTA pursuant to Ordinance No. 16 of the Commission known as the "Proposition A Sales Tax;" and (iv) sales taxes that apply only within certain cities within the County.

In general, the State Sales Tax applies to the gross receipts of retailers from the sale of tangible personal property. The State use tax is imposed on the storage, use, or other consumption in the State of property purchased from a retailer for such storage, use, or other consumption. Because the use tax does not apply to cases where the sale of the property is subject to the sales tax, the application of the use tax generally is to purchases made outside of the State for use within the State.

The Proposition C Sales Tax is generally imposed upon the same transactions and items that are subject to the State Sales Tax, with generally the same exceptions. Many categories of transactions are exempt from the State Sales Tax and the Proposition C Sales Tax. The most important of these exemptions are sales of food products for home consumption, prescription medicine, edible livestock and their feed, seed and fertilizer used in raising food for human consumption, and gas, electricity, and water when delivered to consumers through mains, lines and pipes. In addition, Occasional Sales (i.e., sales of property not held or used by a seller in the course of activities for which he or she is required to hold a seller's permit) are generally exempt from both the State Sales Tax and the Proposition C Sales Tax; however, the Occasional Sales exemption does not apply to the sale of an entire business and other sales of machinery and equipment used in a business. Sales of property to be used outside the County that are shipped to a point outside the County, pursuant to the contract of sale, by delivery to such point by the retailer, or by delivery by the retailer to a carrier for shipment to a consignee, at such point, are exempt both from the State Sales Tax and the Proposition C Sales Tax.

Action by the State Legislature or by voter initiative (such as the 1998 Initiative) could change the transactions and items upon which the State Sales Tax and the Proposition C Sales Tax are imposed. Such changes or amendments could have either an adverse effect on Proposition C Revenues. Neither the Authority nor the City is currently aware of any proposed legislative change that would have a material adverse effect on Proposition C Revenues.

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## Collection and Allocation of Measure M Revenues

Collection of the Measure M Sales Tax began on July 1, 2017, and is administered by the California Department of Tax and Fee Administration, which imposes a charge for administration. Such charge is based on the actual costs incurred by the California Department of Tax and Fee Administration in connection with the administration of the collection of the Measure M Sales Tax. In accordance with the Measure M Ordinance, MTA is required to allocate the proceeds of the Measure M Sales Tax as follows:

| Uses | Percentage of Allocation [2] |
|---|---|
| Metro Rail Operations (including Metro Rail State of Good Repair) | 5% |
| Transit Operations (Metro and Municipal Providers) | 20% |
| ADA Paratransit for Disabled; Metro discounts for seniors and students | 2% |
| Transit Construction (includes system connectivity projects – airports, Union Station, and Countywide BRT) | 35% |
| Metro State of Good Repair | 2% |
| Highway Construction (includes system connectivity projects – ports, highway congestion, good movement) | 17% |
| Metro Active Transportation Program (bicycle, pedestrian, complete streets) | 2% |
| Regional Rail | 1% |
| Measure M Local Return [1] | 16% |
| Total | 100% |

[1] 1% Administration supplements the Measure M Local Return, increasing the Measure M Local Return from 16% to 17% of net revenues, which amount will increase to 20% on July 1, 2039. 17% of the Measure M Sales Tax is allocated to incorporated cities within the County (including the City) and to the County for the unincorporated areas thereof on a per capita basis for streets and roads improvements; a comprehensive, integrated transportation network with infrastructure and design that allows safe and convenient travel along and across streets for all users, including pedestrians, users and operators of public transit, bicyclist, persons with disabilities, seniors, children, motorists, users of green modes, and movers of commercial goods, and commonly referred to as "Complete Streets"; urban transportation rights-of-way integrated with stormwater treatment techniques that use natural processes and landscaping and quantitatively demonstrate that they capture and treat stormwater runoff from their tributary watershed through infiltration or other means and are included within respective Enhanced Watershed Management Plans, and commonly referred to as "Green Streets"; storm drains; traffic control measures; active transportation; public transit services and capital, transit oriented community investments; transit marketing; congestion management program (planning, engineering and/or study); transportation administration; or as matching funds for other federal, state or local sources used to fund transportation projects.

[2] Does not sum due to inclusion of 1% Administration to supplement Measure M Local Return. See Footnote [1] above.

The Measure M Ordinance specifies that 17% of the Measure M Sales Tax, which includes a 1% Administration supplement (the "Measure M Local Return") be allocated to incorporated cities within the County (including the City) and to the County for the unincorporated areas each on a per capita basis, which amount will increase to 20% on July 1, 2039. The California Department of Tax and Fee Administration, after deducting the costs of administering the Measure M Sales Tax, has agreed to remit all Measure M Sales Tax revenues to any trustee for MTA's outstanding bond issues that are secured by Measure M Sales Tax revenues (collectively, the "MTA Measure M Bonds"). Such trustee would thereafter immediately disburse the Measure M Local Return to the MTA. The Measure M Local Return does not serve as security for any of the MTA Measure M Bonds. At this time, MTA has not issued any MTA Measure M Bonds, but may do so in the future.

Currently, apportionments of the Measure M Local Return are being made to 88 cities and the County for the unincorporated areas (each, a "Jurisdiction" and, collectively, the "Jurisdictions"). The Measure M Local Return allocations to the Jurisdictions are based on the population shares from the projected populations as derived from annual estimates made by the California State Department of Finance. The

projected populations are revised annually in the formula allocation procedure established by the MTA Board. Before any Jurisdiction can receive any allocations of the Measure M Local Return, such Jurisdiction must sign an assurances and understanding agreement with MTA. Measure M Local Return funds are then automatically allocated monthly on a per capita basis to such Jurisdiction. In addition, to continue receiving Measure M Local Return funds, the governing body of each Jurisdiction must annually adopt a resolution approving such Jurisdiction's five-year plan regarding the expenditure of its Measure M Revenues and demonstrate its compliance with the required uses of its Measure M Revenues pursuant to an annual audit. See "RISK FACTORS - Non-Compliance with Measure M and Measure R Guidelines."

## Collection and Allocation of Measure R Revenues

Collection of the Measure R Sales Tax began on July 1, 2009, and is administered by the California Department of Tax and Fee Administration, which imposes a charge for administration. Such charge is based on the actual costs incurred by the California Department of Tax and Fee Administration in connection with the administration of the collection of the Measure R Sales Tax. In accordance with the Measure R Ordinance, MTA is required to allocate the proceeds of the Measure R Sales Tax as follows:

| **Uses** | **Percentage of Allocation** |
|---|---|
| New Rail and/or Bus Rapid Transit | 35% |
| Metrolink Capital Improvement Projects within the County | 3% |
| Metro Rail Capital – System Improvements, Rail Yards and Rail Cars | 2% |
| Carpool Lanes, Highways, Goods Movement, Grade Separations and Soundwalls | 20% |
| Rail Operations | 5% |
| Bus Operations | 20% |
| Measure R Local Return [(1)] | 15% |
| Total | 100% |

[(1)] 15% of the Measure R Sales Tax is allocated to incorporated cities within the County (including the City) and to the County for the unincorporated areas thereof on a per capita basis for major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeways; pedestrian improvements; streetscapes; signal synchronization; and transit.

The Measure R Ordinance specifies that 15% of the Measure R Sales Tax (the "Measure R Local Return") be allocated to incorporated cities within the County (including the City) and to the County for the unincorporated areas each on a per capita basis. The California Department of Tax and Fee Administration, after deducting the costs of administering the Measure R Sales Tax, has agreed to remit all Measure R Sales Tax revenues to any trustee for MTA's outstanding bond issues that are secured by Measure R Sales Tax revenues (collectively, the "MTA Measure R Bonds"). Such trustee would thereafter immediately disburse the Measure R Local Return to the MTA. The Measure R Local Return does not serve as security for any of the MTA Measure R Bonds.

Currently, apportionments of the Measure R Local Return are being made to 88 cities and the County for the unincorporated areas (each, a "Jurisdiction" and, collectively, the "Jurisdictions"). The Measure R Local Return allocations to the Jurisdictions are based on the population shares from the projected populations as derived from annual estimates made by the California State Department of Finance. The projected populations are revised annually in the formula allocation procedure established by the MTA Board. Before any Jurisdiction can receive any allocations of the Measure R Local Return, such Jurisdiction must sign an assurance and understanding agreement with MTA. Measure R Local Return funds are then automatically allocated monthly on a per capita basis to such Jurisdiction. In addition, to continue receiving Measure R Local Return funds, the governing body of each Jurisdiction must annually adopt a resolution approving such Jurisdiction's five-year plan regarding the expenditure of its Measure R Revenues and demonstrate its compliance with the required uses of its Measure R Revenues pursuant to an annual audit. See "RISK FACTORS - Non-Compliance with Measure M, Measure R and Proposition C Guidelines."

## Collection and Allocation of Proposition C Revenues

Collection of the Proposition C Sales Tax began on April 1, 1991, and is administered by the California Department of Tax and Fee Administration, which imposes a charge for administration. Such charge is based on the actual costs incurred by the California Department of Tax and Fee Administration in connection with the administration of the collection of the Proposition C Sales Tax. In accordance with the Proposition C Ordinance, MTA is required to allocate the proceeds of the Proposition C Sales Tax as follows:

| Uses | Percentage of Allocation |
|---|---|
| Construction and operation of the bus transit and rail system[(1)] | 40% |
| Expand rail and bus security | 5% |
| Commuter rail, construction of transit centers, park and ride lots and freeway bus stops | 10% |
| Transit related improvements to freeways and state highways | 25% |
| Proposition C Local Return[(2)] | 20% |
| Total | 100% |

(1) Pursuant to the Metropolitan Transportation Authority Reform and Accountability Act of 1998, MTA is prohibited from spending Proposition C Sales Tax revenues on the costs of planning, design, construction or operation of any rail line which is a tunnel below the grade level of the earth's surface (including any extension or operating segment thereof), except for Segment 1, Segment 2 and Segment 3 (North Hollywood) of the Red Line, including debt service on bond, notes or other evidences of indebtedness issued for such purposes after March 30, 1998.

(2) 20% of the Proposition C Sales Tax is allocated to incorporated cities within the County (including the Local Agencies) and to the County of Los Angeles for the unincorporated areas thereof on a per capita basis for public transit, paratransit and related services. Source: MTA.

The Proposition C Ordinance specifies that 20% of the Proposition C Sales Tax (the "Proposition C Local Return") be allocated to incorporated cities within the County (including the Local Agency) and to the County for the unincorporated areas each on a per capita basis. The California Department of Tax and Fee Administration, after deducting the costs of administering the Proposition C Sales Tax, has agreed to remit all Proposition C Sales Tax revenues to the trustee for the MTA's outstanding bond issues that are secured by Proposition C Sales Tax revenues (collectively, the "MTA Proposition C Bonds" and, collectively with the MTA Measure R Bonds and the MTA Measure M Bonds, the "MTA Bonds"). Such trustee will thereafter immediately disburse the Proposition C Local Return to the MTA. The Proposition C Local Return does not serve as security for any of the MTA Proposition C Bonds.

Currently, apportionments of the Proposition C Local Return are being made to 88 cities and the County for the unincorporated areas. The Proposition C Local Return allocations to the Jurisdictions are based on the population shares from the projected populations as derived from annual estimates made by the California State Department of Finance. The projected populations are revised annually in the formula allocation procedure established by the MTA Board. Before any Jurisdiction can receive any allocations of the Proposition C Local Return, such Jurisdiction must sign an assurances and understanding agreement with MTA. Proposition C Local Return funds are then automatically allocated monthly on a per capita basis to such Jurisdiction. In addition, to continue receiving Proposition C Local Return funds, the governing body of each Jurisdiction must annually adopt a resolution approving such Jurisdiction's five year plan regarding the expenditure of its Proposition C Revenues and demonstrate its compliance with the required uses of its Proposition C Revenues pursuant to an annual audit.

## Historical Sales Tax Receipts

The following table sets forth the Sales Tax Receipts that were distributed by MTA to the City during the last five fiscal years. [The City has never failed to receive all of the Sales Tax Receipts due to the City since the time MTA began distributing the respective Sales Tax Receipts.]

**CITY OF COMPTON**
**HISTORICAL SALES TAX RECEIPTS**

| Fiscal Year | Measure M Receipts[1] | Measure R Receipts | Proposition C Receipts | Total |
|---|---|---|---|---|
| 2015-16 | - | $1,102,044 | $1,467,530 | $2,569,574 |
| 2016-17 | - | 1,118,488 | 1,490,830 | 2,609,318 |
| 2017-18 | $1,063,073 | 1,173,073 | 1,566,259 | 3,802,405 |
| 2018-19 | 1,409,215 | 1,249,926 | 1,666,089 | 4,325,230 |
| 2019-20[2] | | | | |

[1] MTA began distributing Measure M Receipts to the City in October of 2017.

[2] Receipts reported are unaudited figures. The City's audited financials were not available at the time of posting.

Source: City of Compton

## Projected Debt Service Coverage

The following table sets forth the projected annual debt service coverage with respect to the Bonds.

| Bond Year Ending June 1 | Sales Tax Receipts | Projected Annual Installment Sale Payments* | Debt Service Coverage* |
|---|---|---|---|

* Preliminary, subject to change.

[1] Beginning Bond Year June 1, 2041, the Measure M local return percentage increases from 17% to 20%.

Source: City of Compton

# LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

MTA was established in 1993 pursuant to the provisions of Section 130050.2 et seq. of the California Public Utilities Code. MTA is the consolidated successor entity to both the Southern California Rapid Transit District (the "District") and the Commission. As the consolidated successor entity, MTA succeeded to all powers, duties, rights, obligations, liabilities, indebtedness (bonded or otherwise), immunities, and exemptions of the Commission and the District, including the Commission's responsibility for planning, engineering, and constructing a county-wide rail transit system. The Commission was authorized, subject to approval by the electorate of the County, to adopt a retail transactions and use tax ordinance, with the revenues of such tax to be used for public transit purposes.

MTA is governed by a 14-member Board of Directors (the "MTA Board"). The MTA Board is composed of the five members of the County of Los Angeles Board of Supervisors, the Mayor of the City of Los Angeles, two public members, and one member of the City Council of the City of Los Angeles appointed by the Mayor of the City of Los Angeles, four members who are either a mayor or a member of a city council of a city in the County (other than the City of Los Angeles) and who have been appointed by the Los Angeles County City Selection Committee, and a nonvoting member appointed by the Governor.

The MTA Board exclusively exercises and discharges the following powers and responsibilities: (i) establishment of overall goals and objectives; (ii) adoption of the aggregate budget for all of its organizational units; (iii) designation of additional municipal bus operators under criteria enumerated in the California Public Utilities Code; (iv) approval of all final rail corridor selections; (v) final approval of labor contracts covering employees of MTA and its organizational units; (vi) establishment of MTA's organizational structure; (vii) conducting hearings and setting fares for the operating organizational units; (viii) approval of transportation zones; (ix) approval of any debt instrument with a maturity date exceeding the end of the fiscal year in which it is issued; (x) approval of benefit assessment districts and assessment rates; and (xi) approval of contracts for construction and transit equipment acquisition which exceed $5,000,000 and making findings in connection with certain procurement decisions.

# CITY OF COMPTON

## General

The City of Compton (the "City") is located in the geographical center of the County of Los Angeles (the "County"), between the greater Los Angeles and Long Beach metropolitan areas. The City had approximately 98,032 residents as of January 1, 2020 and encompasses an area of approximately 10.2 square miles.

## Government

***City Council and Staff***. The City is a municipal corporation and charter city organized and existing under the Constitution and laws of the State. The City Charter provides for the election, organization, powers and duties of the legislative branch, known as the City Council; the powers and duties of the executive and administrative branches; fiscal administration; and public utilities and franchises. The City Council governs the City and is composed of five members, four who are residents of their respective City Council districts, and one member who is nominated and elected from the City at large to hold the office of Mayor. The Mayor is the presiding officer of the City Council and is the official head of the City. The Mayor is required to live within the City limits. Other elected officers of the City are the City Clerk, the City Treasurer and the City Attorney. All City Council members and other elected officers serve for a term of four years, without term limits. The City Council appoints the City Manager, who is the chief executive officer and the head of the administrative branch of the City government.

*Craig J. Cornwell, City Manager*. **[BIO TO COME]**

*Michael L. Antwine II, Assistant City Manager*. **[BIO TO COME]**

*Triphenia Simmons, Assistant City Manager*. **[BIO TO COME]**

*Sharon Rahban, Interim City Controller*. **[BIO TO COME]**

*Damon Brown, City Attorney*. Damon Brown was appointed to the seat of City Attorney by the Compton City Council on August 1, 2019. Prior to his appointment, Mr. Brown provided advice and counsel to and represented private and public employers, including the City, in all phases of federal and state litigation, in labor negotiations and before administrative and regulatory bodies. Mr. Brown is graduate of the Vanderbilt University Law School with distinction and the University of California Berkeley, where he graduated with high honors. Mr. Brown also studied abroad in the Caribbean and Europe and holds a certificate in international mediation and conciliation from the University of Bologna in Italy.

## Financial Statements

The City recently has had challenges with timely preparation and disclosure of audits. In fiscal year 2010-11, Mayer Hoffman, McCann P.C., resigned from the City's audit and issued an Independent Auditors' Report, but did not issue an opinion on the fiscal year 2010-11 financial statements of the City. The City received audited financial statements for the fiscal year ended June 30, 2012 in which Macias Gini & O'Connell LLP ("MGO") expressed a clean opinion on the fiscal year 2011-12 financial statements. MGO commenced the audit of the 2012-13 financial statements in February 2015 and completed and delivered the final fiscal year 2012-13 audit in August 2015. The City did not produce audited financial statements for the fiscal years 2013-14 through 2016-17. Eadie and Payne LLP completed its audit of the City's financial statements for the fiscal year 2017-18 in December 2019. The City completed the audit of its financial statements for the fiscal year 2019-20 and will submit to the City Council for receive and file in January 2021. However, there is no guaranty that the fiscal year 2019-20 audit will be delivered by the projected delivery date and that there will be no delays in producing audited financial statements thereafter.

## Population

The population of the City as of January 1, 2020 was estimated to be 98,032. The following table lists population figures for the City, the County and the State as of January 1 for the last ten years.

**TABLE 1**
**CITY OF COMPTON, COUNTY OF LOS ANGELES AND STATE OF CALIFORNIA**

**Population Estimates**
**Calendar Years 2011 through 2020[(1)]**

| Calendar Year | City of Compton | County of Los Angeles | State of California |
|---|---|---|---|
| 2011 | 97,193 | 9,879,298 | 37,561,624 |
| 2012 | 98,083 | 9,956,882 | 37,924,661 |
| 2013 | 98,495 | 10,025,712 | 38,269,864 |
| 2014 | 98,496 | 10,078,930 | 38,556,731 |
| 2015 | 99,024 | 10,126,423 | 38,870,150 |
| 2016 | 98,920 | 10,158,196 | 39,131,307 |
| 2017 | 98,970 | 10,193,753 | 39,398,702 |
| 2018 | 98,710 | 10,209,676 | 39,586,646 |
| 2019 | 98,206 | 10,184,378 | 39,695,376 |
| 2020 | 98,032 | 10,172,951 | 39,782,870 |

(1) Estimated by the California Department of Finance, Demographic Research Unit, as of January 1 of each year.

## Employment

The following table shows certain employment statistics for the City, the County, and the State for calendar years 2011 through 2019.

**TABLE 2**
**CITY OF COMPTON, COUNTY OF LOS ANGELES AND STATE OF CALIFORNIA**

**City and County Employment Statistics**
**Calendar Years 2011 through 2019** [1]

| | City | | | County | State |
|---|---|---|---|---|---|
| Year | Labor Force | Employed | Unemployment Rate | Unemployment Rate | Unemployment Rate |
| 2011 | 41,100 | 33,600 | 18.3% | 12.2% | 11.7% |
| 2012 | 40,600 | 33,900 | 16.5 | 10.9 | 10.4 |
| 2013 | 40,600 | 34,600 | 14.8 | 9.8 | 8.9 |
| 2014 | 40,400 | 35,200 | 12.7 | 8.3 | 7.5 |
| 2015 | 39,700 | 35,600 | 10.3 | 6.6 | 6.2 |
| 2016 | 39,000 | 36,300 | 6.9 | 5.3 | 5.5 |
| 2017 | 39,300 | 36,800 | 6.3 | 4.8 | 4.8 |
| 2018 | 39,600 | 37,100 | 6.3 | 4.6 | 4.3 |
| 2019[2] | 39,300 | 36,900 | 6.1 | 4.4 | 4.0 |

[1] Not seasonally adjusted. Figures represent the 12-month average for each such year.

[2] Does not reflect effects of the COVID-19 Pandemic.

Source: State of California, Employment Development Department.

The table below lists the ten largest employers in the City for 2019.

**TABLE 3**
**CITY OF COMPTON**
**MAJOR EMPLOYERS**

| | Name of Company | Employees | Percentage of Total |
|---|---|---|---|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |
| 6. | | | |
| 7. | | | |
| 8. | | | |
| 9. | | | |
| 10. | | | |
| | Total Employment | | |

Source: _____.

The following table summarizes the civilian labor force in the County for the calendar years 2015 through 2019. These figures are countywide statistics and may not necessarily accurately reflect employment trends in the City.

**TABLE 4**
**LOS ANGELES COUNTY**
**Annual Average Industrial Employment [(1)]**
**Calendar Years 2015-2019**

| | 2015 | 2016 | 2017 | 2018 | 2019[(2)] |
|---|---|---|---|---|---|
| Total Farm | 5,000 | 5,300 | 5,700 | 4,600 | 4,500 |
| Mining and Logging | 2,900 | 2,400 | 2,000 | 1,900 | 1,900 |
| Construction | 126,100 | 134,000 | 138,700 | 146,300 | 149,300 |
| Manufacturing | 368,200 | 360,800 | 349,000 | 341,200 | 339,200 |
| Trade, Transportation and Utilities | 822,200 | 835,600 | 845,700 | 851,600 | 851,500 |
| Information | 207,600 | 229,400 | 214,900 | 216,400 | 217,300 |
| Financial Activities | 215,600 | 219,800 | 221,600 | 223,200 | 223,900 |
| Professional and Business Services | 593,800 | 603,000 | 612,100 | 630,400 | 642,800 |
| Educational and Health Services | 745,900 | 772,700 | 800,600 | 821,300 | 843,600 |
| Leisure and Hospitality | 486,600 | 510,000 | 524,600 | 536,500 | 544,700 |
| Other Services | 151,000 | 153,300 | 155,700 | 158,800 | 158,400 |
| Government | 568,500 | 576,700 | 586,100 | 590,600 | 594,200 |
| Total All Industries[(1)] | 4,293,500 | 4,403,000 | 4,456,700 | 4,522,700 | 4,571,400 |
| Total Civilian Labor Force[(3)] | 4,980,300 | 5,030,500 | 5,084,000 | 5,095,500 | 5,121,600 |
| Total Unemployment | 329,600 | 264,600 | 242,200 | 235,200 | 227,300 |
| Unemployment Rate | 6.6% | 5.3% | 4.8% | 4.6% | 4.4% |

(1) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers and workers on strike.

(2) Does not reflect effects of the COVID-19 Pandemic.

(3) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers and workers on strike.

Source: California Employment Development Department, Labor Market Information Division.

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## Per Capita Personal Income

The table below shows the per capita personal income for the City, the County and the State for the 2014-18 five-year period.

**TABLE 5**
**CITY OF COMPTON, COUNTY OF LOS ANGELES AND STATE OF CALIFORNIA**

**Per Capita Income**
**Calendar Years 2014 through 2018**
**(in 2018 dollars)**

| Calendar Year | City of Compton | County of Los Angeles | State of California |
|---|---|---|---|
| 2014-18 | $16,348 | $32,469 | $32,621 |

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates.

## Median Household Income

The table below shows the median household income for the City, the County and the State for the 2014-18 five-year period.

**TABLE 6**
**CITY OF COMPTON, COUNTY OF LOS ANGELES AND STATE OF CALIFORNIA**

**Median Household Income**
**Calendar Years 2014 through 2018**
**(in 2018 dollars)**

| Calendar Year | City of Compton | County of Los Angeles | State of California |
|---|---|---|---|
| 2014-18 | $50,507 | $64,251 | $60,293 |

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates.

## Retail Sales

The following table summarizes the volume of retail sales and taxable transactions for the City of Compton and Los Angeles County for 2011 through 2019 (the most recent year for which statistics are available from the California Department of Tax and Fee Administration for the full year).

**TABLE 7**
**CITY OF COMPTON AND LOS ANGELES COUNTY**
**TOTAL TAXABLE TRANSACTIONS**
**(in $ thousands)**

| | City of Compton Taxable Transactions | | Los Angeles County Taxable Transactions | |
|---|---|---|---|---|
| Year | Retail and Food Services | Other | Retail and Food Services | Other |
| 2011 | $431,816 | $163,755 | $89,251,447 | $37,189,290 |
| 2012 | 462,721 | 175,894 | 95,318,603 | 39,976,979 |
| 2013 | 477,220 | 200,567 | 99,641,174 | 40,438,534 |
| 2014 | 468,242 | 195,463 | 104,189,819 | 43,257,108 |
| 2015 | 497,653 | 190,645 | 109,094,980 | 42,886,760 |
| 2016 | 509,589 | 206,108 | 110,944,351 | 44,211,290 |
| 2017 | 573,835 | 233,241 | 114,298,560 | 45,981,570 |
| 2018 | 591,706 | 208,643 | 118,862,036 | 46,812,318 |
| 2019 | 611,379 | 165,409 | 122,444,678 | 49,868,925 |

Source: California Department of Tax and Fee Administration, *"Taxable Sales in California."*

# RISK FACTORS

*The purchase of the Bonds involves investment risk. If a risk factor materializes to a sufficient degree, it could delay or prevent payment of principal of and/or interest on the Bonds. Such risk factors include, but are not limited to, the following matters and should be considered, along with other information in this Limited Offering Memorandum, by potential investors.*

## Installment Sale Payments Constitute Limited Obligations

The obligation of the City to make Installment Sale Payments under the Installment Sale Agreement is a special obligation of the City, payable solely from the Sales Tax Receipts, does not constitute a debt of the City, the Authority, the County, the State or any political subdivision of the State within the meaning of any constitutional or statutory debt limitation or restriction, and does not constitute an obligation for which the City, the County, the State or any political subdivision of the State (other than the Authority) is obligated to levy or pledge any form of taxation or for which the City, the County, the State, or any political subdivision of the State (other than the Authority) has levied or pledged any form of taxation. The Authority has no taxing power.

## Passive Revenue Source

The payment of principal of and interest on the Bonds is secured solely by a pledge of Installment Sale Payments, which in turn are secured by a pledge by the City of the Sales Tax Receipts, and certain funds

held under the Trust Agreement. The City does not have any control over the amount of Sales Tax Receipts to be received by the City because: (i) Measure M Revenues, Measure R Revenues and Proposition C Revenues constitute revenues of MTA derived from a retail transactions and use tax imposed in the County pursuant to the Measure M Ordinance, Measure R Ordinance and Proposition C Ordinance, respectively, and the City has no ability to control the number of transactions and revenues generated by the tax; and (ii) the City does not have any control over the collection or distribution procedures related to any State taxes or local retail transactions and use taxes.

There can be no assurance that future Sales Tax Receipts will be available in the historical amounts shown in this Limited Offering Memorandum. A decrease in Measure M Revenues, Measure R Revenues and Proposition C Revenues would adversely affect the amount and/or availability of Measure M Receipts, Measure R Receipts and Proposition C Receipts, respectively. In addition, the City must continuously meet certain requirements set forth in the Measure M Ordinance, Measure M Ordinance and Proposition C Ordinance, respectively, in order to be eligible to receive Measure M Revenues, Measure R Revenues and Proposition C Revenues from MTA and apply Measure M Receipts, Measure R Receipts and Proposition C Receipts to pay the Installment Sale Payments. Such requirements include the annual adoption by the City of a resolution approving the City's Five-Year Capital Improvement Plan, compliance by the City with a maintenance of effort requirement, MTA's approval of annual payments on an annual basis and MTA's approval of financed projects. See the captions "MEASURE M, MEASURE R AND PROPOSITION C SALES TAX" and "Non-Compliance with Measure M, Measure R and Proposition C Guidelines" below.

## COVID-19 Pandemic

**[UPDATE/CONFIRM]** [As a part of the State's response to the global outbreak of a novel coronavirus, COVID-19, the Governor of the State (the "Governor") declared a state of emergency in the State on March 4, 2020.

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic and on March 13, 2020, the President of the United States declared a national state of emergency.

On March 12, 2020, the Governor issued Executive Order N-25-20, requiring the California Department of Tax and Fee Administration (the "CDTFA"), which administers sales and use taxes in the State, to use its administrative powers where appropriate to provide extensions for filing, payment, audits, billing, notices, assessments, claims for refund, and relief from subsequent penalties and interest to individuals and businesses impacted by complying with a state or local public health official's imposition or recommendation of social distancing measures related to COVID-19. On March 30, 2020, the Governor issued Executive Order N-40-20, which provided a three-month extension for tax returns and tax payments for all businesses filing a return for less than $1,000,000 in taxes. Such extension remains effective through the reporting of taxes or fees due or the payment of taxes that are due on or before July 31, 2020. This Order also extends the statute of limitations to file a claim for refund for taxes and fees administered by CDTFA, and it extends the timeframe to file for appeal with CDTFA. On April 2, 2020, the Governor announced a one-year reprieve on the payment of sales and use taxes for small businesses allowing them to request to defer payment on up to $50,000 of sales and use tax liability.

The State, the City, and the County imposed significant restrictions on economic and other activity within the County beginning in March 2020. While some of those restrictions have been lifted, some have been reimposed. It is unknown when and whether restrictions will continue to be eased or will be reinstated or enhanced.

The economic shut-down caused by the COVID-19 pandemic and related government restrictions on activity materially reduced spending and sales tax revenues collected in the County in the fourth quarter of Fiscal Year 2020. Furthermore, government restrictions and possible future restrictions may affect the

collection and administration of sales taxes in the State. Some of the negative impacts that the City has identified include:

- The City expects declines and delays in sales tax revenues in Fiscal Year 2021 due to required business shutdowns and the impact of COVID-19 on the economy, but the City does not know the full fiscal impact that COVID-19 will have on its sales tax revenues. Based on unaudited Fiscal Year 2020 numbers, the City expects Pledged Tax Revenues to be $4.4 million as compared to $4.6 million in Fiscal Year 2019.

- As a result of the Governor's executive orders, the City currently expects that the amounts of prepayments and transfers of sales tax revenues from CDTFA will decline and be delayed. Since the Governor's executive order only covers businesses that have sales tax liabilities below specified thresholds, the City has received and expects it will continue to receive some amounts of monthly prepayments and transfers of sales tax revenues from CDTFA but is unable to predict what those amounts will be.

- The City currently believes that despite the negative impacts of COVID-19 on collection of sales tax revenues in the County, there will be sufficient sales tax revenues to pay debt service on all of the City's outstanding sales tax revenue bonds, including the Bonds.

Because the full fiscal impact of COVID-19 cannot be predicted with any degree of certainty, the City is planning for the future using financial scenarios that it has prepared, in July 2020, based on estimates. Given the ongoing uncertainty, City management may revise the scenarios in the future. Percentage declines in sales tax revenues were estimated for the major economic sectors based on the information collected and assumptions about how safer-at-home orders, non-essential business closures and other economic changes would impact each respective major economic sector. These scenarios are not based on any actual economic data but represent efforts to estimate the economic impact without the benefit of any prior historical precedents. The City's scenarios all assume economic contraction in the last two quarters of Fiscal Year 2020 and the first quarter of Fiscal Year 2021 and gradual recovery from the second quarter through the end of the fourth quarter of Fiscal Year 2021. These scenarios assume Revenues for Fiscal Year 2021 to be between 8% to 10% lower than Revenues shown in the 2019 Financial Statements.

The City anticipates receiving approximately $3.0 million in funding under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act for Fiscal Year 2020 and Fiscal Year 2021 to partially offset losses in sales tax revenues and other operational and capital costs. Management is also taking various actions to prioritize and reduce costs in addition to seeking other federal and State funding as it becomes available.

The COVID-19 outbreak is ongoing, and its dynamic nature leads to uncertainties, including (i) the geographic spread of the virus; (ii) the severity of the disease; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate the outbreak; (v) the development of medical therapeutics or vaccinations; (vi) the impact of the outbreak on the local, national or global economy; and (vii) the impact of the outbreak and actions taken in response to the outbreak on the City's revenues, expenses and financial condition.]

## Increased Internet Use May Reduce Sales Tax Revenues

The increasing use of the Internet to conduct electronic commerce may affect the levels of Measure M Revenues, Measure R Revenues and Proposition C Revenues. Internet sales of physical products by businesses that are located in the State, and Internet sales of physical products delivered to the State by businesses that are located outside of the State, are generally subject to sales taxes. However, the City believes that many of these transactions may avoid taxation either through error or deliberate nonreporting, which potentially reduces the amount of Measure M Revenues, Measure R Revenues and Proposition C

Revenues. As a result, the more that the Internet is used to conduct electronic commerce, along with the failure to collect sales taxes on such Internet purchases, the more that the City may experience reductions in Measure M Revenues, Measure R Revenues and Proposition C Revenues. On September 23, 2011, Governor Brown signed into law a settlement with Amazon.com Inc., one of the largest internet retailers in the State. As a result, beginning in September 2012, Amazon.com began collecting taxes from its Internet sales in the State to remit to the California Department of Tax and Fee Administration.

On June 21, 2018, in the case of *South Dakota v. Wayfair*, the Supreme Court of the United States ruled that states can require online sellers to collect sales taxes. As a result of this ruling, states will be able to require retailers to collect state sales tax on their transactions, whether or not the retailer has a physical presence within the state. The Authority cannot predict the degree that the ruling in *South Dakota v. Wayfair* will affect the collection of the Measure M Sales Tax and Measure R Sales Tax on a going forward basis.

## Allocation of Measure M Revenues, Measure R Revenues and Proposition C Revenues to the City

The California Department of Tax and Fee Administration administers collection of the Measure M Sales Tax, Measure R Sales Tax and Proposition C Sales Tax. The California Department of Tax and Fee Administration, after deducting the costs of administering the Measure M Sales Tax, the Measure R Sales Tax and the Proposition C Sales Tax, has agreed to remit all Measure M Sales Tax, Measure R Sales Tax and Proposition C Sales Tax revenues to any trustee for MTA Bonds to be secured by Measure M Sales Tax, Measure R Sales Tax or Proposition C Sales Tax, respectively. Such trustee would thereafter immediately disburse the Measure M Local Return, Measure R Local Return and the Proposition C Local Return to the MTA. The Measure M Local Return, Measure R Local Return or the Proposition C Local Return does not serve as security for any MTA Bonds that may be issued. Amounts constituting the Measure M Local Return, Measure R Local Return and the Proposition C Local Return are transferred to the MTA and MTA transfers the Measure M Receipts, Measure R Receipts and Proposition C Receipts to the City as described herein.

There can be no assurance that changes in the foregoing procedures or other actions undertaken or not undertaken by the California Department of Tax and Fee Administration, the trustee for any MTA Bonds to be secured by Measure M Sales Tax, Measure R Sales Tax or Proposition C Sales Tax will not adversely affect the City's receipt of Measure M Revenues or Measure R Revenues.

## Limitations on Use of Measure M Revenues, Measure R Revenues and Proposition C Revenues

Not all of the Measure M Revenues, Measure R Revenues and Proposition C Revenues allocated by MTA to the City may be applied to pay the Installment Sale Payments. Only the Measure M Receipts, Measure R Receipts and Proposition C Receipts may be so applied. See the caption "SOURCES OF PAYMENT FOR THE BONDS - Measure M Sales Tax," "- Measure R Sales Tax" and "-Proposition C Sales Tax" for detailed definitions of such terms. Proposition C Receipts are eligible only for the portion of the payment attributable to Proposition C eligible projects. The City believes all projects financed with proceeds of the Bonds are eligible for funding through Measure M Receipts and Measure R Receipts.

## Project Eligibility

The projects to be constructed by the City must be designated by MTA as qualified projects for purposes of the local streets and roads program established under the Measure M Ordinance or the Measure R Ordinance or for purposes of public transit under the Proposition C Ordinance. Only such Measure M Projects are eligible to be financed from Measure M Receipts, only Measure R Projects are eligible to be financed from Measure R Receipts, and only Proposition C Projects are eligible to be financed from

Proposition C Receipts. Although the City believes that all of the components of the Projects constitute a Measure M Project, a Measure R Project or a Proposition C Project, as applicable, there can be no assurance as to the continuing eligibility of such Project for MTA's local streets and roads program or public transit. See the captions "MEASURE M, MEASURE R AND PROPOSITION C SALES TAX - Collection and Allocation of Measure M Revenues," "- Collection and Allocation of Measure R Revenues," "- Collection and Allocation of Proposition C Revenues" and "Non-Compliance with Measure M, Measure R and Proposition C Guidelines" below.

## Non-Compliance with Measure M, Measure R and Proposition C Guidelines

**Measure M Guidelines.** In connection with the Measure M Ordinance, MTA, on July 14, 2017, approved guidelines relating to the administration and use of the Measure M Sales Tax (the "Measure M Guidelines"). The Measure M Guidelines include a number of provisions that must be complied with by the City to ensure continued eligibility to receive Measure M Sales Tax distributions. Failure to follow these provisions could result in the suspension of distributions of Measure M Sales Tax, the return of such tax to MTA or the requirement of the City to replenish its "Measure M Local Return" account with available funds other than Measure M Sales Tax. MTA performs annual audits to monitor compliance with the provisions of the Measure M Guidelines.

Under the Measure M Guidelines, the City is required to expend Measure M Sales Tax monies only on those transportation purposes identified in the Measure M Guidelines. If the City is found to have expended funds without MTA's approval, the City will be required to reimburse its Measure M Sales Tax account for the amount of the unapproved expenditures. If MTA determines that Measure M Sales Tax was expended on projects that do not meet the Guidelines' definition of transportation purposes, then the City will be required to reimburse its Measure M Sales Tax account in an amount equal to the non-qualifying expenditures plus interest, and could also face a suspension of disbursements of Measure M Sales Tax for a period of three years. If such a suspension were imposed, the City would not receive any Measure M Sales Tax during the term of the suspension, which would have a material adverse impact on the City's ability to pay Installment Sale Payments when due and a material adverse impact on the Authority's ability to pay the principal of and interest on the Bonds on a timely basis.

In addition, the failure of the City to properly verify that all Measure M Sales Tax related revenue, including Measure M Sales Tax allocations to the City, project generated revenues and interest income, was properly credited to its Measure M Sales Tax account, could result in the suspension of Measure M Sales Tax disbursements until the City has demonstrated to MTA that all such Measure M Sales Tax allocable to the City has been credited to the City's Measure M Sales Tax account. If the City fails to properly credit its Measure M Sales Tax related revenue to its Measure M Sales Tax account, MTA could suspend the distribution of Measure M Sales Tax until the City has demonstrated compliance with the Measure M Guidelines. During the duration of any suspension of Measure M Sales Tax disbursements, the City would not be receiving Measure M Receipts, which would have a material adverse impact on the City's ability to pay Installment Sale Payments when due and a material adverse impact on the ability of the Authority to pay the principal of and debt service on the Bonds on a timely basis.

The Measure M Guidelines also require the local agencies, including the City, to maintain their individual local commitment of funds for transportation projects and services that was expended prior to the receipt of the Measure M Sales Tax (the "Measure M MOE"). If the local agency fails to maintain the Measure M MOE, then such local agency will be required to reimburse its Measure M Sales Tax account with available funds other than Measure M Sales Tax Receipts. The Measure M MOE is $_____, which the City expects to fund through [_____].**[UPDATE]**

The City is required to expend Measure M Sales Tax within five years of the last day of the fiscal year in which such funds were originally allocated or received (subject to certain exceptions). If the City fails to expend the Measure M Sales Tax allocated to the City, the City is required to return the lapsed Measure M Sales Tax, interest income and other earned income on such lapsed amount, to MTA for reallocation to the

other local agencies based on population. In certain circumstances, the City, with the approval of MTA, may be able to obtain additional time beyond the five-year term limit to expend its allocation of Measure M Sales Tax.

The Measure M Guidelines additionally require that the City annually submit an expenditure plan and an expenditure report to MTA to remain legally eligible to receive Measure M Sales Tax. If the City fails to submit to submit these items to MTA, the City may be determined to be legally ineligible to receive Measure M Sales Tax. During any period when the City is not legally eligible to receive Measure M Sales Tax, the City would not be receiving Measure M Receipts, which would have a material adverse impact on the City's ability to pay Installment Sale Payments when due and a material adverse impact on the ability of the Authority to pay debt service on the Bonds on a timely basis.

The Measure M Guidelines also gives MTA the right to suspend or revoke allocation to local agencies that are found to be in gross violation of the Measure M Guidelines, or repeatedly committing violations, or refusing to take corrective measures. During the duration of any suspension of Measure M Sales Tax disbursements or revocation of Measure M Sales Tax allocation, the City would not be receiving M Receipts, which would have a material adverse impact on the City's ability to pay Installment Sale Payments when due and a material adverse impact on the ability of the Authority to pay the principal of and debt service on the Bonds on a timely basis.

The City covenants and agrees in the Installment Sale Agreement to take all actions and make all submittals and filings required to obtain all required approvals from MTA necessary to ensure timely distribution of the Measure M Sales Tax Revenues to the City or relating to the use of the Measure M Sales Tax Revenues to pay Installment Sale Payments, Administration Fees, and otherwise as described under the Installment Sale Agreement.

**Measure R Guidelines.** In connection with the Measure R Ordinance, MTA, on October 22, 2009, approved guidelines relating to the administration and use of the Measure R Sales Tax (the "Measure R Guidelines'). The Measure R Guidelines include a number of provisions that must be complied with by the City to ensure continued eligibility to receive Measure R Sales Tax distributions. Failure to follow these provisions could result in the suspension of distributions of Measure R Sales Tax, the return of such tax to MTA or the requirement of the City to replenish its "Measure R Local Return" account with available funds other than Measure R Sales Tax. MTA performs annual audits to monitor compliance with the provisions of the Measure R Guidelines.

Under the Measure R Guidelines, the City is required to expend Measure R Sales Tax monies only on those transportation purposes identified in the Measure R Guidelines. If the City is found to have expended funds without MTA's approval, the City will be required to reimburse its Measure R Sales Tax account for the amount of the unapproved expenditures. If MTA determines that Measure R Sales Tax was expended on projects that do not meet the Measure R Guidelines' definition of transportation purposes, then the MTA has the right to suspend of disbursements of Measure R Sales Tax to the City for a period of three years. If such a suspension were imposed, the City would not receive any Measure R Sales Tax during the term of the suspension, which would have a material adverse impact on the City's ability to pay Installment Sale Payments when due and a material adverse impact on the Authority's ability to pay the principal of and interest on the Bonds on a timely basis.

In addition, the failure of the City to properly verify that all Measure R Sales Tax related revenue, including Measure R Sales Tax allocations to the City, project generated revenues and interest income, was properly credited to its Measure R Sales Tax account, could result in the suspension of Measure R Sales Tax disbursements until the City has demonstrated to MTA that all such Measure R Sales Tax allocable to the City has been credited to the City's Measure R Sales Tax account. If the City fails to properly credit its Measure R Sales Tax related revenue to its Measure R Sales Tax account, MTA could suspend the distribution of Measure R Sales Tax until the City has demonstrated compliance with the Measure R Guidelines. During the duration of any suspension of Measure R Sales Tax disbursements, the City would

not be receiving Measure R Receipts, which would have a material adverse impact on the City's ability to pay Installment Sale Payments when due and a material adverse impact on the ability of the Authority to pay the debt service on the Bonds on a timely basis.

The Measure R Guidelines also require the local agencies, including the City, to maintain their individual local commitment of funds for transportation projects and services that was expended prior to the receipt of the Measure R Sales Tax (the "Measure R MOE"). If the local agency fails to maintain the Measure R MOE, then such local agency will be required to reimburse its Measure R Sales Tax account with available funds other than Measure R Sales Tax Receipts. The Measure R MOE is $_____, which the City expects to fund through [_____].**[UPDATE]**

The City is required to expend Measure R Sales Tax within five years of the last day of the fiscal year in which such funds were originally allocated or received (subject to certain exceptions). If the City fails to expend the Measure R Sales Tax allocated to the City, the City is required to return the lapsed Measure R Sales Tax, interest income and other earned income on such lapsed amount, to MTA for reallocation to the other local agencies based on population. In certain circumstances, the City, with the approval of MTA, may be able to obtain additional time beyond the five-year term limit to expend its allocation of Measure R Sales Tax.

The Measure R Guidelines additionally require that the City annually submit an expenditure plan and an expenditure report to MTA to remain legally eligible to receive Measure R Sales Tax. If the City fails to submit these items to MTA, the City may be determined to be legally ineligible to receive Measure R Sales Tax. During any period when the City is not legally eligible to receive Measure R Sales Tax, the City would not be receiving Measure R Receipts, which would have a material adverse impact on the City's ability to pay Installment Sale Payments when due and a material adverse impact on the ability of the Authority to pay the principal of and debt service on the Bonds on a timely basis.

The Measure R Guidelines also give MTA the right to suspend or revoke allocation to local agencies that are found to be in gross violation of the Measure R Guidelines, or repeatedly committing violations, or refusing to take corrective measures. During the duration of any suspension of Measure R Sales Tax disbursements or revocation of Measure R Sales Tax allocation, the City would not be receiving Measure R Receipts, which would have a material adverse impact on the City's ability to pay Installment Sale Payments when due and a material adverse impact on the ability of the Authority to pay the principal of and debt service on the Bonds on a timely basis.

The City covenants and agrees in the Installment Sale Agreement to take all actions and make all submittals and filings required to obtain all required approvals from MTA necessary to ensure timely distribution of the Measure R Sales Tax Revenues to the City or relating to the use of the Measure R Sales Tax Revenues to pay Installment Sale Payments, Administration Fees, and otherwise as described under the Installment Sale Agreement.

**Proposition C Guidelines.** In connection with the Proposition C Ordinance, in Fiscal Year 2006-07, MTA approved guidelines relating to the administration and use of the Proposition C Sales Tax (the "Proposition C Guidelines'). The Proposition C Guidelines include a number of provisions that must be complied with by the City to ensure continued eligibility to receive Proposition C Sales Tax distributions. Failure to follow these provisions could result in the suspension of distributions of Proposition C Sales Tax, the return of such tax to MTA or the requirement of the City to replenish its "Proposition C Local Return" account with available funds other than Proposition C Sales Tax. MTA performs annual audits to monitor compliance with the provisions of the Proposition C Guidelines.

Under the Proposition C Guidelines, the City is required to expend Proposition C Sales Tax monies only on those transportation purposes identified in the Proposition C Guidelines. If the City is found to have expended funds without MTA's approval, the City will be required to reimburse its Proposition C Sales Tax account for the amount of the unapproved expenditures. If MTA determines that Proposition C Sales

Tax was expended on projects that do not meet the Proposition C Guidelines' definition of transportation purposes, then the MTA has the right to suspend disbursements of Proposition C Sales Tax to the City for a period of three years. If such a suspension were imposed, the City would not receive any Proposition C Sales Tax during the term of the suspension, would have a material adverse impact on the City's ability to pay Installment Sale Payments when due and a material adverse impact on the Authority's ability to pay the principal of and interest on the Bonds on a timely basis.

In addition, the failure of the City to properly verify that all Proposition C Sales Tax related revenue, including Proposition C Sales Tax allocations to the City, project generated revenues and interest income, was properly credited to its Proposition C Sales Tax account, could result in the suspension of Proposition C Sales Tax disbursements until the City has demonstrated to MTA that all such Proposition C Sales Tax allocable to the City has been credited to the City's Proposition C Sales Tax account. If the City fails to properly credit its Proposition C Sales Tax related revenue to its Proposition C Sales Tax account, MTA could suspend the distribution of Proposition C Sales Tax until the City has demonstrated compliance with the Proposition C Guidelines. During the duration of any suspension of Proposition C Sales Tax disbursements, the City would not be receiving Proposition C Receipts, which would have a material adverse impact on the City's ability to pay Installment Sale Payments when due and a material adverse impact on the ability of the Authority to pay the debt service on the Bonds on a timely basis.

The Proposition C Guidelines also require the local agencies, including the City, to maintain their individual local commitment of funds for transportation projects and services that was expended prior to the receipt of the Proposition C Sales Tax (the "Proposition C MOE"). If the local agency fails to maintain the Proposition C MOE, then such local agency will be required to reimburse its Proposition C Sales Tax account with available funds other than Proposition C Sales Tax Receipts. The Proposition C MOE is $_____, which the City expects to fund through [_____].**[UPDATE]**

The City is required to expend Proposition C Sales Tax within five years of the last day of the fiscal year in which such funds were originally allocated or received (subject to certain exceptions). If the City fails to expend the Proposition C Sales Tax allocated to the City, the City is required to return the lapsed Proposition C Sales Tax, interest income and other earned income on such lapsed amount, to MTA for reallocation to the other local agencies based on population. In certain circumstances, the City, with the approval of MTA, may be able to obtain additional time beyond the five-year term limit to expend its allocation of Proposition C Sales Tax.

The Proposition C Guidelines additionally require that the City annually submit an expenditure plan and an expenditure report to MTA to remain legally eligible to receive Proposition C Sales Tax. If the City fails to submit these items to MTA, the City may be determined to be legally ineligible to receive Proposition C Sales Tax. During any period when the City is not legally eligible to receive Proposition C Sales Tax, the City would not be receiving Proposition C Receipts, which would have a material adverse impact on the City's ability to pay Installment Sale Payments when due and a material adverse impact on the ability of the Authority to pay the debt service on the Bonds.

The Proposition C Guidelines also give MTA the right to suspend or revoke allocation to local agencies that are found to be in gross violation of the Proposition C Guidelines, or repeatedly committing violations, or refusing to take corrective measures. During the duration of any suspension of Proposition C Sales Tax disbursements or revocation of Proposition C Sales Tax allocation, the City would not be receiving Proposition C Receipts, which would have a material adverse impact on the City's ability to pay Installment Sale Payments when due and a material adverse impact on the Authority to pay debt service on the Bonds on a timely basis.

The City covenants and agrees in the Installment Sale Agreement to take all actions and make all submittals and filings required to obtain all required approvals from MTA necessary to ensure timely distribution of the Proposition C Sales Tax Revenues to the City or relating to the use of the Proposition C Sales Tax

Revenues to pay Installment Sale Payments, Administration Fees, and otherwise as described under the Installment Sale Agreement.

## Parity Obligations

Subject to certain restrictions, the City is permitted to incur Parity Obligations that constitute additional charges against the Measure M Receipts, Measure R Receipts and Proposition C Receipts without the consent of Owners of the Bonds. See the caption "SOURCES OF PAYMENT FOR THE BONDS - Parity Obligations." To the extent that other Parity Obligations are executed by the City, the funds available to pay the Installment Sale Payments may be decreased. In addition, the City may execute Parity Obligations to refund any outstanding Parity Obligations, subject to annual debt service savings requirements under the Trust Agreement.

## Limitations on Remedies; Bankruptcy

The rights of the Owners of the Bonds are subject to the limitations on legal remedies against municipalities in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. Additionally, enforceability of the rights and remedies of the Owners of the Bonds, and enforcement of the City's obligations under the Installment Sale Agreement, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or later in effect, equity principles that may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the federal Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against cities in the State.

Bankruptcy proceedings under Chapter 9 of the Bankruptcy Code (Title 11, United States Code) which governs the bankruptcy proceedings for public agencies such as the City and MTA, or the exercise of powers by the federal or State government, if initiated, could subject the Owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

Bond Counsel has limited its opinion as to the validity and enforceability of the Installment Sale Agreement and the Trust Agreement to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial discretion.

The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation, or modification of the rights of the Owners.

## Early Redemption Risk

Early payment of the Installment Sale Payments and early redemption of the Bonds may occur in whole or in part without premium, if the City exercises its right to prepay Installment Sale Payments in whole or in part pursuant to the provisions of the Installment Sale Agreement and the Trust Agreement. See "THE BONDS - Redemption - Optional Redemption."

## Loss of Tax Exemption on the Bonds

As discussed under the caption "TAX MATTERS" herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were executed and delivered as a result of future acts or omissions of the Authority or the City in violation of its covenants

contained in the Trust Agreement and the Installment Sale Agreement. Should such an event of taxability occur, the Bonds are not subject to special redemption or any increase in interest rate and will remain outstanding until maturity.

See "TAX MATTERS" for additional tax-related risks.

## IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service ("Service") has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Bonds is commenced, under current procedures, the Service is likely to treat the Authority or the City as the "taxpayer," and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the Authority or the City may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome

## Secondary Market Risk

There can be no assurance that there will be a secondary market for purchase or sale of the Bonds, and from time to time there may be no market for them, depending upon prevailing market conditions, the financial condition or market position of firms who may make the secondary market and the financial condition of the City.

## Restrictions on Transfer

Pursuant to the Trust Agreement and prior to the initial delivery of the Bonds, all purchasers of the Bonds will be required to execute an investor letter, the form of which is attached hereto as Appendix F. The Investor Letter and the Trust Agreement contain restrictions on transfer and exchange of the Bonds, including that Bonds may only be sold to Qualified Institutional Buyers [or Accredited Investors]. The Trust Agreement, Installment Sale Agreement and the Investor Letter should be reviewed carefully prior to making an investment in the Bonds.

# CONSTITUTIONAL PROVISIONS AFFECTING CITY REVENUES AND APPROPRIATIONS

## Article XIIIB of the California Constitution – Limitations on Appropriations

On November 6, 1979, State voters approved Proposition 4, the so-called Gann Initiative, which added Article XIIIB to the State Constitution ("Article XIIIB"). In June 1990, Article XIIIB was amended by the voters through their approval of Proposition 111. Article XIIIB limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted annually for changes in the cost of living, population and cost of services rendered by the governmental entity. The "base year" for establishing such appropriation limit is State fiscal year 1978-79 and the limit is to be adjusted annually to reflect changes in population and consumer prices. Adjustments in the appropriations limit of an entity may also be made if: (i) the financial responsibility for a service is transferred to another public entity or to a private entity; (ii) the financial source for the provision of services is transferred from taxes to other revenues; or (iii) the voters of the entity approve a change in the limit for a period of time not to exceed four years.

Appropriations of an entity of local government that are subject to Article XIIIB include generally any authorization to expend during the fiscal year the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from

retirement, unemployment insurance and disability insurance funds. Appropriations that are subject to limitation pursuant to Article XIIIB do not include debt service on indebtedness existing or legally authorized as of January 1, 1979 or on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to any entity of government from: (i) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation; (ii) the investment of tax revenues; and (iii) certain State subventions received by local governments. Article XIIIB includes a requirement that if an entity's revenues in any year exceed the amount permitted to be spent, the excess must be returned by revising tax rates or fee schedules over the subsequent two fiscal years.

Article XIIIB allows voters to approve a temporary waiver of a government's Article XIIIB limit. Such a waiver is often referred to as a "Gann limit waiver." The length of any such waiver is limited to four years. The Gann limit waiver does not provide any additional revenues to a local government or allow a local government to finance additional services.

Installment Sale Payments are subject to the Article XIIIB appropriations limitations. The City reports that it has never made appropriations that exceeded the limitation on appropriations under Article XIIIB. The impact of the appropriations limit on the financial needs of the City in the future is unknown.

## Proposition 218

In 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 added Articles XIIIC and XIIID to the California State Constitution. Among other things, Article XIIIC removes limitations, if any, that exist on the initiative power in matters of local taxes, assessments, fees and charges. Even though the Authority's enabling legislation did not limit the initiative power of the electorate prior to Proposition 218, Proposition 218 has affirmed the right of the voters to propose initiatives that could impact the Measure M Receipts, Measure R Receipts and Proposition C Receipts.

## Future Initiatives

Article XIIIB, Article XIIIC and Article XIIID were each adopted as measures that qualified for the ballot pursuant to the State's Constitutional initiative process. From time to time other initiative measures could be adopted that affect the ability of the City to increase or apply revenues and to make or increase appropriations or the ability of MTA to levy, collect or allocate the Measure M Sales Tax, Measure R Sales Tax or Proposition C Sales Tax, all of which could adversely impact the amount of Measure M Receipts, Measure R Receipts or Proposition C Receipts received by the City.

# TAX MATTERS

*General Matters*. In the opinion of Butler Snow LLP, Atlanta, Georgia, and Stradling Yocca Carlson, & Rauth, P.C., Newport Beach, California, Co-Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes and is excludable from federal alternative minimum taxable income as defined in Section 55(b)(2) of the Code. The opinion described above assumes the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The City has covenanted

to comply with such requirements. Co-Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Co-Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

Co-Bond Counsel also is of the opinion that, under existing law, interest on the Bonds is exempt from State of California personal income taxes. Ownership of the Bonds or interest thereon may be subject to state or local taxation in jurisdictions other than the State of California under applicable state or local laws, as to which Co-Bond Counsel expresses no opinion. Each prospective investor and purchaser of the Bonds should consult its, his or her own tax advisor regarding the status of the interest on the Bonds in a particular state or local jurisdiction other than California.

*Original Issue Discount*. The Bonds that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond or is otherwise required to be recognized in gross income is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as federally tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be

recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such Discount Bonds for a price that is higher or lower than the "adjusted issue price" of the Discount Bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

*Original Issue Premium*. The Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Premium Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

*Backup Withholding*. As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on federally tax-exempt obligations such as the Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Bonds that fail to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling federally tax-exempt obligations.

*Changes in Federal and State Tax Law*. From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Co-Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Co-Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS.

# LEGAL MATTERS

## Enforceability of Remedies

The remedies available to the Trustee and the Owners of the Bonds upon an event of default under the Trust Agreement, the Installment Sale Agreement, or any other document described herein are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under such documents may not be readily available or may be limited. In the case of any bankruptcy proceeding involving the City, the rights of the Owners could be modified at the direction of the court. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Trust Agreement, the Installment Sale Agreement and other pertinent documents is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

## Approval of Legal Proceedings

Butler Snow LLP, Atlanta, Georgia, and Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California as Co-Bond Counsel, will render an opinion with respect to the validity and enforceability of the Trust Agreement and the Installment Sale Agreement, and as to the validity of the Bonds. See "APPENDIX D" hereto for the proposed form of Co-Bond Counsel's opinion.

The Authority and the City have no knowledge of any fact or other information which would indicate that the Trust Agreement, the Installment Sale Agreement or the Bonds are not enforceable against the Authority and the City, as applicable, except to the extent such enforcement is limited by principles of equity, by state and federal laws relating to bankruptcy, reorganization, moratorium or creditors' rights generally and by limitations on legal remedies against municipalities in the State.

Certain legal matters will be passed on for the City and the Authority by Butler Snow LLP, Atlanta, Georgia, and Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California as Co-Disclosure Counsel and by the City Attorney. Fees payable to Co-Bond Counsel and Co-Disclosure Counsel are contingent upon the sale and delivery of the Bonds.

## Absence of Litigation

The Authority and the City will each furnish a certificate dated as of the date of delivery of the Bonds that there is not now known to be pending or threatened any litigation restraining or enjoining the execution or delivery of the Trust Agreement, the Installment Sale Agreement or the sale or delivery of the Bonds or in any manner questioning the proceedings and authority under which the Trust Agreement and the Installment Sale Agreement are to be executed or delivered or the Bonds are to be delivered or affecting the validity thereof.

There are lawsuits and claims against the City that are incidental to the ordinary course of the City's operations. In the view of the City, there is no litigation, present or pending against the City, that will individually or in the aggregate impair the City's ability to make Installment Sale Payments when due.

# CONCLUDING INFORMATION

## Rating on the Bonds

S&P Global Ratings ("S&P") has assigned a rating of "___" to the Bonds. Such rating reflects only the views of S&P, and any desired explanation of the significance of such rating may be obtained from S&P Global Ratings. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own.

There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. Except as otherwise required in the Continuing Disclosure Agreement, the City undertakes no responsibility either to bring to the attention of the owners of any Bonds any downward revision or withdrawal of any rating obtained or to oppose any such revision or withdrawal. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

## Underwriting

The Bonds are being sold at an aggregate purchase price of $_____ (representing the aggregate principal amount of the Bonds plus an original issue premium of $_____ and less an underwriting discount of $_____) pursuant to a bond purchase contract ("Bond Purchase Contract") entered into between the Authority and the City and Raymond James & Associates, Inc. (the "Underwriter").

The expenses associated with the issuance of the Bonds are being paid by the Authority and the City from proceeds of the Bonds. The right of the Underwriters to receive compensation in connection with the Bonds is contingent upon the issuance and delivery by the Authority, and the purchase by the Underwriters, of the Bonds. The Bond Purchase Contract provides that the Underwriters will purchase all of the Bonds if any are purchased and that the obligation of the Underwriters to accept and pay for the Bonds is subject to certain terms and conditions set forth therein, including the approval by counsel of certain legal matters.

The Underwriter will initially offer the Bonds for sale at the prices and yields set forth on the inside cover page of this Limited Offering Memorandum. Such prices or yields may subsequently change. The Underwriter reserves the right to join with dealers and other investment banking firms in offering the Bonds for sale and may offer to sell Bonds to dealers at prices lower than the initial offering prices.

## Financial Statements

The City's financial statements for the Fiscal Year ended June 30, 2019, included in APPENDIX B hereto, have been audited by Eadie and Payne LLP, Riverside, California (the "Auditor"). The Auditor was not requested to consent to the inclusion of its report in APPENDIX B and it has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in the Limited Offering Memorandum, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

## The Municipal Advisor

Willdan Financial Services, Temecula California, has served as municipal advisor (the "Municipal Advisor") to the Authority in connection with the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Limited Offering Memorandum.

The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

## Continuing Disclosure

The Authority has determined that no financial or operating data concerning the Authority is material to any decision to purchase, hold or sell the Bonds and the Authority will not provide any such information. The City will covenant for the benefit of the Owners and beneficial owners of the Bonds to provide certain financial information and operating data relating to the City and to provide notices of the occurrence of certain enumerated events.

Pursuant to a Continuing Disclosure Agreement, dated as of _____ 1, 2021 (the "Continuing Disclosure Agreement"), by and between the City and Willdan Financial Services, as dissemination agent, the City has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the City (the "Annual Report") no later than March 31 of each year, commencing March 31, 2021, and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed by the City or its dissemination agent with the Municipal Securities Rulemaking Board through the Electronic Municipal Marketplace Access ("EMMA") website. The specific nature of the information to be contained in the Annual Report and the notice of material events is set forth in "APPENDIX C – FORM OF CONTINUING DISCLOSURE AGREEMENT" herein.

**Prior Undertakings.** During the past five years, [TO COME]

## Additional Information

The summaries and references contained herein with respect to the Trust Agreement, the Installment Sale Agreement, the Bonds, statutes and other documents, do not purport to be comprehensive or definitive and are qualified by reference to each such document or statute and references to the Bonds are qualified in their entirety by reference to the form hereof included in the Trust Agreement. Copies of the Trust Agreement and the Installment Sale Agreement may be obtained after delivery of the Bonds from the City at 205 South Willowbrook Avenue, Compton, CA 90220.

## References

Any statements in this Limited Offering Memorandum involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Limited Offering Memorandum is not to be construed as a contract or agreement between the Authority and the purchasers or Owners of any of the Bonds.

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## Execution

The execution of this Limited Offering Memorandum for the City by the City Manager and for the Authority by the Executive Director has been duly authorized by the City and the Authority, respectively.

**INDEPENDENT CITIES FINANCE AUTHORITY**

By: _____
Executive Director

**CITY OF COMPTON**

By: _____
City Manager

# APPENDIX A-1
# FORM OF TRUST AGREEMENT

# APPENDIX A-2
# FORM OF INSTALLMENT SALE AGREEMENT

# APPENDIX B
# CITY AUDITED FINANCIAL STATEMENTS

# APPENDIX C
# FORM OF CONTINUING DISCLOSURE AGREEMENT

# APPENDIX D
# FORM OF OPINION OF BOND COUNSEL

# APPENDIX E
# THE BOOK-ENTRY SYSTEM

*The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.*

*Neither the issuer of the Bonds (the "Issuer") nor the trustee, fiscal agent or paying agent appointed with respect to the Bonds (the "Agent") take any responsibility for the information contained in this Appendix.*

*No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.*

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange

Commission. More information about DTC can be found at www.dtcc.com. *The information contained on such Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds and distributions on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption

proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

# APPENDIX F
# FORM OF INVESTOR LETTER

Independent Cities Finance Authority
Lancaster, California

City of Compton
Compton, California

Raymond James & Associates, Inc.
Pasadena, California

Re: $_____ INDEPENDENT CITIES FINANCE AUTHORITY
(CITY OF COMPTON, CALIFORNIA)
SALES TAX REVENUE BONDS, SERIES 2021

To the Addressees:

The undersigned is a duly authorized officer of _____, a [state/federal bank] organized and existing under the laws of the [State of STATE/United States of America] (the "Purchaser"). The undersigned acknowledges receipt, on behalf of Purchaser, of the fully executed Independent Cities Finance Authority (City of Compton, California) Sales Tax Revenue Bonds, Series 2021, dated _____, 2021, in the principal amount of $_____ (the "Bonds"). The undersigned represents, warrants, and covenants in conjunction with its purchase of the Bonds that:

1) Purchaser agrees to the terms and provisions set forth in the Bonds.

2) Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of prospective investments without reliance upon others. In reaching the conclusion that it desires to acquire the Bonds, Purchaser has carefully evaluated all risks associated with this purchase and acknowledges that it is able to bear the economic risk of this purchase. Purchaser is [an institutional "accredited investor" within the meaning of Rule 501 (a) promulgated under the Securities Act of 1933, as amended (the "1933 Act")]/[a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the "1933 Act")].

3) Purchaser presently intends to hold the Bonds to maturity, earlier redemption, or mandatory tender. [The preceding sentence is absolutely necessary unless the Bonds will have CUSIPs.] Purchaser is purchasing the Bonds for investment for its own account or for its loan portfolio and is not purchasing the Bonds for resale or other disposition, and Purchaser has no present intention of reselling or otherwise disposing of all or any part of the Bonds or dividing its interest therein; however, Purchaser reserves the right to sell participation interests in or otherwise dispose of the Bonds in the future as it chooses. Purchaser agrees that it will not sell, transfer, assign, or otherwise dispose of the Bonds or such ownership interests therein (1) unless it obtains from the purchaser and delivers to the Issuer either (a) a letter similar in form and substance to this letter, or (b) a written acknowledgement that such purchaser is either (i) an institutional "accredited investor" within the meaning of Rule 501 (a) promulgated under the Securities Act of 1933, as amended (the "1933 Act"), or (ii) a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act; and (2) except in compliance with the applicable provisions of the 1933 Act, the Securities Exchange Act of 1934, as amended (the "1934 Act"), any rules and regulations promulgated under either the 1933 Act or the 1934 Act, and the applicable securities laws of any other jurisdiction, and in connection therewith, Purchaser agrees that it shall furnish to any purchaser of the Bonds all information required by applicable law.

4. The Purchaser (a) is a bank, any entity directly or indirectly controlled by the bank or under common control with the bank, other than a broker, dealer or municipal securities dealer registered under the Securities Exchange Act of 1934, or a consortium of such entities; and (b) has the present intent to hold the Bonds to maturity; provided, however, that the Purchaser shall not be precluded from transferring, participating or assigning its interest in the Bonds in accordance with the terms and conditions set forth in the Trust Agreement. The Purchaser understands that it may need to bear the risks of this investment for an indefinite period of time, since a sale of the Bonds, or any portion thereof, may not be possible. 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(a)(11) of the Act. The Purchaser understands that the Issuer has no obligation to register the Bonds for resale under the Act. The Purchaser further understands that the Bonds are being sold in a transaction that is exempt from the registration requirements of the Act. The Purchaser acknowledges that the City will not be entering into a continuing disclosure undertaking for the Bonds pursuant to Section 15c2-12 of the Securities Exchange Act of 1934, as amended; provided, however, that the City has agreed in the Continuing Disclosure Agreement dated as of _____ 1, 2021, between the City and Willdan Financial Services, to provide certain ongoing information to the Purchaser.

5. The Purchaser has received and carefully read all information and other items of disclosure relating to the City, the Issuer, and the Bonds that the Purchaser has deemed material for it to make an informed lending decision with respect to its purchase of the Bonds and, in connection therewith, has had access to all other materials, books, records, documents, and information relating to the City, the Issuer, and the Bonds, and has been able to verify the accuracy of, and supplement, the information contained therein.

6. The Purchaser acknowledges that it has been supplied with the Limited Offering Memorandum dated as of _____, 2021, relating to the Bonds (the "Limited Offering Memorandum"). The Purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of making a loan of the proceeds of the Bonds based solely upon (i) the Limited Offering Memorandum, (ii) its or such representative's personal knowledge of the business and affairs of the City; and (iii) the independent inquiries and investigations undertaken by it or such representative.

7. The Purchaser represents that it can bear the economic risk of loss of the Bonds.

8. No person has given any information or made any representation not contained in the Limited Offering Memorandum referred to above or otherwise provided to the Purchaser in writing by a person employed or authorized in writing by the Successor Agency. 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.

9. 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.

10. The Purchaser understands that the purchase of the Bonds involves significant credit risks. The Purchaser is aware that there are certain economic and regulatory variables and risks that could adversely affect the security for the Bonds. The Purchaser has reviewed the documents executed in conjunction with the issuance of Bonds, or summaries thereof, including, without limitation, the Indenture.

11. The Purchaser acknowledges and agrees that the Underwriter, the Issuer, and the City take no responsibility for, and make no representation to the Purchaser, or any subsequent purchaser, with regard to, a sale, transfer or other disposition of the Bond in violation of the provisions of the Trust Agreement, or any securities law or income tax law consequences thereof. The Purchaser also acknowledges that, with respect to the City's obligations and liabilities, the Purchaser is solely responsible for compliance with the sales restrictions on the Bond in connection with any subsequent transfer of the Bonds made by the Purchaser.

12. The Purchaser has been informed that the Bonds [(i)] have not been and will not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any jurisdiction, (ii) will not be listed on any stock or other securities exchange [and (iii) will carry no rating from any rating service.]

13. The Purchaser acknowledges that the sale of the Bonds to the Purchaser is made in reliance upon the certifications, representations and warranties herein by the addresses hereto.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Trust Agreement.

Signed and delivered as of the date shown above.

Sincerely yours,

PURCHASER FULL CORPORATE NAME

Signed by: _____

Print Name: _____

Print Title: _____