



## Regular Meeting Agenda April 19, 2011 Placentia City Council Placentia Redevelopment Agency

### *Mission Statement*

*The City Council is committed to keeping Placentia a pleasant place by providing a safe family atmosphere, superior public services and policies that promote the highest standards of community life.*

### *Vision Statement*

*The City of Placentia will maintain an open, honest, responsive and innovative government that delivers quality services in a fair and equitable manner while optimizing available resources.*

Scott W. Nelson  
Mayor

Jeremy B. Yamaguchi  
Mayor Pro Tem

Joseph V. Aguirre  
Council Member

Constance M. Underhill  
Council Member

Chad P. Wanke  
Council Member

Patrick J. Melia  
City Clerk

Craig S. Green  
City Treasurer

Troy L. Butzlaff, ICMA-CM  
City Administrator

Andrew V. Arczynski  
City Attorney

**City of Placentia  
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Placentia, CA 92870**

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Copies of all agenda materials are available for public review in the Office of the City Clerk, online at [www.placentia.org](http://www.placentia.org), and at Placentia Library Reference Desk. Persons who have questions concerning any agenda item may call the City Clerk's Office, (714) 993-8231, to make inquiry concerning the nature of the item described on the agenda.

### **Procedures for Addressing the Council/Redevelopment Agency**

Any person who wishes to speak regarding an item on the agenda or on a subject within the City's jurisdiction during the "Oral Communications" portion of the agenda should fill out a "Speaker Request Form" and give it to the City Clerk BEFORE that portion of the agenda is called. Testimony for Public Hearings will only be taken at the time of the hearing. Any person who wishes to speak on a Public Hearing item should fill out a "Speaker Request Form" and give it to the City Clerk BEFORE the item is called.

The Council and Agency Board encourage free expression of all points of view. To allow all persons the opportunity to speak, please keep your remarks brief. If others have already expressed your position, you may simply indicate that you agree with a previous speaker. If appropriate, a spokesperson may present the views of an entire group. To encourage all views, Council and Agency Board discourage clapping, booing or shouts of approval or disagreement from the audience.

**PLEASE SILENCE ALL PAGERS, CELL PHONES, AND OTHER ELECTRONIC EQUIPMENT WHILE COUNCIL AND AGENCY BOARD ARE IN SESSION.**

### **Special Accommodations**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 993-8231. Notification 48 hours prior to the meeting will generally enable City staff to make reasonable arrangements to ensure accessibility.  
(28 CFR 35.102.35.104 ADA Title II)

In compliance with California Government Code § 54957.5, any writings or documents provided to a majority of the City Council regarding any item on this agenda that are not exempt from disclosure under the Public Records Act will be made available for public inspection at the City Clerk's Office at City Hall, 401 East Chapman Avenue, Placentia, during normal business hours.

Study Sessions are open to the public and held in the City Council Chambers or City Hall Community Room. Executive Sessions are held in the Council Caucus Room. While the public may be in attendance during oral announcements preceding Executive Sessions, Executive Sessions are not open to the public.

**PLACENTIA  
CITY COUNCIL AND REDEVELOPMENT AGENCY  
REGULAR MEETING AGENDA – STUDY SESSION  
April 19, 2011  
4:00 p.m. – City Council Chambers  
401 E. Chapman Avenue, Placentia, CA**

**CALL TO ORDER:**

**ROLL CALL:** Mayor/Agency Chairman Nelson  
Mayor Pro Tem/Agency Vice Chairman Yamaguchi  
Councilmember/Agency Member Aguirre  
Councilmember/Agency Member Underhill  
Councilmember/Agency Member Wanke

**ORAL COMMUNICATIONS:**

At this time the public is invited to address the City Council/Board of Directors concerning the Study Session agenda items only.

**SS 1.** Emergency Operations and Role of City Council

**SS 2.** Prioritization of City Council Goals from Goal Setting Workshop

**ADJOURNMENT** - The City Council/Redevelopment Agency will recess to their 5:00pm Executive Session.

**PLACENTIA  
CITY COUNCIL AND REDEVELOPMENT AGENCY  
REGULAR MEETING AGENDA – EXECUTIVE SESSION  
April 19, 2011  
5:00 p.m. – City Council Chambers  
401 E. Chapman Avenue, Placentia, CA**

**CALL TO ORDER:**

**ROLL CALL:** Mayor/Agency Chairman Nelson  
Mayor Pro Tem/Agency Vice Chairman Yamaguchi  
Councilmember/Agency Member Aguirre  
Councilmember/Agency Member Underhill  
Councilmember/Agency Member Wanke

**ORAL COMMUNICATIONS:**

At this time the public may address the City Council/Redevelopment Agency Board of Directors concerning any items on the Executive Session Agenda only.

The City Council/Redevelopment Agency Board of Directors will recess to the City Council Caucus Room for the purpose of conducting its Executive Session proceedings.

**CITY COUNCIL:**

1. Pursuant to Government Code Section 54956.9(a) for Conference with Legal Counsel Regarding Existing Litigation - M&H Realty Partners v. Orange County Transportation Authority et.al., Orange County Superior Court, Case No. 30-2010-00407159
2. Pursuant to Government Code Section 54956.9(c) for Conference with Legal Counsel Regarding the Initiation of Litigation – Two (2) Items
3. Pursuant to Government Code Section 54956.9(c) for Conference with Legal Counsel Regarding Potential Litigation – Two (2) Items
4. Pursuant to Government Code Section 54957.6 for Conference with City’s Labor Negotiator as follows:

City Representatives: Troy L. Butzlaff, City Administrator  
Stephen D. Pischel, Director of Administrative Services and  
Community Services

Employee Group: Placentia City Employees Association (PCEA)

5. Pursuant to Government Code Section 54957 for Public Employee Performance Evaluation –
  - A. City Administrator
  - B. City Attorney
6. Pursuant to California Government Code Section 54957(b)(1) for Public Employee Appointment – Police Chief

**RDA:**

1. Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8:
  - A. Property: 738 W. La Jolla, Placentia, CA APN 344-011-12  
Agency Negotiator: Troy L. Butzlaff  
Negotiating Parties: Patricia Drew, TriMont Real Estate Advisors  
Under Negotiations: Price and Terms of Payment

**RECESS:** - The City Council/Redevelopment Agency will recess to their 7:00 p.m. Regular Meeting.

**PLACENTIA  
CITY COUNCIL AND REDEVELOPMENT AGENCY  
REGULAR MEETING AGENDA  
April 19, 2011  
7:00 p.m. – City Council Chambers  
401 E. Chapman Avenue, Placentia, CA**

**CALL TO ORDER:**

**ROLL CALL:** Mayor/Agency Chairman Nelson  
Mayor Pro Tem/Agency Vice Chairman Yamaguchi  
Councilmember/Agency Member Aguirre  
Councilmember/Agency Member Underhill  
Councilmember/Agency Member Wanke

**INVOCATION:** Gary Drabek, Police Chaplain

**PLEDGE OF ALLEGIANCE:**

**PRESENTATIONS:**

- a. Employee of the Quarter – General Employee  
Presenter: City Administrator Troy Butzlaff
- b. Spotlight on Code Enforcement  
Presenter: Code Enforcement Officer Susan Craft
- c. Habitat for Humanity of Orange County  
Recipient: Luis Ortiz, Habitat for Humanity of Orange County  
Presenter: Mayor Nelson
- d. Proclamation Designating the Month of April 2011, as the DMV/Donate Life California, in Placentia, California  
Recipient: Stephanie McMackin, Donate Life Ambassador  
Presenter: Mayor Nelson
- e. Proclamation Designating the Week of April 10-16, 2011, as the National Telecommunication Week  
Presenter: Police Dispatcher and Records Supervisor Beverly Schlieder

**EXECUTIVE SESSION REPORT:**

**CITY ADMINISTRATOR REPORT:**

**ORAL COMMUNICATIONS:**

At this time the public may address the City Council/Redevelopment Agency Board of Directors concerning any agenda item, which is not a public hearing item, or on matters within the jurisdiction of the City Council/Redevelopment Agency Board of Directors.

**CITY COUNCIL/AGENCY MEMBER COMMENTS AND REPORTS:**

The purpose of these reports is to provide information on projects and programs that are discussed at interagency board, committee, and commission meetings. No decisions are to be made on these issues. If a Council/Agency Member would like formal action on any of the discussed items it will be placed on a future Council/Agency Agenda.

**1. CONSENT CALENDAR (Items 1.a. through 1.i.):**

All items on the Consent Calendar are considered routine and are enacted by one motion approving the recommended action listed on the Agenda. Any Member of the City Council/Redevelopment Agency or City Administrator may request an item be removed from the Consent Calendar for discussion. All items removed shall be considered immediately following action on the remaining items.

**COUNCIL/AGENCY CONSENT CALENDAR:**

- a. **Consideration to Waive Reading in Full of all Ordinances and Resolutions**  
Financial Impact: None  
Recommended Action: Approve
- b. **Minutes**  
**City Council/Agency Special & Regular Meetings – April 4, 2011 and April 5, 2011**  
Recommended Action: Approve
- c. **City Warrant Register for April 6, 2011 through April 19, 2011**  
Financial Impact: \$410,291.59  
Recommended Action: Approve
- d. **Agency Warrant Register for April 6, 2011 through April 19, 2011**  
Financial Impact: \$46,922.62  
Recommended Action: Approve

**COUNCIL CONSENT CALENDAR:**

- e. **Approval of Agreement between County of Orange and City of Placentia to Provide Funds for the Edwin T. Powell Building**  
Financial Impact:  
Revenue: \$10,999 Fund 130 District Community Priorities and Projects  
Recommended Action: It is recommended that the City Council:
  - 1) Authorize the City Administrator to execute the agreement with the County of Orange, in a form approved by City Attorney, to receive \$10,999 from Fund 130 for equipment to support programs at the Edwin T. Powell Building
- f. **Approve Easement Agreement for Placentia Avenue Grade Separation Project with Southern California Edison Company**  
Financial Impact: None  
Recommended Action: It is recommended that the City Council:
  - 1) Approve the attached anchor easement agreement between the City of Placentia and the Southern California Edison Company for a 6 foot anchor easement for the Placentia Avenue Underpass
  - 2) Authorize the Mayor to sign the subject easement agreement on behalf of the City
  - 3) Direct the City Clerk to endorse on the easement agreement which embodies the acceptance of said right-of-way easement, and cause the document to be submitted to the County Recorder of the Orange County for recording of the document

- g. **Approve Amendment to Attorney-Client Fee Agreement**  
Financial Impact: Increase of \$10.00/hour and \$200 per month for retainer services  
Recommended Action: It is recommended that the City Council:  
 1) Approve the amendment to the Attorney-Client Fee Agreement with Andrew Arczynski and authorize the Mayor to execute the amendment on behalf of the City
  
- h. **Authorization to Purchase a Prefabricated Restroom, Public Restroom Company Model 7366, for the Kraemer Memorial Park Restroom Renovation and Park Amenities Improvement Project**  
Financial Impact: \$211,100 Utilizing State Park Grant Funding  
 Account#: 333555/6104915023-6015  
Recommended Action: It is recommended that the City Council:  
 1) Authorize the purchase of a prefabricated restroom, Public Restroom Company model 7366, for the Kraemer Memorial Park Restroom Renovation and Park Amenities Improvement Project utilizing Buyboard, a national purchasing cooperative, in an amount not to exceed \$211,100

**AGENCY CONSENT CALENDAR:**

- i. **Approval of Process to Dispose of Agency Owned Property Located at 229 Alta Street**  
Financial Impact: \$400.00 (347536-6197 Purchased Appraisal Services)  
Recommended Action: It is recommended that the Board of Directors:  
 1) Adopt Resolution RA-2011-08, A resolution of the Board of Directors of the Redevelopment agency of the City of Placentia approving the initiation of proceedings to dispose of agency-owned property located at 229 Alta Street

**2. PUBLIC HEARINGS:**

**COUNCIL:** None

**AGENCY:** None

**3. OLD BUSINESS:** None

**4. NEW BUSINESS:**

**COUNCIL/AGENCY:** None

**COUNCIL NEW BUSINESS:**

- a. **Amendment to City Ordinance to Prohibit Dogs From Athletic Fields and Playground Areas**  
Financial Impact: Negligible  
Recommended Action: It is recommended that the City Council:  
 1) Introduce for first reading, Ordinance O-2011-03, An ordinance of the City Council of the City of Placentia, California, adding a new section 14.08.090(5) to Chapter 14.08 of Title 14 of the Placentia Municipal Code Relating to the prohibition of dogs and specified areas of City parks, including exceptions thereto

- b. **Adoption of City Council Resolution Approving and Adopting the City of Placentia Policy No. 430 Pertaining to Purchasing**  
Financial Impact: None  
Recommended Action: It is recommended that the City Council:  
 1) Adopt Resolution R-2011-11, A resolution of the City Council of the City of Placentia approving and adopting a revised policy and procedure for the purchasing of goods and services  
 2) Authorize staff to finalize documents for hard copy and electronic distribution and utilization
- c. **Execution and Delivery of California Communities Gas Tax Revenue Certificates of Participation, Series 2011A**  
Financial Impact: Annual debt service payment of \$482,500 on a \$4.66 million issuance  
Recommended Action: It is recommended that the City Council:  
 1) Adopt Resolution R-2011-12, A resolution of the City Council of the City of Placentia reconfirming its prior approval of the execution and delivery of California Communities Gas Tax Revenue Certificates of Participation and authorizing the preparation of an official statement and other matters related thereto
- d. **Reactivation of the Industrial/Commercial Development Authority**  
Financial Impact: Not applicable  
Recommended Action: It is recommended that the City Council, acting as the Board of Directors of the ICDA:  
 1) Adopt Resolution ICDA-R-2011-01, A resolution of the Board of Directors of the Industrial/Commercial Development Authority of the City of Placentia adopting By-Laws, setting meeting dates and designating counsel to the Authority

**AGENCY NEW BUSINESS:** None

**CITY COUNCIL/AGENCY MEMBER REQUESTS:**

Council/Agency members may make requests or ask questions of staff. If a Council/Agency member would like to have formal action taken on a requested matter, it will be placed on a future Council/Agency Agenda.

**ADJOURNMENT:**

The City Council/Redevelopment Agency Board of Directors will adjourn to May 3, 2011.

*In  
 Memory  
 Of  
 Jose De La Torre  
 Father of Management Analyst Eduardo De La Torre*

*Jerry Young  
 Father in Law of Police Dispatcher Andrea Young*

**CERTIFICATION OF POSTING**

I, Tania Moreno, Deputy City Clerk for the City of Placentia and Assistant Secretary of the Placentia Redevelopment Agency, hereby certify that the Agenda for the April 19, 2011, meetings of the City Council and Redevelopment Agency was posted on April 14, 2011.

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Tania Moreno, Deputy City Clerk



CITY OF PLACENTIA

Presents this

# CERTIFICATE OF APPRECIATION

to

*Luis Ortiz*

*Habitat for Humanity of Orange County*

for his efforts to raise money to build a Habitat home fundraised by children.

Presented this 19<sup>th</sup> day of April 2011.

Scott W. Nelson,  
Mayor

Troy L. Butzaff, ICMA-CM,  
City Administrator



# Proclamation

WHEREAS, organ, tissue and blood donation are life-giving acts recognized worldwide as expressions of compassion to those in need; and

WHEREAS, more than 100,000 individuals nationwide and more than 20,000 in California are currently on the national organ transplant waiting list, and every 90 minutes one person dies while waiting due to the shortage of donated organs; and

WHEREAS, the need for donated organs is especially urgent in Hispanic and African American communities; and

WHEREAS, more than 600,000 units of blood per year are needed to meet the need in California; and

WHEREAS, at any given time, 6,000 patients are in need of volunteer marrow donors; and

WHEREAS, a single individual's donation of the heart, lungs, liver, kidneys, pancreas and small intestine can save up to eight lives; donation of tissue can save and heal the lives of up to 50 others; and a single blood donation can help three people in need; and

WHEREAS, millions of lives each year are saved and healed by donors of organs, tissues, marrow and blood; and

WHEREAS, the spirit of giving and decision to donate are not restricted by age or medical condition; and

WHEREAS, nearly seven million Californians have signed up with the state-authorized Donate Life California Registry to ensure their wishes to be organ and tissue donors are honored; and

WHEREAS, California residents can sign up with the Donate Life California Registry when applying for or renewing their driver's licenses or ID cards at the California Department of Motor Vehicles.

NOW, THEREFORE, the City Council of the City of Placentia does hereby proclaim April 2011

## DMV/Donate Life California Month

and in doing so we encourage all Californians to check "YES!" when applying for or renewing their driver's license or I.D. card, or by signing up at [www.donatelife.org](http://www.donatelife.org) or [www.doneVIDA.org](http://www.doneVIDA.org).

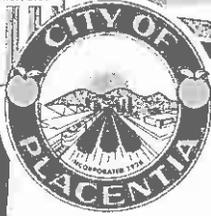
Dated this 19<sup>th</sup> day of April 2011.

SCOTT W. NELSON, Mayor

ATTEST:

PATRICK J. MELIA, City Clerk

Presentation d.



# Proclamation

## Presented to the Placentia Police Dispatchers

WHEREAS, The United States Congress has designated the week of April 10-16, 2011 as National Communicators Week; and

WHEREAS, Police Dispatchers are a vital element to public safety in our community; and

WHEREAS, our Police Dispatchers are constantly exposed to stressful situations requiring complete calm and control and the ability to communicate effectively; and

WHEREAS, Police Dispatchers are required to have an extensive amount of training, understanding, compassion, and empathy, however are often the "forgotten" role player in public safety because of their behind the scenes role; and

WHEREAS, Police Dispatchers are such a vital link to the safety of our community we wish to take this opportunity to publicly thank them for the outstanding job that they do.

NOW, THEREFORE, IT BE RESOLVED that the City Council of the City of Placentia does hereby proclaim the week of April 10-16, 2011 to be

### TELECOMMUNICATORS WEEK

in the City of Placentia and commends our Police Dispatchers for all of the outstanding and vital service they provide to our community. We urge all citizens and organizations to join in our commendation of our Police Dispatchers.

Presented this 19<sup>th</sup> day of April, 2011.

SCOTT W. NELSON, Mayor

ATTEST:

\_\_\_\_\_  
PATRICK J. MELIA, City Clerk

Presentation e.

**PLACENTIA  
CITY COUNCIL AND REDEVELOPMENT AGENCY  
SPECIAL MEETING MINUTES  
April 4, 2011  
6:00 p.m. – Administrative Conference Room  
401 E. Chapman Avenue, Placentia, CA**

**CALL TO ORDER:** Mayor/Chair Nelson called the meeting to order at 6:10 pm.

**ROLL CALL:**

**PRESENT:** Council/Agency Members Nelson, Yamaguchi, Aguirre, Underhill, Wanke  
**ABSENT:** None

**STAFF PRESENT:** City Administrator/Executive Director, Troy L. Butzlaff; City Clerk/Agency Secretary, Patrick J. Melia; Director of Administrative and Community Services, Steve Pischel; Deputy City Clerk, Tania Moreno

**ORAL COMMUNICATIONS:**

At this time the public may address the City Council/Redevelopment Agency Board of Directors concerning any agenda item, which is not a public hearing item, or on matters within the jurisdiction of the City Council/Redevelopment Agency Board of Directors.

**I. Interviews for Planning Commission, Financial Audit Oversight Committee and Heritage Committee (materials available in City Clerk's Office)**

Council/Agency Members interviewed the following candidates: Richard Cuevas, Robert Dickinson, Robert Mckinnel, Janice Lacher, Kevin Larson, Manuel Galvez, Thomas Solomonson, and Jim Cucalon.

**CITY COUNCIL/AGENCY MEMBER REQUESTS:** None

**ADJOURNMENT:**

The City Council/Redevelopment Agency Board of Directors adjourned to the next regular meeting of April 5, 2011.

\_\_\_\_\_  
PATRICK J. MELIA, CITY CLERK/AGENCY  
SECRETARY

ATTEST:

\_\_\_\_\_  
SCOTT W. NELSON, MAYOR/AGENCY CHAIR

**PLACENTIA  
CITY COUNCIL AND REDEVELOPMENT AGENCY  
REGULAR MEETING MINUTES – EXECUTIVE SESSION  
April 5, 2011  
5:30 p.m. – City Council Chambers  
401 E. Chapman Avenue, Placentia, CA**

**CALL TO ORDER:** Mayor/Chairman Nelson called the meeting to order at 5:40 pm.

**ROLL CALL:**

PRESENT: Council/Agency Members Nelson, Yamaguchi, Underhill, Wanke  
ABSENT: None

Councilmember Aguirre arrived at 5:45 p.m.

**ORAL COMMUNICATIONS:** None

**CITY COUNCIL:**

1. Pursuant to Government Code Section 54956.9(b) for Conference with Legal Counsel Regarding Anticipated Litigation – Two (2) Items
2. Pursuant to Government Code Section 54956.9(c) for Conference with Legal Counsel Regarding the Initiation of Litigation – Two (2) Items
3. Pursuant to Government Code Section 54957.6 for Conference with City’s Labor Negotiator as follows:
  - City Representatives: Troy L. Butzlaff, City Administrator  
Stephen D. Pischel, Director of Administrative Services and  
Community Services
  - Employee Group: Placentia City Employees Association (PCEA)
4. Pursuant to Government Code Section 54957 for Public Employee Performance Evaluation – City Administrator
5. Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8:
  - A. Property 1530 N. Valencia Avenue, APN 336-054-21  
City Negotiator: Troy Butzlaff, City Administrator  
Negotiating Parties: HQT Homes  
Under Negotiations: Price and Terms of Payment
  - B. Property 2999 E. La Jolla Avenue, APN 344-102-09  
City Negotiator: Troy Butzlaff, City Administrator  
Negotiating Parties: Clean Energy and Trillium USA  
Under Negotiations: Price and Terms of Payment

**RDA:**

1. Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8:  
Property: 229 Alta Street, Placentia, CA 92870 APN: 339-061-10  
Agency Negotiator: Troy Butzlaff, City Administrator/Executive Director  
Under Negotiations: Disposition of Real Property

**RECESS:** The City Council/Redevelopment Agency reconvened the Regular Meeting at 7:05 p.m.

**ROLL CALL:**

**PRESENT:** Council/Agency Members Nelson, Yamaguchi, Aguirre, Underhill, Wanke  
**ABSENT:** None

**STAFF PRESENT:** City Administrator/Executive Director, Troy L. Butzlaff; City Attorney/Agency Counsel, Andrew V. Arczynski; City Clerk/Agency Secretary, Patrick J. Melia; Assistant City Administrator, Ken Domer; Director of Administrative and Community Services, Steve Pischel; Public Works Director, Steve Drinovsky; Finance Director, Karen Ogawa; Police Chief, James Anderson; Recreation Services Manager, Mike Kudron; Police Captain, Ward Smith; Deputy City Clerk, Tania Moreno

**INVOCATION:** Ed Faulk, Police Chaplain

**PLEDGE OF ALLEGIANCE:** Councilmember Joseph Aguirre

**PRESENTATIONS:**

- a. Introduction of New Employees – Austin Martinez, Community Services Officer  
Saul Nungaray, Maintenance Worker  
Larry Johnson, Police Officer
- b. Introduction of New Police Chaplain – Rabbi Kenneth Milhandler
- c. Proclamation Recognizing Police Officer Larry Worden’s Retirement  
Recipient: Police Officer Larry Worden  
Presenter: Chief of Police James Anderson
- d. Miss Placentia/Miss Placentia Outstanding Teen and Miss Yorba Linda/Miss Yorba Linda Outstanding Teen, Executive Director of Miss Placentia Kathi Baldwin  
Recipients: Whitney Thomas, Jinnie Rhee, Jordan Krinke, Anneliese Klages and Kathi Baldwin  
Presenter: Mayor Nelson, Representations Craig Green, Assemblyman Norby’s Office and Greg Sowards, Supervisors Shawn Nelson’s Office
- e. Proclamation Designating the Month of April 2011, as the Wyland Mayor’s Challenge for Water Conservation  
Recipient: Steve Creech, Vice President  
Presenter: Mayor Nelson

**EXECUTIVE SESSION REPORT:** City Attorney/Agency Counsel Arczynski reported the Council/Agency met in Executive Session to discuss the items listed on the agenda. He noted that there was no reportable action from Executive Session this evening.

**CITY ADMINISTRATOR REPORT:** City Administrator Butzlaff reported on the following items: Shred Day event on April 16, 2011.

**ORAL COMMUNICATIONS:**

Ricardo Ibarra, Placentia American Region Post 277, requested that the City of Placentia amend an ordinance to allow remote bingo. He provided City Council with documents.

Bryan Cox expressed his concerns regarding the Placentia Underpass Construction Project unsafe conditions, the need to install a bicycle lane, and recommended that the City create a bicycle committee.

Riordan Zavala expressed his concerns regarding a lawsuit filed by the City against Doris M. Zavala. He provided City Council with documents.

Michael Chapman expressed his concerns regarding the health benefits and pension that elected officials receive, bicycle safety and transportation, the City's use of eminent domain, and the need to review the project traffic study.

Tim Peiffer expressed his concerns regarding the lack of bicycle safety and Placentia Underpass Construction Project unsafe conditions.

Jane Rands, City of Fullerton Bicycle Sub-Committee, spoke regarding the importance of bicycle and transportation safety and the California Complete Streets Project.

Denny Bean, resident, requested that the City help protect the West Coyote Hills from a proposed project. He provided City Council with documents.

Greg Sowards, resident, spoke regarding the health benefits provided to elected officials, the use of friendly eminent domain by the City, the Underpass Construction Project and bicycle safety, and congratulated Officer Larry Worden on his retirement.

Craig Green, resident, requested that agenda item 4.b. be pulled off the agenda and allow the Financial Audit Oversight Committee to discuss this item.

**CITY COUNCIL/AGENCY MEMBER COMMENTS AND REPORTS:**

Councilmember Wanke commented and reported as follows: Orange County Vector Control Committee meeting on March 17<sup>th</sup>, Santa Ana River Flood Protection River meeting on March 24<sup>th</sup>, and wished Officer Larry Worden and his own son a happy birthday.

Mayor Pro Tem Yamaguchi commented and reported as follows: Requested that the Kraemer Avenue and Bastanchury traffic study be available to the public, hosting a community meeting to discuss bicycle safety issues, and his attendance to the Orange County Council Boy Scouts Annual Recognition Dinner.

Mayor Nelson commented and reported as follows: Councilmember Wanke, City Administrator Troy Butzlaff and he attended a meeting in Sacramento hosted by Senator Bob Huff regarding redevelopment agencies. He noted his interview with KCAL regarding city trees. He commented on elected officials health benefits and pension, and the Financial Audit Oversight Committee.

**1. CONSENT CALENDAR (Items 1.a. through 1.j.):**

City Administrator Troy Butzlaff noted a correction to item 4.g. the minutes of the March 15, 2011 meeting. The change reflects Mayor Pro Tem Yamaguchi opposing vote on item 1.g.

A motion was made by Mayor Pro Tem Yamaguchi, seconded by Councilmember Wanke, to approve Consent Calendar Item Nos. 1.a. through 1.j. City Warrant Register number 72204

was removed by Councilmember Wanke. Mayor Nelson recused himself from voting on City Warrant Register number 72151.

**COUNCIL/AGENCY CONSENT CALENDAR:**

- a. **Consideration to Waive Reading in Full of all Ordinances and Resolutions**  
Financial Impact: None  
Recommended Action: Approve  
**(APPROVED 5 – 0, as recommended)**
  
- b. **Minutes**  
**City Council/Agency Regular Meeting – March 15, 2011**  
Recommended Action: Approve  
**(APPROVED 5 – 0, as amended)**
  
- c. **City Warrant Register for March 16, 2011 through April 5, 2011**  
Financial Impact: \$1,374,292.14  
Recommended Action: Approve  
**(APPROVED 5 – 0, as recommended)**
  
- d. **Agency Warrant Register for March 16, 2011 through April 5, 2011**  
Financial Impact: \$116,558.71  
Recommended Action: Approve  
**(APPROVED 5 – 0, as recommended)**

**COUNCIL CONSENT CALENDAR:**

- e. **Approval of 2011 Heritage Festival Date, Location, Theme and Parade Route**  
Financial Impact: To be determined  
Recommended Action: It is recommended that the City Council:  
1) Approve the Heritage Festival Committee’s recommendation of event date, location, theme and parade route  
**(APPROVED 5 – 0, as recommended)**
  
- f. **Appropriation of Prop 69 Funding and Authorization to Purchase Evidence Storage Lockers and a Duplex Drying Cabinet for the Police Department**  
Financial Impact:  
\$53,173.00 Revenue Appropriation to Miscellaneous Grants (#500000-4210/JL 50038) FY 2010/2011 Budget  
\$53,087.37 Expenditure Appropriation to Capital Improvement Project (Account #333554-6185/JL 50038) FY 2010/2011 Budget  
Recommended Action: It is recommended that the City Council:  
1) Approve the appropriation of Prop 69 funding from the County of Orange in the amount of \$53,173.00  
2) Authorize the purchase of Spacesaver evidence storage lockers from McMurray Stern in an amount not to exceed \$43,047.37  
3) Authorize the purchase of an evidence drying rack from AirClean Systems in an amount not to exceed \$10,040.00  
4) Authorize the City Administrator to execute all necessary documents to effectuate these actions  
**(APPROVED 5 – 0, as recommended)**

**g. Memorandum of Understanding with Orange County Transportation Authority for the Yorba Linda Boulevard Traffic Light Synchronization Program Project**

Financial Impact: Minimum maintenance costs

Recommended Action: It is recommended that the City Council:

- 1) Approve Memorandum of Understanding C-1-2463 with the OCTA giving permission to complete the Yorba Linda Boulevard Traffic Light Synchronization Program Project
- 2) Authorize the Mayor to execute the subject Memorandum of Understanding on behalf of the City

**(APPROVED 5 – 0, as recommended)**

**h. Receive and File of Fiscal Year 2009/10 Annual Financial Report**

Financial Impact: None

Recommended Action: It is recommended that the City Council:

- 1) Receive and file the Comprehensive Annual Financial Report for the fiscal year ending June 30, 2010

**(APPROVED 5 – 0, as recommended)**

**i. Corrective Action Plan for the Independent Audit for Fiscal Year 2009-10**

Financial Impact: None

Recommended Action: It is recommended that the City Council:

- 1) Receive and file the Corrective Action Plan for the year ended June 30, 2010

**(APPROVED 5 – 0, as recommended)**

**AGENCY CONSENT CALENDAR:**

**j. 2010 Housing Element Annual Progress Report**

Financial Impact: Not Applicable

Recommended Action: It is recommended that the Agency Board:

- 1) Receive and file the 2010 Housing Element Annual Progress Report for 2010

**(APPROVED 5 – 0, as recommended)**

**2. PUBLIC HEARINGS:**

**COUNCIL:** None

**AGENCY:** None

**3. OLD BUSINESS:**

**a. Second Reading and Adoption - Amendment of Chapter 3.08 of Title 3 of the Placentia Municipal Code Relating to Expenditures Without Competitive Bidding in Response to Emergencies**

Financial Impact: Not applicable

Recommended Action: It is recommended that the City Council:

- 1) Second reading and adoption, Ordinance No. O-2011-02, An Ordinance of the City Council of the City Placentia, California, adding a new section 3.08.140 to Chapter 3.08 of Title 3 of the Placentia Municipal Code

relating to expenditures without competitive bidding in response to emergencies within the City of Placentia  
**(APPROVED 4 – 1, as recommended)**

City Administrator Troy Butzlaff provided a staff report.

A staff report was provided by City Attorney Arczynski. Discussion ensued among Council and City staff regarding this item.

A motion was made by Councilmember Wanke, seconded by Councilmember Underhill, was carried (4 - 1) adopt Ordinance No. O-2011-02.

AYES: Aguirre, Underhill, Wanke, Nelson  
NOES: Yamaguchi

b. **Resolution Approving the Appeal of Entertainment Permit Denial:  
Mariscos Playa de Corales – 640 W. Chapman Avenue**

Financial Impact: Not applicable

Recommended Action: It is recommended that the City Council:

- 1) Adopt Resolution R-2011-10, A resolution of the City Council of the City of Placentia, California, granting an entertainment permit for 640 W. Chapman Avenue – Mariscos Playa de Corales

**(APPROVED 3 – 2, as recommended)**

City Administrator Butzlaff provided a staff report.

A staff report was provided by City Attorney Arczynski. Discussion ensued among Council and City staff regarding this item.

A motion made by Mayor Pro Tem Yamaguchi, seconded by Councilmember Wanke, failed (2 - 3) to remove the last sentence of Section B.2 of Resolution R-2011-10 and approve Resolution R-2011-10 as amended.

AYES: Wanke, Yamaguchi  
NOES: Nelson, Aguirre, Underhill

A motion was made by Councilmember Wanke, seconded by Mayor Pro Tem Yamaguchi, was carried (3 – 2) to approve Resolution R-2011-10 as presented.

AYES: Nelson, Wanke, Yamaguchi  
NOES: Aguirre, Underhill

**4. NEW BUSINESS:**

**COUNCIL/AGENCY:**

a. **Appointments to Commissions and Committees**

Financial Impact:

Recommended Action: It is recommended that the City Council:

- 1) Make appointments to fill vacancies on the Planning Commission (1), Audit Oversight Committee (2), and Heritage Festival Committee (1)

**(APPROVED PER BELOW SELECTION APPOINTMENT)**

A recess was taken by City Council.

City Administrator Troy Butzlaff provided a staff report and overview of process.

Mayor Nelson opened nominations for the **Financial Audit Oversight Committee**.

Councilmember Aguirre nominated, and Mayor Pro Tem Yamaguchi seconded the nomination of candidate Kevin Larson for term ending July 1, 2013. Seeing no other nominations, Mayor Nelson closed the nominations.

A motion was made by Councilmember Aguirre, seconded by Mayor Pro Tem Yamaguchi, and carried (5 – 0) to appoint Kevin Larson to fill the unexpired term for the Financial Audit Oversight Committee, ending July 1, 2013.

AYES: Aguirre, Underhill, Wanke, Yamaguchi, Nelson  
NOES: None

Mayor Pro Tem Yamaguchi nominated, and Mayor Nelson seconded the nomination of candidate Dwayne DeRose for term ending July 1, 2012. Seeing no other nominations, Mayor Nelson closed the nominations.

A motion was made by Councilmember Aguirre, seconded by Mayor Pro Tem Yamaguchi, and carried (5 – 0) to appoint Dwayne DeRose to fill the unexpired term for the Financial Audit Oversight Committee, ending July 1, 2012.

AYES: Aguirre, Underhill, Wanke, Yamaguchi, Nelson  
NOES: None

Mayor Nelson opened nominations for the **Heritage Committee**.

Councilmember Underhill nominated, and Councilmember Wanke seconded the nomination of candidate Jim Cucalon. Seeing no other nominations, Mayor Nelson closed the nominations.

A motion was made by Councilmember Underhill, seconded by Councilmember Wanke, and carried (5 – 0) to appoint Jim Cucalon to the Heritage Committee, non-expiring term.

AYES: Aguirre, Underhill, Wanke, Yamaguchi, Nelson  
NOES: None

Mayor Nelson opened nominations for the **Planning Commission**.

Councilmember Wanke nominated, and Mayor Nelson seconded the nomination of candidate Thomas Solomonson for term ending July 1, 2012. Seeing no other nominations, Mayor Nelson closed the nominations.

A motion was made by Councilmember Wanke, seconded by Mayor Nelson, and carried (5 – 0) to appoint Thomas Solomonson to fill the unexpired term for the Planning Commission, ending July 1, 2012.

AYES: Aguirre, Underhill, Wanke, Yamaguchi, Nelson  
NOES: None

**COUNCIL NEW BUSINESS:**

b. **Request for Proposal for Professional Auditing Services**

Financial Impact:

Expense: Approximately \$60,000 in Fiscal Year 2011/12

Recommended Action: It is recommended that the City Council:

- 1) Authorize staff to issue a Request for Proposal for Auditing Services for Fiscal Year 2010-11

**(APPROVED 5 – 0, as recommended)**

City Administrator Troy Butzlaff provided a staff report. He noted that a correction was made on page 15 of the staff report. The change reflects revised language pertaining to the selection process of the professional auditing service company.

Discussion ensued among Council and City staff regarding this item.

Mayor Nelson recommended that the Financial Audit Oversight Committee and subcommittee recommended the professional auditing service company to the City Council.

A motion was made by Mayor Nelson, seconded by Mayor Pro Tem Yamaguchi, was carried (5 - 0) to revise the language and to put out the request for proposal for auditing services for Fiscal Year 2010-11.

AYES: Aguirre, Underhill, Wanke, Yamaguchi, Nelson  
NOES: None

**AGENCY NEW BUSINESS:**

c. **Reimbursement of Capital Project Fund for Prior Property Transaction – 229 Main Street**

Financial Impact:

Expense: \$185,000 from RDA 20% Fund

Offsetting Revenue: \$185,000 to RDA 80% Project Fund

Recommended Action: It is recommended that the Agency Board:

- 1) Adopt Resolution RA-2011-06, A resolution of the Board of Directors of the Redevelopment Agency of the City of Placentia designating Agency-owned property located at 229 Main Street to be used for affordable housing purposes
- 2) Adopt Resolution RA-2011-07, A resolution of the Board of Directors of the Redevelopment Agency of the City of Placentia authorizing a budget amendment in Fiscal Year 2009/10 in aggregate amount of \$185,000 relating to purchase of 229 Main Street

**(APPROVED 5 – 0, as recommended)**

Assistant Executive Director Ken Domer provided a staff report and recommendations.

Discussion ensued among Board members and Agency staff regarding this item.

A motion was made by Board member Underhill, seconded by Vice-Chairman Yamaguchi, was carried (5 - 0) adopt Resolution RA-2011-06 and RA-2011-07.

AYES: Aguirre, Underhill, Wanke, Yamaguchi, Nelson  
NOES: None

**CITY COUNCIL/AGENCY MEMBER REQUESTS:**

Mayor Pro Tem Yamaguchi requested that the Council give staff direction to place on the agenda a closed session item pertaining to employee performance evaluations of City Administrator Troy Butzlaff and City Attorney Andrew V. Arczynski. He requested hosting a community meeting to discuss bicycle safety issues.

City Administrator Troy Butzlaff requested that the Council give staff direction to place on the agenda two study session items pertaining to City Council's role in the event of an emergency and an update on the Goal Setting Workshop.

**ADJOURNMENT:**

The City Council/Redevelopment Agency Board of Directors adjourned at 9:06 p.m. to the next regular meeting of April 5, 2011 in memory of Gary Ray Lenhart.

\_\_\_\_\_  
PATRICK J. MELIA, CITY CLERK/AGENCY  
SECRETARY

ATTEST:

\_\_\_\_\_  
SCOTT W. NELSON, MAYOR/AGENCY CHAIR

**City of Placentia  
Warrant Register  
For 04/19/2011**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount Invoice#	PO #	Check #	Check Date
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Grand Total: 410,291.59

Fund Name	Warrant Totals by Fund
101-General Fund	122,742.62
225-Asset Seizure	1,219.20
230-Supplemental Law Enforcement	65.11
260-Street Lighting District	143.28
265-Landscape Maintenance	12,345.16
270-Housing and Community Develop.	20,000.00
275-Sewer Maintenance	75,368.85
280-Misc Grants Fund	170.57
401-City Capital Projects	110,409.86
501-Refuse Administration	726.75
505-CNG Fueling Station	5,220.19
601-Employee Health & Welfare	10,722.26
605-Risk Management	3,604.48
615-Information Technology	1,038.54
620-Citywide Services	45,936.08
701-Special Deposits	100.00
715-Community Facilities District	478.64

Void Total: 0.00  
Warrant Total: 410,291.59

LEGEND	
EP	Electronic Payment
MW IP	Machine Written (Immediate Pay)
MW OH	Machine Written (Open Hold)
RV	Reversed Warrant

Warrant Total: 410,291.59

*RD*

**City of Placentia  
Warrant Register  
For 04/19/2011**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
EP	ICMA RETIREMENT TRUST V000496	P/E 4/2/11 PD DATE 4/8/11	0029-2170 Deferred Comp Payable - ICMA	PY11007	54.50	2995/1101007		00002220	04/07/2011
EP	ICMA RETIREMENT TRUST V000496	P/E 4/2/11 PD DATE 4/8/11	0048-2170 Deferred Comp Payable - ICMA	PY11007	106.75	2995/1101007		00002220	04/07/2011
EP	ICMA RETIREMENT TRUST V000496	P/E 4/2/11 PD DATE 4/8/11	0010-2170 Deferred Comp Payable - ICMA	PY11007	7,281.78	2995/1101007		00002220	04/07/2011
EP	ICMA RETIREMENT TRUST V000496	P/E 4/2/11 PD DATE 4/8/11	0037-2170 Deferred Comp Payable - ICMA	PY11007	109.50	2995/1101007		00002220	04/07/2011
EP	ICMA RETIREMENT TRUST V000496	P/E 4/2/11 PD DATE 4/8/11	0043-2170 Deferred Comp Payable - ICMA	PY11007	50.00	2995/1101007		00002220	04/07/2011
EP	ICMA RETIREMENT TRUST V000496	P/E 4/2/11 PD DATE 4/8/11	0038-2170 Deferred Comp Payable - ICMA	PY11007	15.00	2995/1101007		00002220	04/07/2011
			<b>Vendor Total:</b>		<b>7,617.53</b>				
			<b>Type Total:</b>		<b>7,617.53</b>				
MW OH	A-1 AUTO BODY AND TOWI V005848	JAN 11 TOWING SERVICES	103041-6181 Towing Services	TK4711A	7,425.00	JAN 11	P04988	00072246	04/19/2011
MW OH	A-1 AUTO BODY AND TOWI V005848	JAN 11 CSUF PD TOWING SERVICE	103041-6181 / 50208-6181 Towing Services	TK4711A	255.75	JAN 11 CSUF P	P04989	00072246	04/19/2011
MW OH	AARON, MATTHEW V007513	DEPOSIT REFUND - TRI CITY	100000-4385 / 79188-4385 Facility Rental	TK4711A	50.00	68124		00072247	04/19/2011
			<b>Vendor Total:</b>		<b>7,680.75</b>				
MW OH	ABBA TERMITE & PEST CON V000087	COB BEE TRAPS	433654-6130 Repair & Maint/Facilities	TK4711A	180.00	16091B	P04500	00072248	04/19/2011
MW OH	ABBA TERMITE & PEST CON V000087	COB BEE TRAPS	433654-6130 Repair & Maint/Facilities	TK4711A	180.00	16092B	P04500	00072248	04/19/2011
			<b>Vendor Total:</b>		<b>360.00</b>				
MW OH	ADAMSON POLICE PRODUC V007539	HIGH RISK GLOVES-LARGE	103043-6301 Special Department Supplies	TK4711A	54.95	INV45720	P04946	00072249	04/19/2011
MW OH	ADAMSON POLICE PRODUC	HIGH RISK GLOVES-XLARGE	103043-6301	TK4711A	164.85	INV45720	P04946	00072249	04/19/2011

**City of Placentia  
Warrant Register  
For 04/19/2011**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	V007539		Special Department Supplies						
MW OH	ADAMSON POLICE PRODUC V007539	TAX	103043-6301 Special Department Supplies	TK4711A	27.89	INV45720	P04946	00072249	04/19/2011
MW OH	ADAMSON POLICE PRODUC V007539	HIGH RISK GLOVES-SMALL	103043-6301 Special Department Supplies	TK4711A	21.98	INV45720	P04946	00072249	04/19/2011
MW OH	ADAMSON POLICE PRODUC V007539	HIGH RISK GLOVES-MEDIUM	103043-6301 Special Department Supplies	TK4711A	76.93	INV45720	P04946	00072249	04/19/2011
				<b>Vendor Total:</b>	<b>346.60</b>				
MW IP	ADMINSURE V004980	FEB WORKERS COMP CLAIMS	404580-6025 Third Party Administration	ITK4711A	3,406.95	5232	P05026	00072225	04/07/2011
				<b>Vendor Total:</b>	<b>3,406.95</b>				
MW OH	ALARM CENTRAL INC. V006825	APRIL ALARM MONITORING	433654-6127 Alarm Monitoring	TK4711A	1,134.00	R21663	P03859	00072250	04/19/2011
				<b>Vendor Total:</b>	<b>1,134.00</b>				
MW OH	ALBERT GROVER & ASSOCI V007111	ROSE DR TRAFFIC SIGNAL UPGRA	333552-6185 / 6800140141-6185 Construction Services	TK4711A	5,785.00	01172-JN	P03928	00072251	04/19/2011
				<b>Vendor Total:</b>	<b>5,785.00</b>				
MW OH	ALL CITY MANAGEMENT SI V000005	3/27-4/12 CROSSING GUARD SRVS	103041-6099 Other Professional Services	TK4711A	7,873.60	22330	P03640	00072252	04/19/2011
				<b>Vendor Total:</b>	<b>7,873.60</b>				
MW OH	ALL COUNTY ENVIRONMEN V007451	SEWAGE CLEANUP-550 W. CROWT	484376-6120 R & M/Sewer & Storm Drain	TK4711A	8,480.00	11-516	P04849	00072253	04/19/2011
MW OH	ALL COUNTY ENVIRONMEN V007451	SEWAGE CLEANUP-550 W. CROWT	484376-6120 R & M/Sewer & Storm Drain	TK4711A	48,000.00	11-530	P04934	00072253	04/19/2011
MW OH	ALL COUNTY ENVIRONMEN V007451	CHANGE ORDER-SEWAGE CLEAN	484376-6120 R & M/Sewer & Storm Drain	TK4711A	3,750.00	11-574	P05017	00072253	04/19/2011
				<b>Vendor Total:</b>	<b>60,230.00</b>				
MW OH	ANAHEIM FULLERTON TOW V006631	JAN 11 TOWING SERVICES	103041-6181 Towing Services	TK4711A	7,103.25	JAN 11	P04990	00072255	04/19/2011

City of Placentia  
Warrant Register  
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Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
MW OH	ANDERSON, JAMES V005056	CHIEFS WORKSHOP - MEALS	103040-6245 Meetings & Conferences	Vendor Total: TK4711A	7,103.25	180.00 040511	P04913	00072256	04/19/2011
MW OH	ANGELES, OLGA V007526	DEPOSIT REFUND - KRAEMER PAI	100000-4385 / 79175-4385 Facility Rental	Vendor Total: TK4711A	180.00	100.00 68351		00072257	04/19/2011
MW OH	ANTHEM LIFE INSURANCE V000046	APRIL OPTIONAL LIFE INSURANC	0010-2186 Optional Life Insurance	Vendor Total: TK4711D	100.00	5.00 04711		00072258	04/19/2011
MW OH	ARAMARK UNIFORM SERV V004232	UNIFORM SERVICE	103650-6360 Uniforms	Vendor Total: TK4711A	5.00	163.93 502-5794027	P04564	00072259	04/19/2011
MW OH	ARAMARK UNIFORM SERV V004232	UNIFORM SERVICE	103650-6360 Uniforms	Vendor Total: TK4711A	71.72	502-5794028	P04564	00072259	04/19/2011
MW IP	ARCZYNSKI, ANDREW V V005588	MARCH CITY ATTORNEY SRVS	101005-6005 Legal Services	Vendor Total: ITK4711A	235.65	18,379.17 033111	P04854	00072226	04/07/2011
MW OH	ARELLANO, ESTELA V007514	DEPOSIT REFUND - BACKS BLDG	100000-4385 / 79161-4385 Facility Rental	Vendor Total: TK4711A	18,379.17	150.00 68120		00072260	04/19/2011
MW IP	AT & T V006635	MONTHLY LONG DISTANCE CHAF	431010-6215 Telephone	Vendor Total: ITK4711A	150.00	4.82 032511		00072227	04/07/2011
MW IP	AT&T V004144	MONTHLY PHONE CHARGES	296561-6215 Telephone	Vendor Total: ITK4711A	4.82	61.12 032011		00072228	04/07/2011
MW IP	AT&T V004144	MONTHLY PHONE CHARGES	431010-6215 Telephone	Vendor Total: ITK4711A	1,123.04	032011		00072228	04/07/2011
				Vendor Total:	1,184.16				

**City of Placentia  
Warrant Register  
For 04/19/2011**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
MW OH	BEDECON INVESTMENTS V000135	REFUND-RECLASSIFY PROPERTY	100000-4101 Gross Receipts	TK4711A	1,561.03	010107		00072261	04/19/2011
MW OH	BEDECON INVESTMENTS V000135	REFUND - RECLASSIFY PROPERTY	100000-4101 Gross Receipts	TK4711A	1,155.85	010108		00072261	04/19/2011
MW OH	BEDECON INVESTMENTS V000135	REFUND - RECLASSIFY PROPERTY	100000-4101 Gross Receipts	TK4711A	1,226.00	010109A		00072261	04/19/2011
MW OH	BEDECON INVESTMENTS V000135	REFUND - RECLASSIFY PROPERTY	100000-4101 Gross Receipts	TK4711A	1,116.95	010110		00072261	04/19/2011
MW OH	BEDECON INVESTMENTS V000135	REFUND - RECLASSIFY PROPERTY	100000-4101 Gross Receipts	TK4711A	1,044.90	010111		00072261	04/19/2011
		<b>Vendor Total:</b>			<b>6,104.73</b>				
MW OH	BENAVIDEZ, LUIS V007527	DEPOSIT REFUND - TRI CITY	100000-4385 / 79188-4385 Facility Rental	TK4711A	100.00	68349		00072262	04/19/2011
		<b>Vendor Total:</b>			<b>100.00</b>				
MW OH	BMP SOLUTIONS V007510	GRAVEL BAGS	333552-6185 / 61056-6185 Construction Services	TK4711A	1,546.50	4192	P05013	00072263	04/19/2011
		<b>Vendor Total:</b>			<b>1,546.50</b>				
MW OH	BOGAN, PATRICK V007515	DEPOSIT REFUND - TRI CITY	100000-4385 / 79188-4385 Facility Rental	TK4711A	50.00	68126		00072264	04/19/2011
		<b>Vendor Total:</b>			<b>50.00</b>				
MW OH	BORN, NATALIE V007528	CLASS REFUND	100000-4340 / 79105-4340 Recreation Programs	TK4711A	175.00	03082011		00072265	04/19/2011
		<b>Vendor Total:</b>			<b>175.00</b>				
MW OH	BUSINESS PRODUCTS DISTI V000152	OFFICE SUPPLIES	103650-6315 Office Supplies	TK4711A	13.89	17238	P03864	00072266	04/19/2011
MW OH	BUSINESS PRODUCTS DISTI V000152	RECYCLED COLOR PAPER	374386-6315 Office Supplies	TK4711A	442.50	18534	P05000	00072267	04/19/2011
		<b>Vendor Total:</b>			<b>456.39</b>				
MW IP	BUTZLAFF, TROY V005326	TRAVEL REIMBURSEMENT	101511-6245 Meetings & Conferences	ITK4711A	384.13	031411	P04966	00072229	04/07/2011

**City of Placentia  
Warrant Register  
For 04/19/2011**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
MW OH	C&S PRODUCTS INC. V005702	DISPATCH WIRELESS HEADSETS	103043-6137 Repair Maint/Equipment	<b>Vendor Total:</b> TK4711B	384.13				
					1,571.60	68249	P04898	00072268	04/19/2011
MW IP	CA CONSTRUCTION V007379	PROGRESS PYMNT-ET POWELL	333554-6185 / 6104340133-6185 Construction Services	<b>Vendor Total:</b> ITK4711A	1,571.60				
					21,999.78	10336.3	P04605	00072230	04/07/2011
MW IP	CA CONSTRUCTION V007379	CONST. CHANGE ORDERS-ET POW	333554-6185 / 6104340133-6185 Construction Services	ITK4711A	25,562.11	10336.4	P04977	00072230	04/07/2011
MW OH	CA CONSTRUCTION V007379	RETENTION PAYMENT-E.T. POWE	333554-6185 / 6104340133-6185 Construction Services	TK4711B	20,284.69	10336.5	P04977	00072269	04/19/2011
MW OH	CALIFORNIA FORENSIC PHI 27 V000232	BLOOD DRAWS-MARCH	103040-6055 Medical Services	<b>Vendor Total:</b> TK4711B	67,846.58				
					2,558.25	03.30.11	P03642	00072270	04/19/2011
MW OH	CALIFORNIA STATE DISBUJ V004813	P/E 4/2/11 PD DATE 4/8/11	0029-2196 Garnishments W/H	<b>Vendor Total:</b> PY11007	2,558.25				
					55.41	2700/1101007		00072213	04/08/2011
MW OH	CALIFORNIA STATE DISBUJ V004813	P/E 4/2/11 PD DATE 4/8/11	0010-2196 Garnishments W/H	PY11007	1,200.09	2700/1101007		00072213	04/08/2011
MW OH	CALIFORNIA STATE DISBUJ V004813	P/E 4/2/11 PD DATE 4/8/11	0048-2196 Garnishments W/H	PY11007	83.08	2700/1101007		00072213	04/08/2011
MW OH	CALIFORNIA STATE UNIVEI V006510	JAN 11 CSUF PD IMPOUND FEES	103041-6183 / 50208-6183 CSUF PD Reimburse Impound Fee	<b>Vendor Total:</b> TK4711B	1,338.58				
					781.43	JAN 11 CSUF P	P04993	00072272	04/19/2011
MW OH	CARLI, TALIA V007529	CLASS REFUND	100000-4340 / 79348-4340 Recreation Programs	<b>Vendor Total:</b> TK4711B	781.43				
					30.00	68321		00072273	04/19/2011
MW OH	CARLOS, ANNETTE V007516	DEPOSIT REFUND - TRI CITY	100000-4385 / 79188-4385 Facility Rental	<b>Vendor Total:</b> TK4711B	30.00				
					100.00	68125		00072274	04/19/2011

**City of Placentia  
Warrant Register  
For 04/19/2011**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
MW OH	CARRERA, SONIA V001830	DEPOSIT REFUND - KRAEMER PAJ	100000-4385 / 79175-4385 Facility Rental	Vendor Total: TK4711B	100.00	100.00 68129		00072275	04/19/2011
MW OH	CARWASH OF AMERICA V000771	MARCH CITY CAR WASHES	433658-6301 Special Department Supplies	Vendor Total: TK4711B	100.00	7.99 3014	P03785	00072276	04/19/2011
MW OH	CHAPLUK, RANDI V007517	DEPOSIT REFUND - TRI CITY	100000-4385 / 79188-4385 Facility Rental	Vendor Total: TK4711B	7.99	100.00 68128		00072277	04/19/2011
MW OH	CITY OF CLAREMONT V006053	LEGAL SERVICES-GSW FEE INCRE	101005-6005 Legal Services	Vendor Total: TK4711B	100.00	277.16 34810	P03671	00072278	04/19/2011
MW OH	CITY OF CORONA V007487	FEB RANGE FEES	103043-6160 Facility Rental	Vendor Total: TK4711B	277.16	495.00 AR74038	P04969	00072279	04/19/2011
MW OH	CLEAR CHOICE LIEN SALES V005847	2/18-3/18 CSUFPD LIEN SRVS	103041-6182 / 50208-6182 Lien Services	Vendor Total: TK4711B	495.00	13.00 130-1	P04991	00072280	04/19/2011
MW OH	CLEAR CHOICE LIEN SALES V005847	2/18-3/18 CSUFPD LIEN SRVS	103041-6182 / 50208-6182 Lien Services	Vendor Total: TK4711B	13.00	13.00 149-2	P04991	00072280	04/19/2011
MW OH	CLEAR CHOICE LIEN SALES V005847	3/15-3/18 LIEN SERVICES	103041-6182 Lien Services	Vendor Total: TK4711B	13.00	13.00 146	P04992	00072280	04/19/2011
MW OH	CLEAR CHOICE LIEN SALES V005847	3/15-3/18 LIEN SERVICES	103041-6182 Lien Services	Vendor Total: TK4711B	286.00	286.00 149-1	P04992	00072280	04/19/2011
MW OH	COMMUNITY HEALTH CHA V000192	P/E 4/2/11 PD DATE 4/8/11	0037-2194 CHAD	Vendor Total: PY11007	325.00	1.00 2640/1101007		00072214	04/08/2011
MW OH	COMMUNITY HEALTH CHA V000192	P/E 4/2/11 PD DATE 4/8/11	0010-2194 CHAD	Vendor Total: PY11007	14.00	14.00 2640/1101007		00072214	04/08/2011

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MW OH	COUNTY OF ORANGE TREA V000715	MARCH OCATS SERVICES	103043-6299 Other Purchased Services	TK4711B	784.00	SH28990	P04779	00072282	04/19/2011
MW OH	COUNTY OF ORANGE TREA V000715	OVERAPPORTIONMENT TAXES	100000-4001 Current Year-Secured	TK4711B	63.42	TX0318	P05021	00072281	04/19/2011
MW OH	DALE, TIFFANY V007537	PARTIAL CLASS REFUND	100000-4340 / 79340-4340 Recreation Programs	Vendor Total: TK4711B	847.42 65.00	68432		00072283	04/19/2011
MW OH	DELGADILLO, PAULA V007518	DEPOSIT REFUND - BACKS BLDG	100000-4385 / 79161-4385 Facility Rental	Vendor Total: TK4711B	65.00 150.00	68121		00072285	04/19/2011
MW OH	DELTACARE USA V005298	APRIL DENTAL INSURANCE PREM	395083-5162 Dental Insurance Premiums	Vendor Total: TK4711D	150.00 450.69	4031384		00072286	04/19/2011
MW OH	DELTACARE USA V005298	APRIL DENTAL INSURANCE PREM	395000-4720 ISF Dental Ins Reimbursement	TK4711D	1,440.55	4031384		00072286	04/19/2011
MW OH	DREW, BRIAN V004950	BICYCLE PATROL CLASS	213041-6245 Meetings & Conferences	Vendor Total: TK4711B	1,891.24 529.60	040511	P04885	00072287	04/19/2011
MW IP	E.B.A. & M CORP V000362	APRIL DENTAL INSURANCE PREM	395000-4720 ISF Dental Ins Reimbursement	Vendor Total: ITK4711A	529.60 431.25	APRIL 11		00072231	04/07/2011
MW IP	E.B.A. & M CORP V000362	APRIL DENTAL INSURANCE PREM	395083-5162 Dental Insurance Premiums	ITK4711A	523.25	APRIL 11		00072231	04/07/2011
MW OH	E.J. WARD INC V001108	FUEL READER SUPPORT/PARTS	0043-1505 Auto Supply Inventory	Vendor Total: TK4711B	954.50 369.08	0031109-IN	P03846	00072288	04/19/2011
MW OH	EDUCATIONAL CREDIT MG	P/E 4/2/11 PD DATE 4/8/11	0048-2196	Vendor Total: PY11007	369.08 46.92	2711/1101007		00072215	04/08/2011

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	V004608		Garnishments W/H						
MW OH	EDUCATIONAL CREDIT MG V004608	P/E 4/2/11 PD DATE 4/8/11	0029-2196 Garnishments W/H	PY11007	31.27	2711/1101007		00072215	04/08/2011
MW OH	EDUCATIONAL CREDIT MG V004608	P/E 4/2/11 PD DATE 4/8/11	0010-2196 Garnishments W/H	PY11007	551.93	2711/1101007		00072215	04/08/2011
			<b>Vendor Total:</b>		<b>630.12</b>				
MW OH	ERNSTER FAMILY LTD PAR V007530	BUSINESS LICENSE REFUND	100000-4101 Gross Receipts	TK4711B	62.85	010109		00072289	04/19/2011
MW OH	ERNSTER FAMILY LTD PAR V007530	BUSINESS LICENSE REFUND	100000-4101 Gross Receipts	TK4711B	84.35	010110		00072289	04/19/2011
MW OH	ERNSTER FAMILY LTD PAR V007530	BUSINESS LICENSE REFUND	100000-4101 Gross Receipts	TK4711B	84.30	010111		00072289	04/19/2011
			<b>Vendor Total:</b>		<b>231.50</b>				
MW OH	EVAN'S GUNSMITHING'S SH V003336	FEB RANGE FEES	103043-6160 / 50040-6160 Facility Rental	TK4711B	1,050.00	5104	P04968	00072290	04/19/2011
			<b>Vendor Total:</b>		<b>1,050.00</b>				
MW OH	FEDEX V000394	OVERNIGHT SHIPPING CHARGES	333552-6185 / 6105740133-6185 Construction Services	TK4711C	35.70	7-367-76335	P05016	00072291	04/19/2011
MW OH	FEDEX V000394	SHIPPING CHARGES	101511-6325 Postage	TK4711C	36.73	7-383-17194	P05040	00072291	04/19/2011
MW OH	FEDEX V000394	SHIPPING CHARGES	102531-6325 Postage	TK4711C	27.83	7-422-48690	P05041	00072291	04/19/2011
			<b>Vendor Total:</b>		<b>100.26</b>				
MW OH	FIREMASTER V000409	FIRE EXTINGUISHER MAINTENAN	433654-6130 Repair & Maini/Facilities	TK4711C	1,266.56	113186446	P05038	00072292	04/19/2011
MW OH	FIREMASTER V000409	FIRE EXTINGUISHER MAINTENAN	433654-6130 Repair & Maini/Facilities	TK4711C	670.84	113186638	P05038	00072292	04/19/2011
MW OH	FIREMASTER V000409	FIRE EXTINGUISHER MAINTENAN	433654-6130 Repair & Maini/Facilities	TK4711C	654.82	113186644	P05038	00072292	04/19/2011
			<b>Vendor Total:</b>		<b>2,592.22</b>				

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MW OH	FLEET SERVICES V007269	GASOLINE FOR FLEET	433658-6345 Gasoline & Diesel Fuel	TK4711C	1,945.83	25615271	P04341	00072293	04/19/2011
MW OH	FULLERTON, CITY OF V000385	5/9-3/10 TRAFFIC SIGNAL MAINT	103652-6099 Other Professional Services	<b>Vendor Total:</b> TK4711B	<b>1,945.83</b> 546.38	AR083125	P05015	00072294	04/19/2011
MW OH	GAMETIME V004081	PLAYGROUND TILE REPAIR	103655-6130 Repair & Maint/Facilities	<b>Vendor Total:</b> TK4711C	<b>546.38</b> 1,739.99	794608	P04997	00072295	04/19/2011
MW IP	GAS CO, THE V000909	MONTHLY GAS CHARGES	431010-6340 Natural Gas	<b>Vendor Total:</b> ITK4711A	<b>1,739.99</b> 772.18	033111		00072232	04/07/2011
MW OH	GLOE, ADAM V002828	SPRING TUITION REIMBURSEMEN	431010-5150 Tuition Reimbursement	<b>Vendor Total:</b> TK4711C	<b>772.18</b> 773.20	SPRING 11	P04998	00072296	04/19/2011
MW IP	GOLDEN STATE WATER CO V000928	MONTHLY WATER CHARGES	431010-6335 Water	<b>Vendor Total:</b> ITK4711A	<b>773.20</b> 8,922.82	032411		00072233	04/07/2011
MW IP	GOLDEN STATE WATER CO V000928	MONTHLY WATER CHARGES	296561-6335 Water	ITK4711A	12,008.97	032411		00072233	04/07/2011
MW OH	GONSALVES & SON, JOE V005577	APRIL ADVOCACY SERVICES	101001-6099 Other Professional Services	<b>Vendor Total:</b> TK4711C	<b>20,931.79</b> 4,000.00	2415	P03630	00072297	04/19/2011
MW OH	GREAT WEST V006983	P/E 4/2/11 PD DATE 4/8/11	0029-2172 Deferred Comp Pay. - Gr West	<b>Vendor Total:</b> PY11007	<b>4,000.00</b> 5.47	2607/1101007		00072216	04/08/2011
MW OH	GREAT WEST V006983	P/E 4/2/11 PD DATE 4/8/11	0048-2172 Deferred Comp Pay. - Gr West	PY11007	8.21	2607/1101007		00072216	04/08/2011
MW OH	GREAT WEST V006983	P/E 4/2/11 PD DATE 4/8/11	0010-2172 Deferred Comp Pay. - Gr West	PY11007	351.45	2607/1101007		00072216	04/08/2011

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MW IP	GREEN, CRAIG V007523	CMTA CONFERENCE EXPENSES	102020-6245 Meetings & Conferences	Vendor Total: ITK4711A	365.13	300.00 040511	P05034	00072234	04/07/2011
MW OH	HDL COREN & CONE V000464	CONTRACT SERVICES PROPERTY	102021-6099 Other Professional Services	Vendor Total: TK4711C	300.00	3,150.00 0016635-IN	P05001	00072298	04/19/2011
MW OH	HDL COREN & CONE V000464	AUDIT SERVICES SALES TAX	102021-6099 Other Professional Services	TK4711C	698.42	0017571-IN	P05001	00072298	04/19/2011
MW OH	HDL COREN & CONE V000464	1ST SALES TAX	102021-6099 Other Professional Services	TK4711C	975.00	0017571-IN	P05001	00072298	04/19/2011
MW OH	HDL COREN & CONE V000464	AUDIT SERVICES SALES TAX	102021-6099 Other Professional Services	TK4711C	750.00	0017732-IN	P05001	00072298	04/19/2011
MW OH	HDL COREN & CONE V000464	2009/10 CAFR STATISTICAL REPOF	102021-6099 Other Professional Services	TK4711C	795.00	0016550-IN	P05024	00072298	04/19/2011
MW OH	HERNANDEZ, HECTOR V007519	DEPOSIT REFUND - WHITTEN	100000-4385 / 79195-4385 Facility Rental	Vendor Total: TK4711C	6,368.42	150.00 68119		00072299	04/19/2011
MW OH	HONEYWELL INTERNATIONAL V001388	REPLACE CITY SMOKE DETECTOR	433654-6130 Repair & Maint/Facilities	Vendor Total: TK4711C	150.00	755.73 976966	P04994	00072300	04/19/2011
MW OH	HUNTINGTON BEACH HONI V003897	PD MOTORCYCLE ACCESSORIES	0043-1505 Auto Supply Inventory	Vendor Total: TK4711C	755.73	668.80 11005332	P04995	00072301	04/19/2011
MW OH	IMPERIAL SPRINKLER SUPP V006506	IRRIGATION CONTROLS	103655-6199 Other Purchased Property Svc	Vendor Total: TK4711C	668.80	192.04 1080809-01	P04648	00072302	04/19/2011
MW OH	IMPERIAL SPRINKLER SUPP V006506	CREDIT	103655-6199 Other Purchased Property Svc	TK4711C	-74.66	1094367-00	P04648	00072302	04/19/2011
MW OH	IMPERIAL SPRINKLER SUPP V006506	IRRIGATION CONTROLS	103655-6199 Other Purchased Property Svc	TK4711C	92.36	1107146-00	P04648	00072302	04/19/2011

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MW OH	IMPERIAL SPRINKLER SUPP V006506	IRRIIGATION CONTROLS	103655-6199 Other Purchased Property Svc	TK4711C	20.06	1191278-00	P04648	00072302	04/19/2011
MW OH	IMPRESSIONS PRINTING V000517	BUSINESS CARDS	101511-6315 Office Supplies	<b>Vendor Total:</b> TK4711C	229.80		P04828	00072303	04/19/2011
MW OH	KBI & ASSOCIATES V002106	TEEN HOOPS UNIFORMS	104071-6301 Special Department Supplies	<b>Vendor Total:</b> TK4711C	59.81	383.62 12329	P05027	00072304	04/19/2011
MW OH	KOBLY, DEREK V007531	CLASS REFUND	100000-4340 / 79348-4340 Recreation Programs	<b>Vendor Total:</b> TK4711C	383.62	50.00 68355		00072305	04/19/2011
MW OH	KUSTOM IMPRINTS INC V002321	SPORTS PROGRAMS DUFFLE BAG:	104071-6301 Special Department Supplies	<b>Vendor Total:</b> TK4711C	50.00	912.43 95036	P04957	00072306	04/19/2011
MW OH	KUSTOM IMPRINTS INC V002321	SPORTS PROGRAMS DUFFLE BAG:	104071-6301 Special Department Supplies	TK4711C	832.59	95090	P04957	00072306	04/19/2011
MW OH	MAKE IT PERSONAL V000646	NAME BADGE-YAMAGUCHI	101001-6301 Special Department Supplies	<b>Vendor Total:</b> TK4711C	1,745.02	9.29 484360	P04963	00072307	04/19/2011
MW OH	MC ELHINNEY, JAMES V003620	ICS 400 CLASS-TRAVEL,MEALS	103041-6250 Staff Training	<b>Vendor Total:</b> TK4711C	9.29	25.94 040511	P04816	00072308	04/19/2011
MW OH	MEJIA-HERNANDEZ, SANDI V007532	DEPOSIT REFUND - WHITTEN	100000-4385 / 79195-4385 Facility Rental	<b>Vendor Total:</b> TK4711C	25.94	150.00 68353		00072309	04/19/2011
MW OH	MIN, JOHN V005178	DEPOSIT REFUND - OBERLE GYM	100000-4385 / 79179-4385 Facility Rental	<b>Vendor Total:</b> TK4711C	150.00	100.00 68354		00072310	04/19/2011
				<b>Vendor Total:</b>	100.00				

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MW OH	MONTANEZ, VALERIE V007533	DEPOSIT REFUND - AGUIRRE	100000-4385 / 79160-4385 Facility Rental	TK4711C	100.00	68352		00072311	04/19/2011
MW OH	MOYER, MELISSA V007520	DEPOSIT REFUND - TRI CITY	100000-4385 / 79188-4385 Facility Rental	Vendor Total: TK4711C	100.00 100.00	68123		00072312	04/19/2011
MW OH	MZN CONSTRUCTION INC V003959	HOUSING REHAB-2114 POUND DR	302535-6401 Community Programs	Vendor Total: TK4711C	100.00 10,000.00	0002437-IN	P04729	00072313	04/19/2011
MW OH	NATIONAL NOTARY ASSN V000681	MEMBERSHIP DUES	101511-6255 Dues & Memberships	Vendor Total: TK4711C	10,000.00 52.00	032211	P05006	00072314	04/19/2011
MW IP	NEXTEL COMMUNICATION V000670	MONTHLY PD DATA LINK CHARG	431010-6215 Telephone	Vendor Total: ITK4711A	52.00 786.46	521311782-036		00072235	04/07/2011
MW OH	NORCO DELIVERY SERVICE V007294	SHIPPING CHARGES	103550-6325 Postage	Vendor Total: TK4711C	786.46 12.32	216600A	P04961	00072315	04/19/2011
MW IP	OCE IMAGISTICS INC. V006549	FEB COPIER MAINT/SUPPLIES	431010-6175 Office Equipment Rental	Vendor Total: ITK4711A	12.32 1,364.26	415595260		00072236	04/07/2011
MW IP	OCE IMAGISTICS INC. V006549	FEB COPIER MAINT/SUPPLIES	432024-6175 Office Equipment Rental	ITK4711A	178.07	415594714	P03684	00072236	04/07/2011
MW OH	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	501514-6301 / 20016-6301 Special Department Supplies	Vendor Total: TK4711C	1,542.33 43.69	036157	P05004	00072316	04/19/2011
MW OH	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	101511-6315 Office Supplies	TK4711C	41.98	036157	P05004	00072316	04/19/2011
MW OH	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	501514-6301 / 20016-6301 Special Department Supplies	TK4711C	126.88	036160	P05042	00072316	04/19/2011

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MW IP	OFSI V000703	MARCH COPIER MAINT.	431010-6175 Office Equipment Rental	Vendor Total: ITK4711A	212.55	353.23 1505466		00072237	04/07/2011
MW IP	OFSI V000703	MARCH COPIER/FAX MAINT.	431010-6175 Office Equipment Rental	ITK4711A	1,622.56	1505467		00072237	04/07/2011
MW IP	OFSI V000703	MARCH COPIER MAINT.	431010-6175 Office Equipment Rental	ITK4711A	353.23	1507437		00072237	04/07/2011
MW IP	OFSI V000703	APRIL COPIER MAINT.	431010-6175 Office Equipment Rental	ITK4711A	353.23	1526058		00072237	04/07/2011
MW IP	OFSI V000703	APRIL COPIER/FAX MAINT.	431010-6175 Office Equipment Rental	ITK4711A	1,622.56	1526059		00072237	04/07/2011
MW IP	OMEGA MICROFILM V000734	MICROFILM YEARLY SERVICE	101513-6135 Repair/Maint Off Furn & Eqp	Vendor Total: ITK4711A	4,304.81	858.93 19114	P05043	00072238	04/07/2011
MW OH	ONYX ARCHITECTS V006691	ARCHITECTURAL DESIGN SERVIC	333554-6015 / 6106615023-6015 Engineering Services	Vendor Total: TK4711C	858.93	1,495.23 10750	P04348	00072317	04/19/2011
MW OH	ONYX ARCHITECTS V006691	ARCHITECTURAL DESIGN SERVIC	333554-6015 / 6106615023-6015 Engineering Services	TK4711C	511.05	10772	P04348	00072317	04/19/2011
MW OH	ORANGE COUNTY EMPLOY V000699	P/E 4/2/11 PD DATE 4/8/11	0029-2176 PCEA/OCEA Assoc Dues	Vendor Total: PY11007	2,006.28	10.56 2610/1101007		00072217	04/08/2011
MW OH	ORANGE COUNTY EMPLOY V000699	P/E 4/2/11 PD DATE 4/8/11	0048-2176 PCEA/OCEA Assoc Dues	PY11007	28.85	2610/1101007		00072217	04/08/2011
MW OH	ORANGE COUNTY EMPLOY V000699	P/E 4/2/11 PD DATE 4/8/11	0043-2176 PCEA/OCEA Assoc Dues	PY11007	19.24	2610/1101007		00072217	04/08/2011
MW OH	ORANGE COUNTY EMPLOY V000699	P/E 4/2/11 PD DATE 4/8/11	0010-2176 PCEA/OCEA Assoc Dues	PY11007	296.33	2610/1101007		00072217	04/08/2011
MW OH	ORANGE COUNTY EMPLOY V000699	P/E 4/2/11 PD DATE 4/8/11	0037-2176 PCEA/OCEA Assoc Dues	PY11007	10.58	2610/1101007		00072217	04/08/2011

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MW OH	ORANGE COUNTY SANITAI V000698	484376-6120 R & M/Sewer & Storm Drain	Vendor Total:	TK4711C	365.56				
MW OH	ORANGE COUNTY SHERIFF V005007	P/E 4/2/11 PD DATE 4/8/11	0010-2196 Garnishments W/H	PY11007	103.00	43715	P03627	00072318	04/19/2011
MW OH	ORANGE COUNTY SHERIFF V005007	P/E 4/2/11 PD DATE 4/8/11	0029-2196 Garnishments W/H	PY11007	112.50	2714/1101007		00072218	04/08/2011
MW OH	ORANGE COUNTY SHERIFF V005007	P/E 4/2/11 PD DATE 4/8/11	0048-2196 Garnishments W/H	PY11007	15.00	2714/1101007		00072218	04/08/2011
MW OH	ORANGE COUNTY SHERIFF V006998	P/E 4/2/11 PD DATE 4/8/11	0010-2196 Garnishments W/H	PY11007	22.50	2714/1101007		00072218	04/08/2011
MW IP	PAINT YOUR HEART OUT V006676	PAINING SRVS-525 WHITTEN WA	0010-2196 Community Programs	Vendor Total:	150.00				
MW IP	PAINT YOUR HEART OUT V006676	PAINING SRVS-205 S. ROSE #55	302535-6401 Community Programs	ITK4711A	581.82	2715/1101007	P05046	00072219	04/08/2011
MW OH	PALAFOX, HIRMA V007521	DEPOSIT REFUND - KRAEMER PAJ	100000-4385 / 79175-4385 Facility Rental	Vendor Total:	5,000.00				
MW OH	PARKER, LIZ V005071	SUMMER QUARTELY DESIGN	104070-6230 Printing & Binding	ITK4711A	5,000.00	P2011-1	P05046	00072239	04/07/2011
MW OH	PCEA C/O NORTH ORANGE V000679	P/E 4/2/11 PD DATE 4/8/11	0043-2176 PCEA/OCEA Assoc Dues	Vendor Total:	10,000.00				
MW OH	PCEA C/O NORTH ORANGE V000679	P/E 4/2/11 PD DATE 4/8/11	0037-2176 PCEA/OCEA Assoc Dues	TK4711D	100.00	58122	P04647	00072320	04/19/2011
MW OH	PCEA C/O NORTH ORANGE V000679	P/E 4/2/11 PD DATE 4/8/11	0048-2176	Vendor Total:	1,920.00				
MW OH	PCEA C/O NORTH ORANGE V000679	P/E 4/2/11 PD DATE 4/8/11	0048-2176	PY11007	1,920.00	032811PQ	P04647	00072321	04/19/2011

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	V000679		PCEA/OCEA Assoc Dues						
MW OH	PCEA C/O NORTH ORANGE · P/E 4/2/11 PD DATE 4/8/11		0010-2176	PY11007	7.73	2615/1101007		00072220	04/08/2011
	V000679		PCEA/OCEA Assoc Dues						
MW OH	PCEA C/O NORTH ORANGE · P/E 4/2/11 PD DATE 4/8/11		0029-2176	PY11007	0.31	2615/1101007		00072220	04/08/2011
	V000679		PCEA/OCEA Assoc Dues						
			<b>Vendor Total:</b>		<b>9.50</b>				
MW OH	PERFECTO, EUSEBIA	DEPOSIT REFUND - KRAEMER PAJ	100000-4385 / 79175-4385	TK4711D	100.00	68348		00072322	04/19/2011
	V005948		Facility Rental						
			<b>Vendor Total:</b>		<b>100.00</b>				
MW OH	PLACENTIA POLICE MANAC P/E 4/2/11 PD DATE 4/8/11		0010-2180	PY11007	995.66	2625/1101007		00072221	04/08/2011
	V000839		Police Mgmt Assn Dues						
			<b>Vendor Total:</b>		<b>995.66</b>				
MW OH	PLACENTIA POLICE OFFICE P/E 4/2/11 PD DATE 4/8/11		0022-2178	PY11007	65.11	2620/1101007		00072222	04/08/2011
	V003519		Placentia Police Assoc Dues						
			<b>Vendor Total:</b>		<b>65.11</b>				
MW OH	PLACENTIA POLICE OFFICE P/E 4/2/11 PD DATE 4/8/11		0010-2178	PY11007	2,830.44	2620/1101007		00072222	04/08/2011
	V003519		Placentia Police Assoc Dues						
			<b>Vendor Total:</b>		<b>2,895.55</b>				
MW OH	PLACENTIA-YORBA LINDA PRINTING SERVICES		431010-6230	TK4711D	534.29	111061	P04871	00072323	04/19/2011
	V007408		Printing & Binding						
MW OH	PLACENTIA-YORBA LINDA PRINTING SERVICES		431010-6230	TK4711D	72.05	111143	P04871	00072323	04/19/2011
	V007408		Printing & Binding						
			<b>Vendor Total:</b>		<b>606.34</b>				
MW OH	PLACENTIA-YORBA LINDA TYPESETTING SERVICES		431010-6230	TK4711D	234.00	111061A	P04824	00072324	04/19/2011
	V000795		Printing & Binding						
MW OH	PLACENTIA-YORBA LINDA TYPESETTING SERVICES		431010-6230	TK4711D	2,443.48	111130	P04824	00072324	04/19/2011
	V000795		Printing & Binding						
			<b>Vendor Total:</b>		<b>2,677.48</b>				
MW OH	POOL, NATHAN	CLASS REFUND	100000-4340 / 79348-4340	TK4711D	60.00	68357		00072325	04/19/2011
	V004217		Recreation Programs						

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Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
MW OH	PRIORITY MAILING SYSTEM V006760	POSTAGE MACHINE MAINT	AGRE 431010-6175 Office Equipment Rental	Vendor Total: TK4711D	60.00 693.00	161827		00072326	04/19/2011
MW OH	PUNISHED V007522	REFUND - BUSINESS LICENSE	100000-4101 Gross Receipts	Vendor Total: TK4711D	693.00 21.20	010111		00072327	04/19/2011
MW OH	QUARTERMASTER UNIFORMS V005761	UNIFORMS	103042-6360 Uniforms	Vendor Total: TK4711D	21.20 68.50	R501980601024	P03668	00072328	04/19/2011
MW OH	QUARTERMASTER UNIFORMS V005761	UNIFORMS	103042-6360 Uniforms	TK4711D	68.50	R502037701023	P03668	00072328	04/19/2011
MW OH	QUARTERMASTER UNIFORMS V005761	UNIFORMS	103041-6360 Uniforms	TK4711D	68.50	R502074901023	P03668	00072328	04/19/2011
MW OH	QUARTERMASTER UNIFORMS V005761	UNIFORMS	103041-6360 Uniforms	TK4711D	133.73	R502136601017	P03668	00072328	04/19/2011
MW OH	QUARTERMASTER UNIFORMS V005761	UNIFORMS	103041-6360 Uniforms	TK4711D	130.46	R502136601025	P03668	00072328	04/19/2011
MW OH	QUARTERMASTER UNIFORMS V005761	UNIFORMS	103041-6360 Uniforms	TK4711D	363.59	R502227000012	P03668	00072328	04/19/2011
MW OH	QUARTERMASTER UNIFORMS V005761	UNIFORMS	103041-6360 Uniforms	TK4711D	389.15	R502230700012	P03668	00072328	04/19/2011
MW OH	QUARTERMASTER UNIFORMS V005761	UNIFORMS	103041-6360 Uniforms	TK4711D	65.24	R502230801018	P03668	00072328	04/19/2011
MW OH	QUARTERMASTER UNIFORMS V005761	UNIFORMS	103041-6360 Uniforms	TK4711D	318.58	R502239800011	P03668	00072328	04/19/2011
MW OH	REINKER, DANIEL V004860	BICYCLE PATROL-HOTEL,MEALS	213041-6245 Meetings & Conferences	Vendor Total: TK4711D	1,606.25 160.00	040511	P04886	00072329	04/19/2011
MW OH	RICHARD FISHER ASSOCIA	LANDSCAPE ARCHITECTURAL SR	333555-6015 / 6104915028-6015	Vendor Total: TK4711D	160.00 18,199.80	3099	P04867	00072330	04/19/2011

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Warrant Register  
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Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	V007459		Engineering Services						
MW OH	RIVAS, RUBIA V004557	BICYCLE PATROL-HOTEL,MEALS	213041-6245 Meetings & Conferences	Vendor Total: TK4711D	18,199.80 529.60	040511	P04887	00072331	04/19/2011
MW OH	RIVER VIEW FINANCIAL & J V007525	REFUND - BUSINESS LICENSE	100000-4101 Gross Receipts	Vendor Total: TK4711D	529.60 15.00	010611		00072332	04/19/2011
MW OH	RJ NOBLE V006779	PAVING ASPHALT	103652-6301 Special Department Supplies	Vendor Total: TK4711D	15.00 542.23	26530	P03871	00072333	04/19/2011
MW OH	RODRIGUEZ, MARIA V007534	DEPOSIT REFUND - KREAMER PAI	100000-4385 / 79175-4385 Facility Rental	Vendor Total: TK4711D	542.23 100.00	68347		00072334	04/19/2011
MW OH	SALAZAR, SARA V005815	REIMBURSEMENT-WATER	101001-6245 Meetings & Conferences	Vendor Total: TK4711D	100.00 15.57	031711	P04996	00072335	04/19/2011
MW OH	SALAZAR, SARA V005815	REIMBURSEMENT-MTG SUPPLIES	103550-6245 Meetings & Conferences	TK4711D	12.97	031711	P04996	00072335	04/19/2011
MW OH	SAN NICOLAS, TAISHA V007492	DEPOSIT REFUND - TRI CITY	100000-4385 / 79188-4385 Facility Rental	Vendor Total: TK4711D	28.54 100.00	68127		00072336	04/19/2011
MW IP	SANCHEZ, DANYELLE V003402	REIMBURSEMENT-TRAVEL	101512-6245 Meetings & Conferences	Vendor Total: ITK4711A	100.00 40.29	032411	P05025	00072240	04/07/2011
MW OH	SASS, TYLER V007484	SR. CENTER ENTERTAINMENT	0044-2040 / 79278-2040 Special Deposits	Vendor Total: TK4711D	40.29 100.00	1	P04959	00072337	04/19/2011
MW OH	SCHOLAR ATHLETE BLACK	SPRING INSTRUCTOR PAYMENT	104071-6060 / 79448-6060	Vendor Total: TK4711D	100.00 187.20	SPRING 11	P05030	00072338	04/19/2011

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For 04/19/2011**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	V007102		Instructional Services						
MW OH	SCIENTIA CONSULTING GR V005617	MARCH MDC MAINT SERVICES	103043-6099 Other Professional Services	TK4711D Vendor Total:	187.20 1,254.00	6380	P04127	00072339	04/19/2011
MW OH	SHRED-IT LOS ANGELES V000905	SHRED/RECYCLE DOCUMENTS	374386-6299 Other Purchased Services	TK4711E Vendor Total:	140.28	00333700094	P03933	00072340	04/19/2011
MW OH	SMITH, VERA V007535	DEPOSIT REFUND - TRI CITY	100000-4385 / 79188-4385 Facility Rental	TK4711E Vendor Total:	140.28 200.00	68350		00072341	04/19/2011
MW IP	SOUTHERN CALIFORNIA EI V000910	MONTHLY ELECTRICITY CHARGE	0010-1220 Accts Rec/Plac Library Dist	ITK4711A Vendor Total:	200.00 3,477.14	033011		00072241	04/07/2011
MW IP	SOUTHERN CALIFORNIA EI V000910	MONTHLY ELECTRICITY CHARGE	0010-1232 Accts Rec/Other Agencies	ITK4711A Vendor Total:	21.30 366.69	033011		00072241	04/07/2011
MW IP	SOUTHERN CALIFORNIA EI V000910	MONTHLY ELECTRICITY CHARGE	0010-1224 AR/City of Fullerton	ITK4711A Vendor Total:	143.28 97.41	033011		00072241	04/07/2011
MW IP	SOUTHERN CALIFORNIA EI V000910	MONTHLY ELECTRICITY CHARGE	286560-6330 Electricity	ITK4711A Vendor Total:	143.28 3,062.53	033011		00072241	04/07/2011
MW IP	SOUTHERN CALIFORNIA EI V000910	MONTHLY ELECTRICITY CHARGE	296561-6330 Electricity	ITK4711A Vendor Total:	97.41 12,355.29	033011		00072241	04/07/2011
MW IP	SOUTHERN CALIFORNIA EI V000910	MONTHLY ELECTRICITY CHARGE	383559-6330 Electricity	ITK4711A Vendor Total:	3,062.53 19,523.64	033011		00072241	04/07/2011
MW OH	SOUTHERN CALIFORNIA G/ V000993	NATURAL GAS REGULATORS	384359-6137 Repair Main/Equipment	TK4711E Vendor Total:	2,114.97	91063590	P04872	00072342	04/19/2011
MW OH	ST JOSEPH HERITAGE HEAL	FEB EMPLOYEE EXAMS	101512-6099	TK4711E Vendor Total:	2,114.97	275.00 FEB 11	P04953	00072343	04/19/2011

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Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	V000980		Other Professional Services						
MW OH	STANDARD INSURANCE CO V000904	APRIL LTD/LIFE INSURANCE	PREN 395000-4725 ISF Life Ins Reimbursements	TK4711E Vendor Total:	275.00 1,810.95	APRIL 11		00072344	04/19/2011
MW OH	STANDARD INSURANCE CO V000904	APRIL LTD/LIFE INSURANCE	PREN 395000-4730 ISF LTD Ins Reimbursements	TK4711E Vendor Total:	4,916.17	APRIL 11		00072344	04/19/2011
MW OH	STANDARD INSURANCE CO V000904	APRIL LTD/LIFE INSURANCE	PREN 395083-5163 Life Insurance Premiums	TK4711E Vendor Total:	1,049.40 7,776.52	APRIL 11		00072344	04/19/2011
MW OH	STATE OF CALIFORNIA V000239	JAN-MAR 2011 TANK STORAGE	433654-6257 Licenses & Permits	TK4711E Vendor Total:	264.44 264.44	44-016502 7	P03826	00072345	04/19/2011
MW OH	SUBURBAN PROPANE V000971	CRACK SEALER PROPANNE	103652-6301 Special Department Supplies	TK4711E Vendor Total:	23.18 23.18	831783	P03873	00072346	04/19/2011
MW OH	SULLIVAN HILL LEWIN REZ V003555	LEGAL SRVS:YAKAR v PLACENTIA/	101005-6005 Legal Services	TK4711E Vendor Total:	1,054.75 23.18	135202	P05002	00072347	04/19/2011
MW OH	SULLIVAN HILL LEWIN REZ V003555	LEGAL SRVS:MEGAWAY v PLACENTIA	101005-6005 / 10019-6005 Legal Services	TK4711E Vendor Total:	1,804.63 2,859.38	135201	P05003	00072347	04/19/2011
MW OH	SUNGARD PUBLIC SECTOR V003987	SOFTWARE MAINT.	422023-6136 Software Maintenance	TK4711E Vendor Total:	1,017.50 1,017.50	33436	P05020	00072348	04/19/2011
MW IP	TALX UC eXpress V002944	3/1-5/31 UNEMPLOYMENT CLAIMS	404581-5155 Employee Insurance Claims	TK4711A Vendor Total:	197.53 197.53	825380	P05037	00072242	04/07/2011
MW OH	TCB MOBILE BOOKBINDING V007511	PLAT MAP BINDERS	103550-6230 Printing & Binding	TK4711E Vendor Total:	5,557.50 5,557.50	032511	P05014	00072349	04/19/2011

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Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
MW OH	THOMPSON PUBLISHING GI V001042	ADA COMPLIANCE GUIDE	101512-6320 Books & Periodicals	TK4711E	463.41	6725094	P04955	00072350	04/19/2011
MW OH	THOMPSON PUBLISHING GI V001042	FLSA HANDBOOK	101512-6320 Books & Periodicals	TK4711E	354.66	6725095	P04955	00072350	04/19/2011
MW OH	TODD, LARRY V002103	SPRING INSTRUCTOR PAYMENT	104071-6060 / 79438-6060 Instructional Services	TK4711E	1,175.85	SPRING 11	P05032	00072351	04/19/2011
MW OH	TOLLER, ELIZABETH V003992	PORTRAIT-C. GREEN	431010-6301 Special Department Supplies	TK4711E	260.00	031711	P04964	00072352	04/19/2011
MW OH	TRAFFIC CONTROL SERVIC V001039	FENCING @ BRADFORD & MADIS	333552-6185 / 6100440600-6185 Construction Services	TK4711A	550.00	56833	P04960	00072353	04/19/2011
MW OH	TRAFFIC CONTROL SERVIC V001039	PAINT-STREET MAINT.	103652-6301 Special Department Supplies	TK4711E	1,034.21	1015023	P04962	00072353	04/19/2011
MW OH	TRS & ASSOCIATES V007452	FEB POLICE CHIEF RECRUITMENT	101512-6001 Management Consulting Services	TK4711E	2,110.00	11-101A	P04978	00072354	04/19/2011
MW IP	UNITED STATES POSTAL SE V001085	BULK MAIL PERMIT 26	104071-6230 Printing & Binding	ITK4711A	185.00	030411	P05023	00072243	04/07/2011
MW OH	UNITED STATES POSTAL SE V001085	POSTAGE-SUMMER QUARTERLY	104070-6325 Postage	TK4711E	2,500.00	040411	P05031	00072356	04/19/2011
MW OH	UNITED WAY OF ORANGE C V001062	P/E 4/2/11 PD DATE 4/8/11	0010-2193 Charity	PY11007	2,685.00	2635/1101007		00072223	04/08/2011
MW OH	UNITED WAY OF ORANGE C V001062	P/E 4/2/11 PD DATE 4/8/11	0037-2193 Charity	PY11007	2.00	2635/1101007		00072223	04/08/2011
MW OH	UPADHYAY, DEVENDRA	CLASS REFUND	100000-4340 / 79348-4340	TK4711E	25.00	68356		00072357	04/19/2011

User: Teri Knutson

Report: AP: Warrant List

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17:51:30 :Time

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Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	V005019		Recreation Programs						
MW OH	Union Bank PARS #674602240 V006596	PARS/ARS P/E 4/2 PD 4/8/11	0042-2131 Employer PARS/ARS Payable	TK4711E	50.00	10.52 46110		00072355	04/19/2011
MW OH	Union Bank PARS #674602240 V006596	PARS/ARS P/E 4/2 PD 4/8/11	0043-2126 Employee PARS/ARS W/H	TK4711E	40.84	46110		00072355	04/19/2011
MW OH	Union Bank PARS #674602240 V006596	PARS/ARS P/E 4/2 PD 4/8/11	0043-2131 Employer PARS/ARS Payable	TK4711E	40.84	46110		00072355	04/19/2011
MW OH	Union Bank PARS #674602240 V006596	PARS/ARS P/E 4/2 PD 4/8/11	0048-2126 Employee PARS/ARS W/H	TK4711E	11.33	46110		00072355	04/19/2011
MW OH	Union Bank PARS #674602240 V006596	PARS/ARS P/E 4/2 PD 4/8/11	0048-2131 Employer PARS/ARS Payable	TK4711E	11.33	46110		00072355	04/19/2011
MW OH	Union Bank PARS #674602240 V006596	PARS/ARS P/E 4/2 PD 4/8/11	0010-2126 Employee PARS/ARS W/H	TK4711E	1,671.66	46110		00072355	04/19/2011
MW OH	Union Bank PARS #674602240 V006596	PARS/ARS P/E 4/2 PD 4/8/11	0010-2131 Employer PARS/ARS Payable	TK4711E	1,667.90	46110		00072355	04/19/2011
MW OH	Union Bank PARS #674602240 V006596	PARS/ARS P/E 4/2 PD 4/8/11	0037-2126 Employee PARS/ARS W/H	TK4711E	0.60	46110		00072355	04/19/2011
MW OH	Union Bank PARS #674602240 V006596	PARS/ARS P/E 4/2 PD 4/8/11	0037-2131 Employer PARS/ARS Payable	TK4711E	0.60	46110		00072355	04/19/2011
MW OH	Union Bank PARS #674602240 V006596	PARS/ARS P/E 4/2 PD 4/8/11	0042-2126 Employee PARS/ARS W/H	TK4711E	10.52	46110		00072355	04/19/2011
MW OH	VALVERDE CONSTRUCTION V007502	SEWER REPAIR-CROWTHER/IND	484376-6120 R & M/Sewer & Storm Drain	TK4711E	3,466.14	14,690.00 14211		00072358	04/19/2011
MW OH	VANTAGEPOINT TRANSFER V007191	P/E 4/2 PD 4/8/11 LOAN PYMT	0010-2170 Deferred Comp Payable - ICMA	TK4711E	14,690.00	101.89 4611N		00072359	04/19/2011
MW OH	VANTAGEPOINT TRANSFER V007191	P/E 4/2 PD 4/8/11 LOAN PYMT	0048-2170 Deferred Comp Payable - ICMA	TK4711E	7.72	4611N		00072359	04/19/2011

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Warrant Register  
For 04/19/2011**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
MW OH	VANTAGEPOINT TRANSFER V007191	P/E 4/2 PD 4/8/11 LOAN PYMT	0029-2170 Deferred Comp Payable - ICMA	TK4711E	5.14	4611N		00072359	04/19/2011
MW OH	WAGE WORKS INC V000283	P/E 4/2/11 PD DATE 4/8/11	0010-2188 Health Care SSA	<b>Vendor Total:</b> PY11007	114.75			00072224	04/08/2011
MW OH	WAGE WORKS INC V000283	P/E 4/2/11 PD DATE 4/8/11	0037-2188 Health Care SSA	PY11007	0.96	2655/1101007		00072224	04/08/2011
MW OH	WAGE WORKS INC V000283	P/E 4/2/11 PD DATE 4/8/11	0037-2190 Dependent Care SSA	PY11007	18.46	2660/1101007		00072224	04/08/2011
MW OH	WAGE WORKS INC V000283	P/E 4/2/11 PD DATE 4/8/11	0010-2190 Dependent Care SSA	PY11007	266.16	2660/1101007		00072224	04/08/2011
MW OH	WAGE WORKS INC V000283	P/E 4/2/11 PD DATE 4/8/11	0038-2190 Dependent Care SSA	PY11007	27.69	2660/1101007		00072224	04/08/2011
MW OH	WAGE WORKS INC V000283	P/E 4/2/11 PD DATE 4/8/11	0048-2190 Dependent Care SSA	PY11007	18.47	2660/1101007		00072224	04/08/2011
MW OH	WAGE WORKS INC V007394	MARCH FLEXIBLE SPENDING ACC	395083-6025 Third Party Administration	<b>Vendor Total:</b> TK4711E	501.83		P04999	00072360	04/19/2011
MW IP	WANKE, CHAD P. V007435	TRAVEL REIMBURSEMENT	101001-6245 Meetings & Conferences	<b>Vendor Total:</b> ITK4711A	100.00		P05047	00072244	04/07/2011
MW OH	WEST COAST ARBORISTS V001124	RIGHT-OF-WAY TREE TRIMMING	103655-6115 Landscaping	<b>Vendor Total:</b> TK4711E	253.85		P04731	00072361	04/19/2011
MW OH	WEST COAST ARBORISTS V001124	RIGHT-OF-WAY TREE TRIMMING	0043-2039 Tree Trimming Deposits	TK4711E	1,831.02	71352	P04763	00072361	04/19/2011
MW OH	WEST COAST LIGHTS & SIR V006106	MODIFICATIONS-FLEET VEHICLE	0043-1505 Auto Supply Inventory	<b>Vendor Total:</b> TK4711E	2,286.42		P04352	00072362	04/19/2011
MW OH	WEST COAST LIGHTS & SIR	MODIFICATIONS-FLEET VEHICLE	0043-1505	TK4711E	103.06	4384	P04352	00072362	04/19/2011

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Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	V006106		Auto Supply Inventory						
MW OH	WILLDAN ASSOCIATES V001127	JAN CONSTRUCTION MNGMT	33352-6185 / 6100440600-6185 Construction Services	TK4711E	7,600.00	004-10667	P05018	00072363	04/19/2011
			<b>Vendor Total:</b>		<b>168.06</b>				
MW OH	WILLDAN ENGINEERING V006688	CONSTRUCTIO MNGMT-ET POWEL	33354-6015 / 6104315023-6015 Engineering Services	TK4711E	2,962.50	004-10703	P04425	00072364	04/19/2011
			<b>Vendor Total:</b>		<b>7,600.00</b>				
MW OH	WILLDAN ENGINEERING V006688	FEB CHANGE ORDERS-ET POWEL	33354-6015 / 6104315023-6015 Engineering Services	TK4711E	3,877.50	004-10712	P04976	00072364	04/19/2011
			<b>Vendor Total:</b>		<b>6,840.00</b>				
MW OH	WILLDAN FINANCIAL SERV V005723	09/10 DISCLOSURE SERVICES	102021-6010 Accounting & Auditing Service	TK4711E	700.00	010-13341	P05022	00072365	04/19/2011
MW OH	WILLDAN FINANCIAL SERV V005723	DELINQUENCY MANAGEMENT SE	476562-6099 Other Professional Services	TK4711E	478.64	010-13597	P05022	00072365	04/19/2011
			<b>Vendor Total:</b>		<b>1,178.64</b>				
MW IP	YORBA LINDA WATER DIST V001148	MONTHLY WATER CHARGES	431010-6335 Water	ITK4711A	865.72	032811		00072245	04/07/2011
			<b>Vendor Total:</b>		<b>865.72</b>				
MW OH	ZUMAR INDUSTRIES INC V001156	CREDIT	103652-6310 Street Signs	TK4711E	-326.25	0125735	P04309	00072366	04/19/2011
MW OH	ZUMAR INDUSTRIES INC V001156	STREET SIGNS	103652-6310 Street Signs	TK4711E	1,855.28	0128997	P04309	00072366	04/19/2011
MW OH	ZUMAR INDUSTRIES INC V001156	STREET SIGNS	103652-6310 Street Signs	TK4711E	249.69	0128999	P04309	00072366	04/19/2011
			<b>Vendor Total:</b>		<b>1,778.72</b>				
			<b>Type Total:</b>		<b>402,674.06</b>				
			<b>Warrant Total:</b>		<b>410,291.59</b>				

City of Placentia  
 Redevelopment Agency Warrant Register  
 For 04/19/11

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
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Grand Total: 46,922.62

Void Total: 0.00  
 Warrant Total: 46,922.62

<u>Warrant Totals by Fund</u>	
405-Low & Moderate Housing	39,298.50
410-RDA Capital Projects	7,624.12

Warrant Total: 46,922.62

LEGEND	
EP	Electronic Payment
MW IP	Machine Written (Immediate Pay)
MW OH	Machine Written (Open Hold)
RV	Reversed Warrant

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 April 19, 2011

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Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
EP	ICMA RETIREMENT TRUST V000496	P/E 4/2/11 PD DATE 4/8/11	0035-2170 Deferred Comp Payable - ICMA	PY11007	388.47	2995/1101007		00002220	04/07/2011
				<b>Vendor Total:</b>	<b>388.47</b>				
				<b>Type Total:</b>	<b>388.47</b>				
MW OH	AMERICAN WRECKING V007509	DEMOLITION OF 307 BAKER STRE	347536-6499 Other Program Expenditures	TK4711A	38,094.00	16619	P05011	00072254	04/19/2011
				<b>Vendor Total:</b>	<b>38,094.00</b>				
MW IP	ARCZYNSKI, ANDREW V V005588	MARCH CITY ATTORNEY SRVS	347536-6005 Legal Services	ITK4711A	1,204.50	033111A	P04139	00072226	04/07/2011
MW IP	ARCZYNSKI, ANDREW V V005588	MARCH CITY ATTORNEY SRVS	357536-6005 Legal Services	ITK4711A	1,655.50	033111B	P04140	00072226	04/07/2011
				<b>Vendor Total:</b>	<b>2,860.00</b>				
MW OH	CALIFORNIA REDEVELOPM V001720	LEGAL DEFENSE FUND ASSESSMI	357536-6005 Legal Services	TK4711B	200.00	5080-11	P05007	00072271	04/19/2011
				<b>Vendor Total:</b>	<b>200.00</b>				
MW OH	DALEY & HEFT ATTORNEY V005914	FEB LEGAL SRVS-METROLINK	357536-6099 / 61018-6099 Other Professional Services	TK4711B	3,276.00	38199	P05009	00072284	04/19/2011
MW OH	DALEY & HEFT ATTORNEY V005914	FEB LEGAL SRVS-METROLINK	357536-6099 / 61038-6099 Other Professional Services	TK4711B	212.10	38200	P05010	00072284	04/19/2011
				<b>Vendor Total:</b>	<b>3,488.10</b>				
MW OH	OVERLAND PACIFIC & CUT V002804	RELOCATION CHARGES	357536-6099 Other Professional Services	TK4711C	1,789.00	1102182	P05005	00072319	04/19/2011
				<b>Vendor Total:</b>	<b>1,789.00</b>				
MW OH	Union Bank PARS #674602240 V006596	PARS/ARS P/E 4/2 PD 4/8/11	0035-2131 Employer PARS/ARS Payable	TK4711E	28.45	46110		00072355	04/19/2011
MW OH	Union Bank PARS #674602240 V006596	PARS/ARS P/E 4/2 PD 4/8/11	0035-2126 Employee PARS/ARS W/H	TK4711E	28.45	46110		00072355	04/19/2011
				<b>Vendor Total:</b>	<b>56.90</b>				
MW OH	WAGE WORKS INC	P/E 4/2/11 PD DATE 4/8/11	0035-2190	PY11007	46.15	2660/1101007		00072224	04/08/2011

**City of Placentia  
Warrant Register  
For 04/19/2011**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	V000283		Dependent Care SSA						

Vendor Total: 46.15

Type Total: 46,534.15

Warrant Total: 46,922.62



# Placentia City Council

## AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: NEIGHBORHOOD SERVICES MANAGER

DATE: APRIL 19, 2011

SUBJECT: APPROVAL OF AGREEMENT BETWEEN COUNTY OF ORANGE AND CITY OF PLACENTIA TO PROVIDE FUNDS FOR THE EDWIN T. POWELL BUILDING

FINANCIAL REVENUE: \$10,999 FUND 130 DISTRICT COMMUNITY PRIORITIES AND PROJECTS  
IMPACT:

### INTRODUCTION:

During their regular meeting on Tuesday, April 5<sup>th</sup> the County of Orange Board of Supervisors approved an allocation of \$10,999 to the City of Placentia from Fund 130 for District Community Priorities and Projects. This item requests that City Council authorize the City Administrator to execute the agreement with the County of Orange, in a form approved by the City Attorney, to receive the \$10,999 from Fund 130 for computers, computer equipment, and a commercial refrigerator for the Edwin T. Powell Building.

### RECOMMENDATION:

Authorize the City Administrator to execute the agreement with the County of Orange, in a form approved by the City Attorney, to receive \$10,999 from Fund 130 for equipment to support programs at the Edwin T. Powell Building.

### DISCUSSION:

Fund 130 dollars were available through Fourth District Supervisor Shawn Nelson to fund community priorities and projects that serve the County public interest. Staff requested the funds from the County of Orange Board of Supervisors for additional amenities to complement the recent renovations to the Edwin T. Powell Building. The project met the County's criteria and matching requirements and during their regular meeting on Tuesday, April 5<sup>th</sup> the Board of Supervisor approved allocation of the funds by a 4-1 vote. If approved by City Council, the City will receive \$10,999 in funding for computers and computer equipment that will be used for both older adult computer classes and the Learning Center afterschool program, a new refrigerator that will support the daily senior nutrition program and the Kid's Café nutritional snack program for the Learning Center.

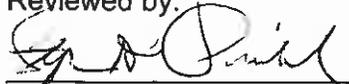
Submitted by:

  
Jonathan Nicks  
Neighborhood Services Manager

Reviewed and approved:

  
Troy L. Butzlaef, ICMA-CM  
City Administrator

Reviewed by:

  
Stephen D. Pischel  
Director of Administrative and Community Services

**1e**  
**April 19, 2011**

Attachment: Agreement Between County of Orange and City of Placentia to Provide Funds Toward Development of the Edwin T. Powell Building / Cathy Torrez Learning Center.

**AGREEMENT  
BETWEEN COUNTY OF ORANGE AND CITY OF PLACENTIA TO PROVIDE  
FUNDS TOWARD DEVELOPMENT OF THE EDWIN T. POWELL  
BUILDING/CATHY TORREZ LEARNING CENTER**

This Agreement to provide funds toward development of the Edwin T. Powell Building/Cathy Torrez Learning Center in the City of Placentia, California (hereinafter "Agreement"), is made and entered into by and between the County of Orange, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and the City of Placentia, hereinafter referred to as "CITY," with a place of business located at 401 E. Chapman Avenue, Placentia, California 92870. COUNTY and CITY, may be referred to herein as "party" or collectively as "parties."

**RECITALS**

**WHEREAS**, COUNTY, by Minute Order dated April 5, 2011, a copy of which is on file with the Clerk of the Board of Supervisors of Orange County and which by this reference is incorporated herein and made a part of hereof as if fully set forth, has determined, pursuant to Government Code Section 26227, to expend a portion of its general funds in the amount of \$10,999 (hereinafter "the funds") for use by CITY between April 6, 2011 and April 5, 2012 toward development of the Edwin T. Powell Building/Cathy Torrez Learning Center in the City of Placentia, CA hereinafter referred to as "project."

**WHEREAS**, said project meets the social needs of the population of Orange County.

**THEREFORE**, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, the parties agree as follows:

1. EFFECTIVE PERIOD – TERMINATION DATE

The effective period of this Agreement shall be the period beginning April 6, 2011 and ending April 5, 2012, subject to the provisions of Section 14 of this Agreement. CITY agrees that the funds received under this Agreement shall be disbursed on or before April 5, 2012 and that any and all funds remaining as of April 6, 2012, which have not been disbursed shall be returned by CITY to COUNTY. No expense of CITY will be reimbursed by COUNTY if incurred after April 5, 2012.

2. PROJECT PROPOSAL

CITY agrees to comply with all provisions set forth in this Agreement for use of the funds in a professional, timely and diligent manner. The parties hereto agree that concerning matters not specifically contained within the body of this Agreement, the COUNTY's determinations will be final and the COUNTY will control the use of the funds.

CITY agrees that the funds will be used toward development of the Edwin T. Powell Building/Cathy Torrez Learning Center in the City of Placentia, CA between April 6, 2011 and April 5, 2012. Funds will be used toward the purchase of computers, a printer, wireless router and commercial refrigerator.

COUNTY's obligations hereunder are contingent on CITY providing funding for the project from a source other than COUNTY in an amount equal to amount funded by COUNTY. COUNTY will not be obligated under this Agreement until CITY provides proof of such matching funding.

Notwithstanding Section 1 herein, CITY agrees to use any real or personal property or equipment that is acquired or improved with the funds for its entire useful life for the purposes, as described herein, for which the funds were granted to CITY by COUNTY. CITY agrees to notify COUNTY promptly if it ceases to use such property or equipment for the purposes described herein at any time before the end of its useful life. CITY agrees to properly maintain, repair and keep in good working order all such property or equipment.

CITY warrants that it will obtain and keep in full force and effect, during the term of this agreement and for the useful life of any real or personal property or equipment constructed, acquired or improved with the funds, all permits, licenses or other governmental approvals required for the project and for any services provided in or with property or equipment constructed, acquired or improved with the funds.

CITY further agrees that lack of compliance constitutes grounds for COUNTY to pursue the remedies set forth in Section 14 of this Agreement and to reduce the level of payment that otherwise would be provided under Section 6 of the Agreement. Such reduction shall occur only as a result of action of the COUNTY Board of Supervisors. Before such reduction may be made, COUNTY shall provide CITY with at least ten (10) days written notice of the proposed reduction and of the time and place where the Board of Supervisors shall consider the reduction.

3. MODIFICATION OF AGREEMENT TERMS

The parties hereto agree that the terms agreed upon in Section 2 may be modified so long as the amount of the total grant is not increased or reduced and the basic goals and objectives of the project are not altered. However, no such modification shall be made without the prior written approval of the County Executive Officer or his designee.

4. MAXIMUM UTILIZATION AND ACCESS TO RESIDENTS

CITY agrees that its level of operation will be adequate to ensure maximum utilization by the public of the property, equipment, programs and/or services funded by this Agreement and that an opportunity to use and enjoy said property, equipment, programs and/or services shall be granted to all residents of the COUNTY on the same conditions under which the residents of the target area may use and enjoy it.

5. EVALUATION

CITY agrees and understands that evaluation is an essential condition to this Agreement and that COUNTY will evaluate CITY in accordance with this Agreement. The parties hereto agree that at any time, and for any purpose, the County Executive Officer, or his designee, may call for an Evaluation to be conducted.

6. PAYMENTS BY COUNTY

Upon the effective date of this Agreement, COUNTY agrees to make periodic payments to CITY upon receipt of invoice(s) from CITY showing actual amounts expended by CITY for the project, or CITY may invoice County upon receipt of invoice from service provider for approved project expenses as identified in Section 2. Total payment hereunder shall be limited to \$10,999.

7. CONFLICT OF INTEREST AND GRATUITIES

CITY agrees and understands that COUNTY's funds shall not be used by CITY to pay or reimburse any staff person or consultant who is a member or officer of the CITY Council or any other official governing body of CITY. CITY warrants that no gratuities, in the form of entertainment, gifts or otherwise, were offered or given by CITY or any agent or representative of the CITY with a view toward securing the Agreement or securing favorable treatment with respect to any determinations concerning the performance of the Agreement.

8. ACCESS AND RECORDS

CITY shall keep true and accurate accounts, records and books in performance of this Agreement in accordance with generally accepted accounting principles. Unless otherwise agreed in writing by the County Executive Officer, or designee, CITY shall maintain separate accounting records for all funds received from COUNTY under this Agreement. All accounting records and evidence pertaining to all costs of CITY shall be kept available at CITY's office or place of business during duration of this Agreement and thereafter for a period not less than five (5) years. CITY shall make all of its records available to COUNTY upon request during regular business hours for the purpose of evaluation or auditing and shall furnish clerical assistance for these purposes to COUNTY as required. CITY agrees to implement all accounting and/or record-keeping recommendations made by COUNTY. In the event CITY does not make its books and financial records available to COUNTY, CITY agrees to pay all necessary and reasonable expenses, including attorney's fees, incurred by COUNTY in obtaining the records and conducting an audit or evaluation.

9. INDEMNIFICATION AND INSURANCE

CITY agrees to indemnify, defend with counsel approved in writing by COUNTY, and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special CITYs and agencies for which COUNTY'S Board of Supervisors acts as the governing Board ("COUNTY INDEMNITEES") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the performance provided by CITY pursuant to this Agreement. If judgment is entered against CITY and COUNTY by a court of competent jurisdiction because of the concurrent active negligence of COUNTY or COUNTY

INDEMNITEES, CITY and COUNTY agree that liability will be apportioned as determined by the court or jury.

CITY certifies that it has insurance coverage or self-insurance that is adequate to cover all risks associated with the project. If it has insurance covering the project, CITY will add COUNTY as an additional insured.

10. INDEPENDENT CONTRACTOR

CITY shall be considered an independent contractor and neither its employees nor subcontractors, agents or anyone else working under or on behalf of CITY shall be considered an agent or an employee of COUNTY. Further, neither CITY's employees nor subcontractors, agents or anyone else working under or on behalf of CITY shall qualify for workers' compensation or other fringe benefits of any kind through COUNTY.

11. ASSIGNMENT OR SUBCONTRACTING

The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the parties. Furthermore, neither the performance of this Agreement nor any portion thereof may be assigned or sub-contracted by CITY without the express written consent of COUNTY. Any attempt by CITY to assign or sub-contract the performance or any portion thereof of this Agreement without the express written consent of COUNTY shall be invalid and shall constitute a breach of this Agreement.

12. NON-DISCRIMINATION

CITY shall not unlawfully discriminate in any way with respect to performance of this Agreement, on the basis of race, religion, gender, sexual orientation, age, national origin, ancestry, medical condition, or physical or mental disability in violation of any applicable State or federal law or regulation, including but not limited to the federal Age Discrimination Act of 1975, Section 504 of the federal Rehabilitation Act of 1973, the Americans with Disabilities Act., the federal Civil Rights Act of 1964, Title VII of the federal Civil Rights Act of 1968, California Government Code section 11135 et seq., and the Unruh Civil Rights Act, as those acts may have been amended.

CITY agrees that in the performance of this Agreement it will comply with all applicable requirements of California Labor Code Section 1735, California Government Code Section 12940 et seq., and federal statutes and regulations pertaining to employment

discrimination, and will not engage in nor permit any subcontractor to engage in unlawful discrimination in employment of persons. This prohibition shall pertain to employment; upgrading; demotion or transfer; recruitment advertising; layoff or termination; rates of pay and other forms of compensation; selection for training, including apprenticeship; and any other action or inaction pertaining to employment matters. CITY acknowledges that a violation of this provision shall subject CITY to all the penalties imposed for a violation of anti-discrimination law or regulation, including but not limited to, Section 1720 et seq. of the California Labor Code.

13. PROHIBITION AGAINST LOBBYING

CITY shall not use any part of the funds received under this Agreement for the purpose of lobbying or for other activities intended to influence any legislation or the outcome of any election.

14. BREACH-SANCTIONS

If, through any cause, CITY fails to fulfill in a timely and proper manner any of its obligations under this Agreement, or if CITY violates any of the terms and conditions of this Agreement or any prior Agreement whereby COUNTY funds were received by CITY, or if CITY reports inaccurately, or if an Audit Report makes disallowances, CITY shall promptly remedy its acts or omissions or repay COUNTY all amounts spent in violation thereof. For any such failures or violations, COUNTY shall have the right to:

- a. Discontinue project support until such time as CITY fulfills its obligation under this Agreement or any prior Agreement between COUNTY and CITY;
- b. Collect such outstanding amounts as are determined by COUNTY to be due COUNTY from CITY;
- c. Terminate this Agreement by giving written notice to CITY of such termination and specifying the effective date thereof.

The remedies for breach set forth in this Agreement do not preclude resort by either party to any other remedies provided by law.

15. SOLE AGREEMENT

This Agreement expresses all the understandings of the parties concerning all matters covered. No addition to or alteration of the terms of this Agreement shall be valid

unless made in the form of a written Amendment to this Agreement formally approved by the parties hereto. Any addition or alteration of the Agreement may be subject to approval by the COUNTY Board of Supervisors.

16. GOVERNING LAW AND VENUE

This Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for trial to another County.

17. NOTICES

Where required to be given under this Agreement, notices shall be in writing and deemed given when transmitted or delivered personally or deposited in the United States mail, postage prepaid, certified, addressed as follows:

COUNTY: County of Orange  
County Executive Office  
333 W. Santa Ana Boulevard, 3<sup>rd</sup> Floor  
Santa Ana, CA 92701-4062  
Attn: Michelle Aguirre

CITY: City of Placentia  
401 E. Chapman Avenue  
Placentia, CA 92870  
Attn: Steve Pischel

18. AUTHORITY

The parties to this Agreement represent and warrant that this Agreement has been duly authorized and executed and constitutes the legally binding obligation of their respective organization or entity, enforceable in accordance with its terms.

19. EMPLOYEE ELIGIBILITY VERIFICATION

CITY warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees



IN WITNESS WHEREOF, the parties hereto have executed this Agreement with their respective signatures.

COUNTY OF ORANGE, a subdivision of the State of California

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

APPROVED AS TO FORM:  
COUNTY COUNSEL  
ORANGE COUNTY, CALIFORNIA

DATE: \_\_\_\_\_

BY: Saul Reyes for Paula Whaley  
Deputy

CITY OF PLACENTIA

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

APPROVED AS TO FORM:

ATTEST:

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

SIGNED AND CERTIFIED THAT A  
COPY OF THIS DOCUMENT HAS  
BEEN DELIVERED TO THE CHAIRMAN  
OF THE BOARD

\_\_\_\_\_  
Darlene J. Bloom  
Clerk of the Board of Supervisors



# Placentia City Council

## AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF PUBLIC WORKS

DATE: APRIL 19, 2011

SUBJECT: APPROVE EASEMENT AGREEMENT FOR PLACENTIA AVENUE GRADE SEPARATION PROJECT WITH SOUTHERN CALIFORNIA EDISON COMPANY

FINANCIAL

IMPACT: EXPENSE: NONE

### INTRODUCTION:

The Orange County Transportation Authority (OCTA) is overseeing the right of way, design, and construction of five railroad grade separation projects along the Orangethorpe rail corridor, in the cities of Placentia, Anaheim, and Fullerton. The design for the Placentia Avenue railroad grade separation project is complete and is out to bid for construction. The project is estimated to begin construction in late summer 2011. Prior to commencement of the construction phase all easements and right of way issues must be completed. This action will approve an anchor easement agreement between the Southern California Edison Company and the City of Placentia for the Placentia Ave Underpass.

### RECOMMENDATION:

It is recommended that City Council take the following actions:

1. Approve the attached anchor easement agreement between the City of Placentia and the Southern California Edison Company for a 6 foot anchor easement for the Placentia Avenue Underpass.
2. Authorize the Mayor to sign the subject easement agreement on behalf of the City.
3. Direct the City Clerk to endorse on the easement agreement which embodies the acceptance of said right-of-way easement, and cause the document to be submitted to the County Recorder of the Orange County for recording of the document.

### DISCUSSION:

On September 21, 2010, the City Council approved construction and maintenance agreements between the Burlington Northern Santa Fe Railway Company (BNSF) and the City of Placentia to define the specific terms, conditions, and funding responsibilities for the construction and maintenance of these projects. Under the terms of these agreements, the City of Placentia is

SCE EASEMENT AGREEMENT FOR PLACENTIA AVENUE GRADE CROSSING  
APRIL 19, 2011  
PAGE 2 OF 2

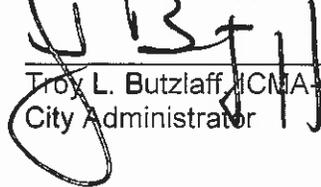
obligated to maintain the bridge structures and appurtenances adjacent to the local street at crossing locations, including retaining walls, highway drainage, pump house facilities and lighting. In order for the City to comply with its obligations it is necessary for the City of Placentia to grant a variety of easements, including utility easements. This easement provides a permanent anchor easement for Southern California Edison to relocate power poles related to the Placentia Avenue Underpasses.

Submitted by:



Stephen Drinovsky  
Director of Public Works

Reviewed and approved:



Troy L. Butzlaff, ICMA-CM  
City Administrator

Reviewed by:



Kenneth A. Domer  
Assistant City Administrator



20 Fairbanks, Suite 178  
Irvine, CA 92618  
949.951.5263 ph  
949.951.6651 fax  
[www.OPCservices.com](http://www.OPCservices.com)

April 1, 2011

Michael McConaha  
Senior Administrative Analyst  
City of Placentia  
401 East Chapman Avenue  
Placentia, CA 92870

**RE: Placentia Grade Separation Project  
Anchor Easement - City of Placentia**

Dear Mr. McConaha,

Following our previous conversations, enclosed please find an Anchor Easement (two original docs) to Southern California Edison in connection to the above mentioned project for your review and execution. Please have the signatures notarized, as the County Recorder's Office will not accept the document without the notary stamp.

Once executed, please call me at (949) 268-5707 to arrange for pick-up and further processing. The copy of the easement is for your file.

Thank you. If you have any questions, or need additional information, please call me at (949) 268-5707.

Sincerely,

*Overland, Pacific & Cutler, Inc.*

A handwritten signature in black ink, appearing to read "Daniela Borbe", written in a cursive style.

Daniela Borbe  
Senior Acquisition Consultant

Enclosures

RECORDING REQUESTED BY  
SOUTHERN CALIFORNIA EDISON COMPANY

WHEN RECORDED MAIL TO  
SOUTHERN CALIFORNIA EDISON COMPANY  
2131 WALNUT GROVE AVENUE  
GO3 - 2<sup>ND</sup> FLOOR  
ROSEMEAD, CA 91770  
ATTN: TITLE AND REAL ESTATE SERVICES

SPACE ABOVE THIS LINE FOR RECORDER'S USE

ANCHOR EASEMENT

Location: Placentia  
A.P.N.: 339-441-02  
RP FILE: ACQ201048381

DOCUMENTARY TRANSFER TAX \$ _____	Serial No. 69099A Service Order 800556866
COMPUTED ON FULL VALUE OF PROPERTY CONVEYED OR COMPUTED ON FULL VALUE LESS LIENS AND ENCUMBRANCES REMAINING AT TIME OF SALE	Approved REAL PROPERTIES DEPARTMENT BY LC DATE 04/13/11
SO. CALIF. EDISON CO. SIGNATURE OF DECLARANT OR AGENT DETERMINING TAX FIRM NAME	

CITY OF PLACENTIA, a charter city and a municipal corporation, does hereby grant to SOUTHERN CALIFORNIA EDISON COMPANY, a corporation, their successors and assigns, (hereinafter referred to as "Grantee"), an easement to construct, use, maintain, alter, add to, repair, replace, inspect, relocate and/or remove at any time and from time to time, stub poles, guy wires, anchors and other appurtenant fixtures and/or equipment needed for anchorage purposes (hereinafter referred to as "Grantees' facilities"), in, on, over and across a 6.00 foot wide strip of land lying within that certain real property of the Grantor, situated in the County of Orange, State of California, described as follows:

Parcel 2 of Parcel Map No. 5495, in the City of Placentia, County of Orange, State of California, as per map filed in Book 57, Page 17 of Parcel Maps, in the Office of the County Recorder of said County.

Said 6.00 foot wide strip of land is more particularly described on the Exhibit "A" and more particularly shown on the Exhibit "B" both attached hereto and by this reference made a part hereof.

The Grantee shall have free access to said facilities, and every part thereof, at all times, for the purpose of exercising the rights herein granted.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

CITY OF PLACENTIA, a charter city and a municipal corporation

By \_\_\_\_\_

Name \_\_\_\_\_

Its \_\_\_\_\_

By \_\_\_\_\_

Name \_\_\_\_\_

Its \_\_\_\_\_

Anchor Easement  
City of Placentia to  
S.C.E., a corp.  
Serial No. A  
RP File No.

State of California )

County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

State of California )

County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

EXHIBIT "A"  
LEGAL DESCRIPTION  
SERIAL No. 69099A

**PARCEL 1 ANCHOR EASEMENT**

THAT PORTION OF PARCEL 2 OF PARCEL MAP NO. 5495, IN THE CITY OF PLACENTIA, COUNTY OF ORANGE, STATE OF CALIFORNIA, FILED IN MAP BOOK 57, PAGE 17 OF PARCEL MAPS IN THE COUNTY RECORDER'S OFFICE OF SAID COUNTY, AS LOCATED WITHIN THE LANDS OF THE GRANTOR, LYING WITHIN A STRIP OF LAND 6.00 FEET WIDE, THE CENTERLINE OF SAID STRIP IS DESCRIBED AS FOLLOWS:

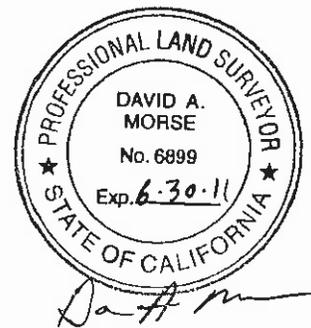
BEGINNING AT THE CENTERLINE INTERSECTION OF EAST CHAPMAN AVENUE AND STATE COLLEGE BOULEVARD, AS SHOWN ON PARCEL MAP NO. 90-423 FILED IN BOOK 282, PAGES 28 THROUGH 33, INCLUSIVE OF PARCEL MAPS, IN THE COUNTY RECORDER'S OFFICE OF SAID COUNTY; THENCE SOUTH 51°47'25" EAST, 3505.62 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF PLACENTIA AVENUE, SAID POINT BEING 50.00 FEET, MEASURED AT RIGHT ANGLES FROM THE CENTERLINE OF SAID PLACENTIA AVENUE, SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING; THENCE SOUTH 73°12'22" EAST, 35.00 FEET, TO A POINT OF TERMINUS.

THE SIDELINES OF SAID STRIP SHALL BE LENGTHENED OR SHORTENED TO TERMINATE WESTERLY IN THE WESTERLY LINE OF LANDS OF THE GRANTOR.

ALL FOUND MONUMENT DESCRIPTIONS, BASIS OF BEARINGS, COURSES, ETC. ARE AS SHOWN ON EXHIBIT "B" ATTACHED HEREWITH AND MADE A PART HEREOF.

PREPARED BY ME OR UNDER MY DIRECTION

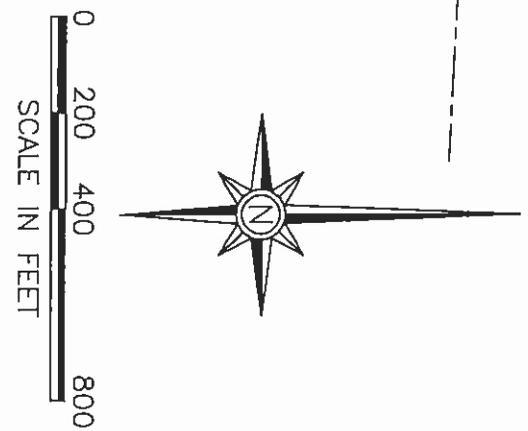
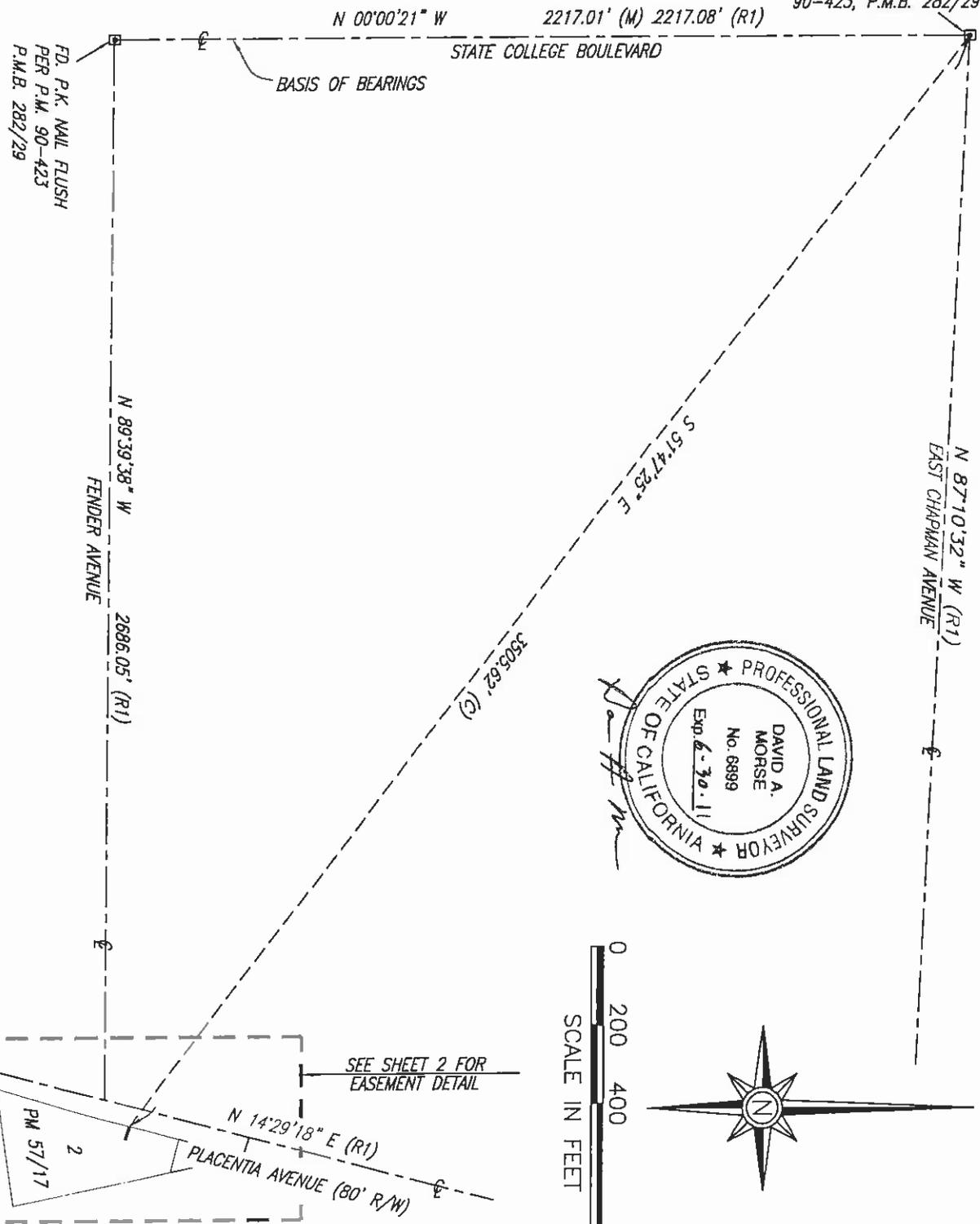
David A. Morse DATE 12-1-10  
DAVID A. MORSE, P.L.S. No. 6899  
**SOUTHERN CALIFORNIA EDISON COMPANY**



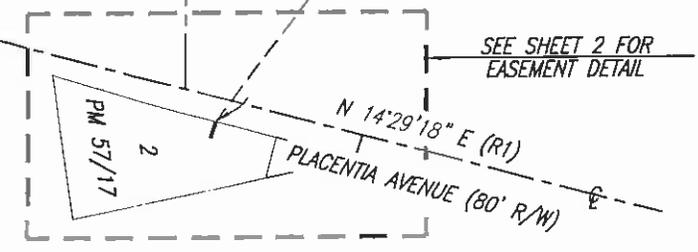
A PORTION OF PARCEL 2 OF PARCEL MAP NO. 5495 FILED IN MAP BOOK 57,  
PAGE 17, IN THE COUNTY RECORDER'S OFFICE OF ORANGE COUNTY, IN THE  
CITY OF PLACENTIA, STATE OF CALIFORNIA

P.O.B. FD. 2" BCM IN  
WELL PER P.M. NO.  
90-423, P.M.B. 282/29

EXHIBIT "B"



PROJECT NAME: VILLA PARK-CAROLINA-PLACENTIA-TITANS ANCHOR		12/1/2010 7:08 AM		M.S. 48-92	
MAP & F.B. REF: SCE FB 10672 PGS. 58-61		CITY: PLACENTIA		COUNTY: ORANGE	
DRAWN BY: MLM		SURVEYED BY: RUIZ-COMER-CONTRERAS		CHECKED BY: D. MORSE	
DATE: 10/26/2010		LAND INFO.: L. CHAVEZ		SERIAL NO.: 69099A	
WORK ORDER NO.: 800556866		NOTIFICATION NO.: 201049356		File Name: I:\ARCHIVE\DRAWING\ 2010-201049356.DWC	



R1 RECORD DISTANCE PER P.M. NO.  
90-423, PMB 282/28-33

□ DENOTES FOUND MONUMENT AS  
DESCRIBED

(C) CALCULATED DISTANCE

(M) MEASURED DISTANCE

BCM - BRASS CAP MONUMENT

LANDS OF: GRANTOR  
APN 339-441-02

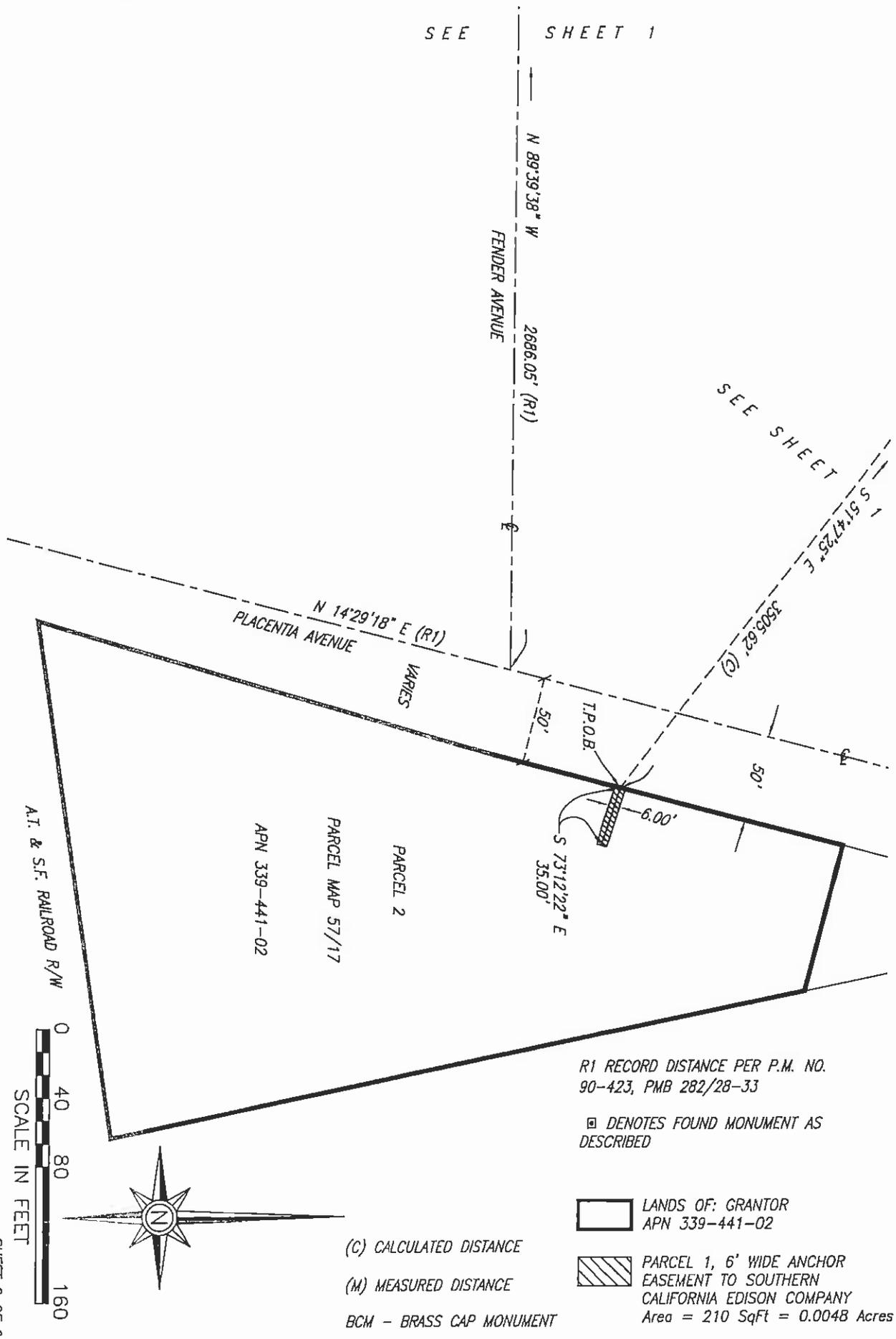
PARCEL 1, 6' WIDE ANCHOR  
EASEMENT TO SOUTHERN  
CALIFORNIA EDISON COMPANY  
Area = 210 SqFt = 0.0048 Acres



A PORTION OF PARCEL 2 OF PARCEL MAP NO. 5495 FILED IN MAP BOOK 57,  
PAGE 17, IN THE COUNTY RECORDER'S OFFICE OF ORANGE COUNTY, IN THE  
CITY OF PLACENTIA, STATE OF CALIFORNIA

EXHIBIT "B"

PROJECT NAME: VILLA PARK-CAROLINA-PLACENTIA-TITANS ANCHOR		CITY: PLACENTIA		12/1/2010 7:07 AM		M.S. 48-92	
MAP & F.B. REF: SCE FB 10672 PGS. 58-61		DRAWN BY: MLM		SURVEYED BY: RUIZ-COMER-CONTRERAS		CHECKED BY: D. MORSE	
DATE: 10/26/2010		LAND INFO.: L. CHAVEZ		SERIAL NO.: 69099A		WORK ORDER NO.: 800556866	
NOTIFICATION NO.: 201049356		File Name: T:\ARCHIVE\DRAWING\ 2010-201049356.DWC		COUNTY: ORANGE		SHEET 2 OF 2	





# Placentia City Council

## AGENDA REPORT

TO: CITY COUNCIL

FROM: CITY ADMINISTRATOR

DATE: APRIL 19, 2011

SUBJECT: APPROVE AMENDMENT TO ATTORNEY-CLIENT FEE AGREEMENT

FINANCIAL IMPACT: INCREASE OF \$10.00/HOUR AND \$200 PER MONTH FOR RETAINER SERVICES

### INTRODUCTION:

The City Council has heretofore entered into an agreement with Andrew Arczynski for legal services. The City Attorney's hourly rate and monthly retainer amount has remained constant since 2009. The City Attorney is now proposing a modest adjustment to his hourly rate and monthly retainer. This action will approve an amendment to the existing Attorney-Client Fee Agreement with Mr. Arczynski adjusting the hourly rate by \$10.00 per hour and \$200.00 per month for retainer services.

### RECOMMENDATION:

It is recommended that the City Council approve the amendment to the Attorney-Client Fee Agreement with Andrew Arczynski and authorize the Mayor to execute the amendment on behalf of the City.

### DISCUSSION:

On May 5, 2009 the City Council approved an agreement for legal services with Andrew Arczynski. Under this agreement Mr. Arczynski provides general legal services to both the City and Redevelopment Agency. Mr. Arczynski currently charges a hourly fee for legal services and a flat monthly retainer for attending City Council, Planning Commission and weekly staff meetings which include set office hours for staff to interact with the City Attorney. The City Attorney's hourly rate and monthly retainer amount have remained unchanged since the inception of this agreement.

The City Attorney has submitted a request to adjust his hourly rate and monthly retainer amounts. The increase requested is \$10.00 per hour and \$200 per month for retainer services. This is a 4.5% increase in the hourly rate and a 5.2% increase in the monthly retainer amount. If approved the new rates will be \$230 per hour and \$4000 per month for retainer services. The proposed increase is scheduled to go into effect July 1, 2011.

Submitted by:

  
Troy L. Butzlaff, ICMA-CM  
City Administrator

Attachment: Amendment to Attorney-Client Fee Agreement

# ANDREW V. ARCZYNSKI

Attorney At Law

E-Mail Address:  
andrew@arczynskilaw.com



1400 North Brea Boulevard  
Fullerton, California 92835-3538

Telephone: (714) 578-8838  
Facsimile: (714) 578-9322

## AMENDMENT TO ATTORNEY-CLIENT FEE AGREEMENT

This Amendment to Attorney-Client Fee Agreement (“Amendment”) is made and entered into by and between the CITY OF PLACENTIA, a municipal corporation and charter city (“PLACENTIA”) and ANDREW V. ARCZYNSKI (“ATTORNEY”) (collectively the “Parties”) this 19<sup>th</sup> day of April, 2011.

Heretofore, the Parties entered into that certain Attorney-Client Fee Agreement (“Agreement”) dated May 5, 2009. The Agreement was amended as of June 2, 2009 and October 6, 2009. By this Amendment, the Parties agree to adjust ATTORNEY’s fees and retainer services to be effective July 1, 2011

Accordingly, paragraph 3.A. of the Agreement, as heretofore amended, is amended to read, in words and figures, as follows: “**Retainer Services.** “Retainer Services,” for the purposes of this Agreement, shall mean those services performed by ATTORNEY including, but not limited to, attendance at regular meetings of the City Council and the Planning Commission, as well as office hours at City Hall as agreed upon with the City Administrator. ATTORNEY’s compensation for Retainer Services shall be in the sum of Four Thousand Dollars (\$4,000.00) per calendar month.”

Paragraph 3.B. of the Agreement, as heretofore amended, is amended to read, in words and figures, with regard to time expended by partners of ATTORNEY - \$230.00 per hour.

Except as heretofore amended, the Agreement shall remain in full force and effect.

CITY OF PLACENTIA,  
a Municipal Corporation and  
Charter City

Date: April 19, 2011

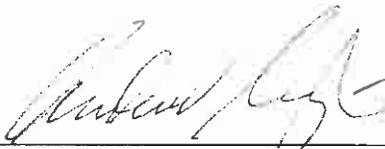
By: \_\_\_\_\_  
Scott W. Nelson,  
Mayor

ATTEST:

By: \_\_\_\_\_  
Patrick Melia,  
City Clerk

ANDREW V. ARCZYNSKI  
ATTORNEY AT LAW

Date: April 19, 2011

By:   
\_\_\_\_\_  
Andrew V. Arczynski



# Placentia City Council

## AGENDA REPORT

**TO:** CITY COUNCIL

**VIA:** CITY ADMINISTRATOR

**FROM:** DIRECTOR OF ADMINISTRATIVE AND COMMUNITY SERVICES

**DATE:** APRIL 19, 2011

**SUBJECT:** AUTHORIZATION TO PURCHASE A PREFABRICATED RESTROOM, PUBLIC RESTROOM COMPANY MODEL 7366, FOR THE KRAEMER MEMORIAL PARK RESTROOM RENOVATION AND PARK AMENITIES IMPROVEMENT PROJECT.

**FINANCIAL** \$211,100 UTILIZING STATE PARK GRANT FUNDING  
**IMPACT:** ACCOUNT#: 333555/6104915023-6015

### INTRODUCTION:

Renovating the Kraemer Memorial Park restrooms and upgrading park amenities adjacent to the restrooms has been identified in the Capital Improvement Program for completion in FY 2010/11. A major component of the project includes the purchase and installation of a prefabricated restroom building utilizing grant funds from the State of California. This item authorizes the City Administrator, or his designee, to execute a direct purchase of a prefabricated restroom building from the Public Restroom Company, model 7366, in an amount not to exceed \$211,100.

### RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the purchase of a prefabricated restroom, Public Restroom Company model 7366, for the Kraemer Memorial Park Restroom Renovation and Park Amenities Improvement Project utilizing Buyboard, a national purchasing cooperative, in an amount not to exceed \$211,100.

### DISCUSSION:

The proposed renovation of the restroom facility at Kraemer Memorial Park and improvements to the park amenities adjacent to the restrooms will provide functional and aesthetic improvements to the park. The primary scope of the project will replace the existing restroom with a new prefabricated restroom building and renovate the area surrounding the new restroom facility. The project also entails redesigning the sidewalks to be ADA compliant, relocating the basketball courts to a more appropriate and user friendly location and constructing a sand volleyball court. Other upgrades to the project area will include new park amenities, landscaping elements, and adding additional security lighting.

The proposed prefabricated restroom building, which is constructed by the Public Restroom Company, was selected as the best option for this project. The Public Restroom Company has a reputation for constructing the highest quality restroom facilities and is recognized by many as the leader in designing, constructing and installing prefabricated restrooms. The Public Restroom Company specializes in construction of restroom buildings designed for parks and other public areas.

**1h**  
**April 19, 2011**

A primary consideration for selecting a prefabricated restroom for this project was the durability of these types of buildings. The Public Restroom Company uses state of the art vandal resistant materials. These buildings are constructed on eight inch thick concrete slabs using block walls with steel tubular roof fascia instead of wood. Other vandal resistant features include stainless steel plumbing fixtures, concealed hand dryers, heavy gauge ventilation screens, and water/urine resistant concrete floors. The design of the building also incorporates floor drains in each section of the building. These drains prohibit flooding and allow for power washing of the restrooms to assist in periodic cleaning above and beyond daily maintenance and cleaning. These building materials and vandal resistant design features will create a safer building, help eliminate odor and reduce overall maintenance costs.

Utilizing a prefabricated restroom building for this project will save money without jeopardizing performance. Purchase of a prefabricated restroom building is projected to be 30% less than a restroom constructed on site. This is due largely to the fact the restroom buildings have stock floor plans that have already been designed, thus saving on architectural costs. Utilizing a prefabricated restroom building will also expedite the construction process. Prefabricated restroom buildings are constructed off-site. This allows for park construction and site preparation to occur simultaneously with building construction.

The bidding process for the purchase of the prefabricated restroom facility was completed using Buyboard, which is a national purchasing cooperative. Buyboard provides government agencies with an opportunity to efficiently procure items at lower costs. Buyboard is a collaboration between the National School Boards Association (NSBA), several State School Boards Associations, school districts and other governmental entities including cities, municipalities, counties, public universities, and other local government agencies. Buyboard was developed to comply with state laws which require government entities to make purchases from an approved list of vendors who have gone through a competitive bidding process. The Buyboard competitive bidding process gives government agencies the advantage of leveraging the cooperative's ability to get volume discounts and combines it with an efficient procurement process. By utilizing a cooperative purchasing process, the City will avoid a mark up of the restroom building by the construction contractor. In similar projects, the purchase of the restroom could be incorporated into the responsibilities of the construction contractor as defined in the project plans and specifications. In these instances, the contractor would purchase the restroom and most likely mark up the purchase price by up to 20% to account for overhead related to procurement.

The City of Placentia utilizes cooperative purchasing processes commonly referred to as Joint Procurement Authorities for a variety of items. Most of the purchases made through Joint Purchasing Authorities are usually high priced items such as vehicles or technical items such as specialty computer equipment. Recently, Western States Contractors Alliance (WSCA) was used by the City of Placentia to purchase Information and Technology equipment. Other examples of national purchasing collaboritives include Federal General Services, US Communities Purchasing Alliance, and the Cooperative Purchasing Network.

### **FISCAL IMPACT:**

The Kraemer Memorial Park Restroom Renovation and Park Amenities improvement project will be funded through a combination of State Park Grant Funds and City of Placentia Park Development Funds. The majority of the funding for the project will come from the California 2002 Resources Bond Act Per Capita Program (\$220,000) and the California 2002 Resources Bond Act Roberti-Z'Berg-Harris Program (\$130,790). The remainder of the project will be funded through City of Placentia Park Development Funds. The grant funding received from the State of California must be spent by June 30, 2011. The purchase of the prefabricated restroom building utilizing State Grant Funding has been

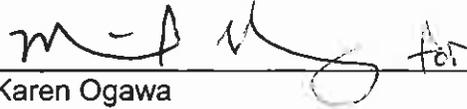
approved by the Office of Grants and Local Services liaison who staff has been working closely with to ensure that all necessary paperwork has been submitted and that the grant guidelines are being followed. The balance of the construction process for the rest of the project is currently in the bidding process. The deadline for contractors to submit bids is April 25, 2011 at 10:30 a.m. A staff report to recommend award of the construction contract will be presented to City Council on May 3, 2011.

Prepared by:



Mike Kudron  
Recreation Services Manager

Reviewed by :



Karen Ogawa  
Finance Director

Reviewed and submitted by:



Stephen D. Pischel  
Director of Administrative & Community Services

Reviewed and approved:

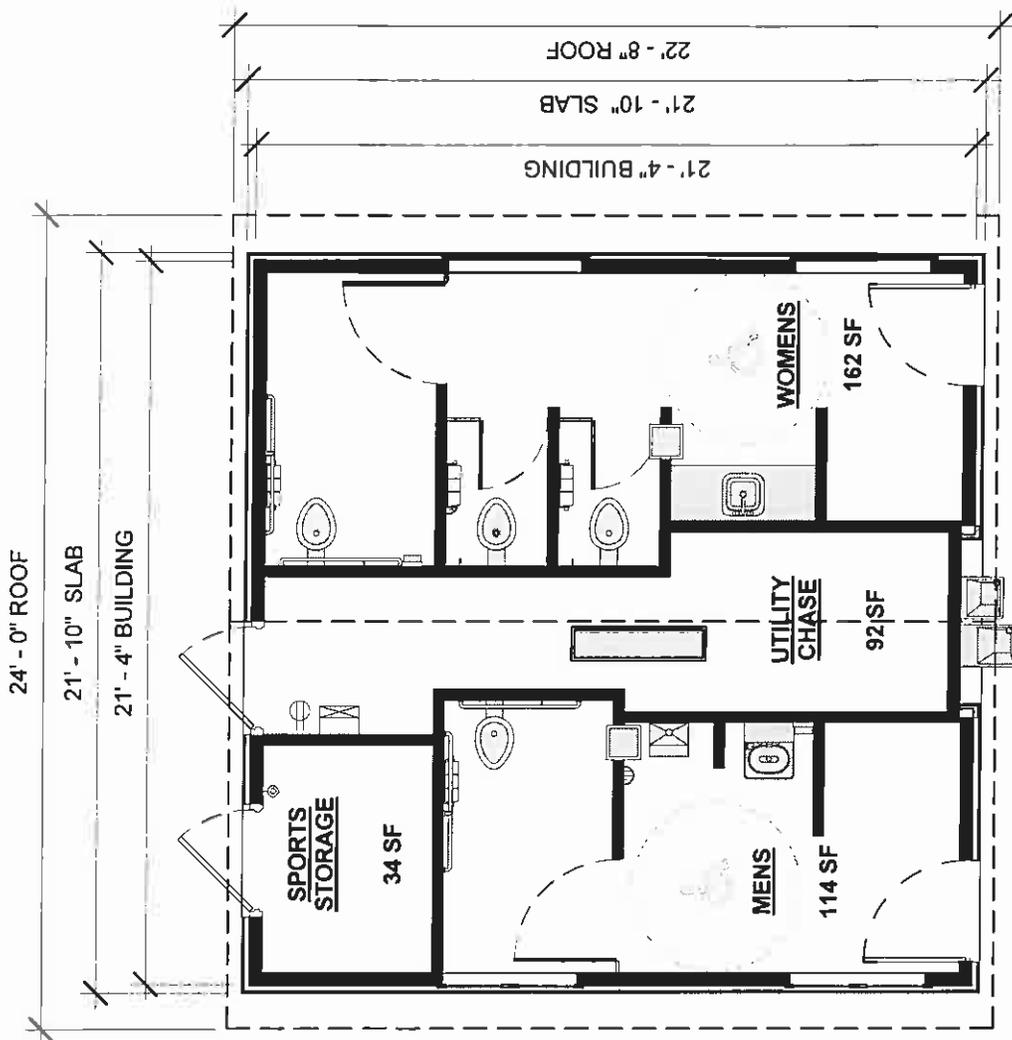


Troy Butzlaff, ICMA  
City Administrator

Attachments:    Public Restroom Company design of building model 7366  
                         Public Restroom Company proposal  
                         Buyboard National Purchasing Cooperative Interlocal Participation Agreement

AGENDA ITEM NO.: \_\_\_\_\_

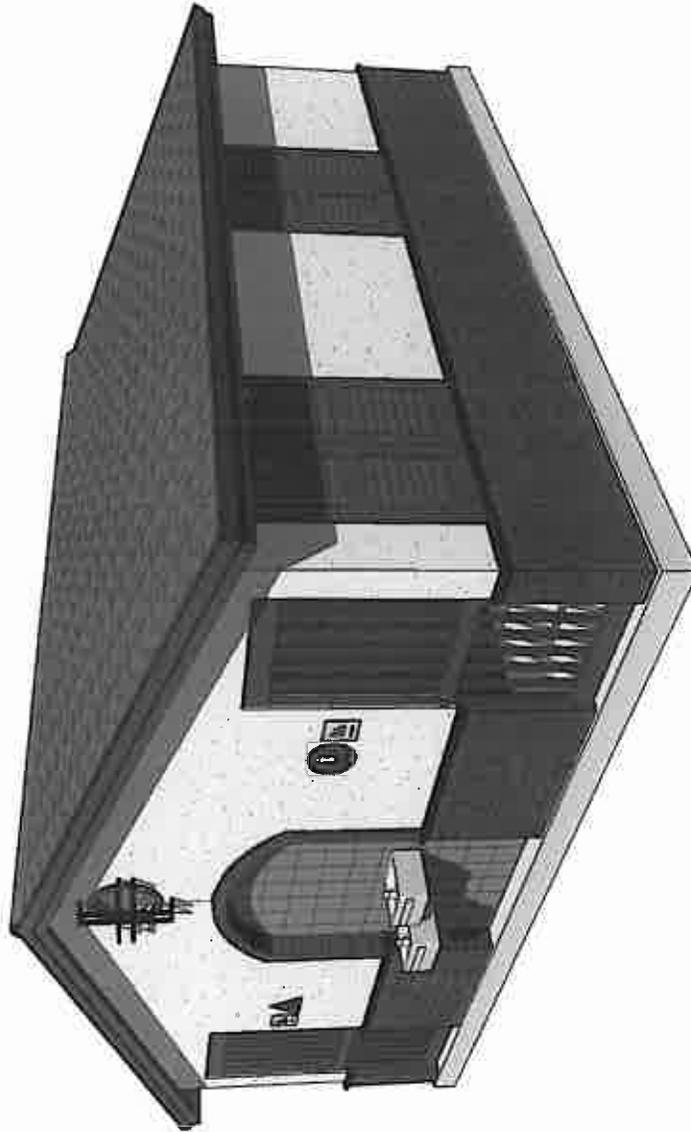
COUNCIL MEETING DATE \_\_\_\_\_



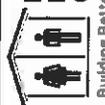
1 FLOOR PLAN  
3/16" = 1'-0"

<p><b>PUBLIC RESTROOM COMPANY</b> Building Better Places To Go Ph: 888-888-2060   Fax: 888-888-448</p>		<p><b>RESTROOM &amp; STORAGE BUILDING</b></p> <p>KRAEMER PARK PLACENTIA, CA.</p>		<p>REVISION BY: PEF</p>	<p>REVISION DATE: 2/24/11</p>	<p>REVISION # 4</p>
<p>COPYRIGHT 2011. PUBLIC RESTROOM COMPANY THIS MATERIAL IS THE EXCLUSIVE PROPERTY OF PUBLIC RESTROOM COMPANY AND SHALL NOT BE REPRODUCED, USED, OR DISCLOSED TO OTHERS EXCEPT AS AUTHORIZED BY THE WRITTEN PERMISSION OF PUBLIC RESTROOM COMPANY.</p>		<p>BUILDING TYPE:</p>		<p>DATE: 2/15/11</p>	<p>PROJECT #:</p>	<p>DRAWN BY: MAJ/PEF</p>
<p>MAXIMUM PERSON AN HOUR</p> <h1>210 M</h1>		<p>PROJECT:</p>		<p>MAXIMUM PERSON AN HOUR</p>		

-NOT FOR CONSTRUCTION - PRELIMINARY DESIGN DRAWING ONLY - DO NOT SCALE. DIMENSIONS PRESIDE



1 PERSPECTIVE



**PUBLIC RESTROOM COMPANY**  
Building Better Places To Go.™  
PH: 888-888-2060 | Fax: 888-888-1448

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BUILDING TYPE: **RESTROOM & STORAGE BUILDING**  
PROJECT: **KRAEMER PARK  
PLACENTIA, CA.**

REVISION BY: PEF	REVISION DATE: 2/24/11	REVISION # 4
DATE: 2/15/11	DRAWN BY: MAJPEF	
PROJECT #	MAXIMUM PERSON AN HOUR:	<b>210 M</b>

—NOT FOR CONSTRUCTION — PRELIMINARY DESIGN DRAWING ONLY — DO NOT SCALE. DIMENSIONS PRESIDE



"DESIGNING AND BUILDING RESTROOMS...BETTER"

---

**FINAL PROPOSAL: Kraemer Park, City of Placentia**

**Date: April 13, 2011**

**Offer:**

We offer to *furnish and install turn-key* (on a site pad prepared by City of Placentia) the public restroom building for this project.

**Cost for the restroom building turn-key installed: \$211,082 (includes applicable Tax)**

**Time of Completion:**

**PRC requires 70 calendar days to complete the project from receipt of written notice to proceed together with a signed set of the final building drawings by all authorities required to approve them.**

**Exclusions/Exceptions:**

1. Access issues for delivery of the building when the general contractor has not provided a proper path to the final site. This exclusion covers sites whose access is limited by trees, inaccessible roadways, overhead power lines at location where crane will lift building, grade changes, berms, or uneven site grades, or when the path of travel is over improvements such as sidewalks, all of which are not within the scope of work by PRC.
2. Any trench plates needed for protection of site soils, sidewalks, or site utilities.
3. Sidewalks outside the building footprint.
4. Survey, excavation, and installation of the building pad per our plans previously sent.
5. Soil conditions not suitable for bearing 1500 psf.
6. Improper water pressure, an undersized meter, or flow to the building.
7. Bonds, building permits, site survey, special inspection fees, minor trash removal, final utility connections, minor plumbing leaks if water is not available when building site work installation is complete, site soils or improvements if damaged during installation, landscaping.
8. Traffic control requirements coordinated by the Owner.

**Clarifications:**

Our crane costs, which are included herein, are based on a maximum 35' radius from the center pin of the crane to center point of the furthest building roof. If additional distance requires a larger crane, additional costs will be assessed by change order to you. Crane costs are included in this bid.

**Special Payment and Billing Terms – Pay When Paid:**

We invoice for engineering and architectural plans after they are approved by owner. Then we invoice monthly on a percentage of completion basis for in plant construction. We provide you with progress invoices to coincide with your monthly billing cycle; certified inspection reports in plant, and photos to verify in plant progress. Since the prefabricated building (materials) represents 90% of the project cost and is a product (materials), we expect our billings to be paid as we do not accept withholding of retention.



**NATIONAL PURCHASING COOPERATIVE  
INTERLOCAL PARTICIPATION AGREEMENT**

This Interlocal Participation Agreement ("Agreement") is made and entered into on the date indicated below by and between The National Purchasing Cooperative ("Cooperative"), an administrative agency of cooperating local governments, acting on its own behalf and the behalf of all participating local governments, and the undersigned local government ("Cooperative Member").

**I. RECITALS**

WHEREAS, the National Purchasing Cooperative was formed on May 26, 2010, pursuant to Md. CODE ANN., STATE FIN. & PROC. § 13-110 (West 2009), and R.I.GEN.LAWS § 16-2-9.2 (2009); and

WHEREAS, the purpose of this Agreement is to facilitate compliance with state procurement requirements, to identify qualified vendors of commodities, goods and services, to relieve the burdens of the governmental purchasing function, and to realize the various potential economies, including administrative cost savings, for Cooperative Members;

;

NOW THEREFORE, in consideration of the mutual covenants, promises and obligations contained herein, the undersigned Cooperative Member and the Cooperative agree as follows.

**II. TERMS AND CONDITIONS**

1. **Adopt Organizational Interlocal Cooperation Agreement.** The Cooperative Member by the execution or acceptance of this Agreement hereby adopts and approves the Organizational Interlocal Agreement dated May 26, 2010, which agreement is incorporated herein by reference (and is available from the Cooperative upon request). The Organizational Interlocal Agreement established the Cooperative as an administrative agency of its collective participants, and Cooperative Member agrees to become a participant or additional party to that Organizational Interlocal Agreement.
2. **Term.** The initial term of this Agreement shall commence on the date it is executed by both parties and shall automatically renew for successive one-year terms unless sooner terminated in accordance with the provisions of this Agreement.
3. **Termination.**
  - (a) **By the Cooperative Member.** This Agreement may be terminated by the Cooperative Member at any time by thirty (30) days prior written notice to the Cooperative, provided any amounts owed to any vendor have been fully paid.

(b) **By the Cooperative.** The Cooperative may terminate this Agreement by:

(1) Giving ten (10) days notice by certified mail to the Cooperative Member if the Cooperative Member breaches this Agreement; or

(2) Giving thirty (30) days notice by certified mail to the Cooperative Member with or without cause.

(c) **Termination Procedure.** If the Cooperative Member terminates its participation under this Agreement or breaches this Agreement, or if the Cooperative terminates participation of the Cooperative Member, the Cooperative Member shall bear the full financial responsibility for all of its purchases made from vendors under or through this Agreement. The Cooperative may seek the whole amount due, if any, from the terminated Cooperative Member. In addition, the Cooperative Member agrees it will not be entitled to a distribution which may occur after the Cooperative Member terminates from the Cooperative.

4. **Payments by Cooperative Member.** The Cooperative Member will make timely payments to the vendor for the goods, materials and services received in accordance with the terms and conditions of the bid invitation, instructions, and all other applicable procurement documents. Payment for goods, materials and services and inspections and acceptance of goods, materials and services ordered by the procuring Cooperative Member shall be the exclusive obligation of the procuring Cooperative Member, and not the Cooperative. Furthermore, the Cooperative Member is solely responsible for negotiating and securing ancillary agreements from the vendor on such other terms and conditions, including provisions relating to insurance or bonding, that the Cooperative Member deems necessary or desirable under state or local law, local policy or rule, or within its business judgment.
5. **Payments by Vendors.** The parties agree that the Cooperative will require payment from vendors which are selected to provide goods, materials or services to Cooperative Members. Such payment (hereafter "Vendor Fees") may be up to two percent (2%) of the purchase price paid by Cooperative Members or a flat fee amount that may be set from time to time by the Cooperative Board of Directors. Cooperative Member agrees that these Vendor Fees fairly compensate the Cooperative for the services and functions performed under this Agreement and that these Vendor Fees enable the Cooperative to pay the administrative, endorsement, licensing, marketing, and other expenses involved in successfully operating a program of electronic commerce for the Cooperative Members. Further, Cooperative Member affirmatively disclaims any rights to such Vendor Fees, acknowledging all such fees are the property of the Cooperative. Similarly, in no event shall a Cooperative Member be responsible for payment of Vendor Fees.
6. **Distribution.** From time to time, and at the sole discretion of the Cooperative Board of Directors, the Cooperative may issue a distribution to Cooperative Members under a plan developed by the Cooperative Board of Directors. The Cooperative Member acknowledges that a distribution is never guaranteed and will depend on the overall financial condition of the Cooperative at the time of the distribution and the purchases made by the Cooperative Member.
7. **Administration.** The Cooperative may enter into contracts with others, including non-profit associations, for the administration, operation and sponsorship of the purchasing program provided by this Agreement. The Cooperative will provide reports, at least annually, to the Cooperative Member electronically or by

mail. Cooperative Member will report purchase orders generated under this Agreement to the Cooperative or its designee, in accordance with instructions of the Cooperative.

8. **BuyBoard®.** Cooperative Member will have a non-exclusive license to use the BuyBoard electronic purchasing application (BuyBoard) during the term of this Agreement. Cooperative Member acknowledges and agrees that the BuyBoard electronic application and trade name are owned by the Texas Association of School Boards, Inc., and that neither the Cooperative nor the Cooperative Member has any proprietary rights in the BuyBoard electronic application or trade name. The Cooperative Member will not attempt to resell, rent, or otherwise distribute any part of BuyBoard to any other party; nor will it attempt to modify the BuyBoard programs on the server or acquire the programming code. The Cooperative Member may not attempt to modify, adapt, translate, distribute, reverse engineer, decompile, or disassemble any component of the application. The Cooperative Member will use BuyBoard in accordance with instructions from the Cooperative (or its designee) and will discontinue use upon termination of participation in the Cooperative. The Cooperative Member will maintain equipment, software and conduct testing to operate the BuyBoard system at its own expense.

### III. GENERAL PROVISIONS

1. **Amendment by Notice.** The Board may amend this Agreement, provided that prior written notice is sent to the Cooperative Member at least 60 days prior to the effective date of any change described in such amendment and provided that the Cooperative Member does not terminate its participation in the Cooperative before the expiration of said 60 days.
2. **Authorization to Participate and Compliance with Local Policies.** Each Cooperative Member represents and warrants that its governing body has duly authorized its participation in the Cooperative and that the Cooperative Member will comply with all state and local laws and policies pertaining to purchasing of goods and services through its membership in the Cooperative.
3. **Bylaws.** The Cooperative Member agrees to abide by the Bylaws of the Cooperative, as they may be amended, and any and all written policies and procedures established by the Cooperative.
4. **Cooperation and Access.** The Cooperative Member agrees that it will cooperate in compliance with any reasonable requests for information and/or records made by the Cooperative. The Cooperative reserves the right to audit the relevant records of any Cooperative Member. Any breach of this provision shall be considered material and shall make the Agreement subject to termination on ten (10) days written notice to the Cooperative Member.
5. **Coordinator.** The Cooperative Member agrees to appoint a program coordinator who shall have express authority to represent and bind the Cooperative Member, and the Cooperative will not be required to contact any other individual regarding program matters. Any notice to or any agreements with the coordinator shall be binding upon the Cooperative Member. The Cooperative Member reserves the right to change the coordinator as needed by giving written notice to the Cooperative. Such notice is not effective until actually received by the Cooperative.
6. **Current Revenue.** The Cooperative Member hereby warrants that all payments, fees, and

disbursements required of it hereunder shall be made from current revenues budgeted and available to the Cooperative Member.

7. **Defense and Prosecution of Claims.** The Cooperative Member authorizes the Cooperative to regulate the commencement, defense, intervention, or participation in a judicial, administrative, or other governmental proceeding or in an arbitration, mediation, or any other form of alternative dispute resolution, or other appearances of the Cooperative in any litigation, claim or dispute which arises from the services provided by the Cooperative on behalf of its members, collectively or individually. Neither this provision nor any other provision in this Agreement will create a legal duty for the Cooperative to provide a defense or prosecute a claim; rather, the Cooperative may exercise this right in its sole discretion and to the extent permitted or authorized by law. The Cooperative Member shall reasonably cooperate and supply any information necessary or helpful in such prosecution or defense. Subject to specific revocation, the Cooperative Member hereby designates the Cooperative to act as a class representative on its behalf in matters arising out of this Agreement.
8. **Governance.** The Board of Directors (Board) will govern the Cooperative in accordance with the Bylaws.
9. **Jurisdiction/Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Rhode Island and, to the extent permitted by law, venue for all disputes arising under this Agreement shall lie in United States District Court Eastern District of Virginia.
10. **Legal Authority.** The Cooperative Member represents and warrants to the Cooperative the following:
  - a) The Cooperative Member has conferred with legal counsel and determined it is duly authorized by the laws of the jurisdiction in which the Cooperative Member lies to participate in cooperative purchasing, and specifically, the National Purchasing Cooperative.
  - b) The Cooperative Member possesses the legal authority to enter into this Agreement and can allow this Agreement to automatically renew without subsequent action of its governing body.
  - c) Purchases made under this Agreement will satisfy all procedural procurement requirements that the Cooperative Member must meet under all applicable local policy, regulation, or state law.
  - d) All requirements—local or state—for a third party to approve, record or authorize the Agreement have been met.
11. **Disclaimer.** THE COOPERATIVE, ITS ENDORSERS AND SPONSORS, (INCLUDING, THE NATIONAL SCHOOL BOARDS ASSOCIATION, THE MARYLAND ASSOCIATION OF BOARDS OF EDUCATION, AND THE RHODE ISLAND ASSOCIATION OF SCHOOL COMMITTEES) AND SERVICING CONTRACTOR(S) (INCLUDING, THE NATIONAL SCHOOL BOARDS ASSOCIATION AND THE TEXAS ASSOCIATION OF SCHOOL BOARDS, INC.) DO NOT WARRANT THAT THE OPERATION OR USE OF COOPERATIVE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE.

THE COOPERATIVE, ITS ENDORSERS, SPONSORS AND SERVICING CONTRACTORS, HEREBY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, IN REGARD TO ANY INFORMATION, PRODUCT OR SERVICE FURNISHED UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

12. **Limitation of Liability.** Without waiver of the disclaimer or other limitation of liability in this Agreement, the parties agree that:
- (a) Neither party waives any immunity from liability afforded under law;
  - (b) In regard to any lawsuit or formal adjudication arising out of or relating to this Agreement, neither party shall be liable to the other under any circumstance for special, incidental, consequential, or exemplary damages;
  - (c) The maximum amount of damages recoverable will be limited to the amount of fees which the Cooperative received as a direct result of the Cooperative Member's purchase activity, within 12 months of when the lawsuit or action was filed; and
  - (d) In the event of a lawsuit or formal adjudication the prevailing party will be entitled to recover reasonable attorney's fees pursuant to the applicable law of the Commonwealth of Virginia.

Without waiver of the disclaimer or other limitation of liability in this Agreement, the parties further agree to limit the liability of the Cooperative's Endorsers, Sponsors and Servicing Contractors (defined in Paragraph 11, above) up to the maximum amount each received from or through the Cooperative, as a direct result of the undersigned Cooperative Member's purchase activity, within 12 months of the filing of any lawsuit or action.

13. **Limitation of Rights.** Except as otherwise expressly provided in this Agreement, nothing in this Agreement is intended to confer upon any person, other than the parties hereto, any benefits, rights, or remedies under or by reason of this Agreement.
14. **Merger/Entirety.** This Agreement, together with the Cooperative's Bylaws and Organizational Interlocal Agreement, represents the complete understanding of the Cooperative and Cooperative Member. To the extent there exists any conflict between the terms of this Agreement and that of prior agreements, the terms of this Agreement shall control and take precedence over all prior participation agreements.
15. **Notice.** Any written notice to the Cooperative shall be made by first class mail, postage prepaid, and delivered to the National Purchasing Cooperative, 1680 Duke Street, Alexandria, VA, 22314. Notices to Cooperative Member may be made by first class mail, postage prepaid, and delivered to the Cooperative Member's Coordinator or chief executive officer (e.g., superintendent, city manager, county judge or mayor).
16. **Severability.** If any portion of this Agreement shall be declared illegal or held unenforceable for any reason, the remaining portions shall continue in full force and effect.
17. **Signatures/Counterparts.** The failure of a party to provide an original, manually executed signature to the other party will not affect the validity, enforceability or binding effect of this Agreement because either party may rely upon a facsimile signature as if it were an original. Furthermore, this Agreement may be executed in several separate counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.
18. **Warranty.** By the execution and delivery of this Agreement, the undersigned individuals warrant that they have been duly authorized by all requisite administrative action required to enter into and perform

the terms of this Agreement.

IN WITNESS WHEREOF, the parties, acting through their duly authorized representatives, accept this Agreement.

**TO BE COMPLETED BY THE COOPERATIVE:**

The National Purchasing Cooperative,  
acting on behalf of all other Cooperative Members

By: \_\_\_\_\_  
[Name/Title]

Date: \_\_\_\_\_

*[Additional signature page follows.]*





# Placentia Redevelopment Agency

## AGENDA REPORT

**TO:** AGENCY BOARD  
**VIA:** EXECUTIVE DIRECTOR  
**FROM:** ASSISTANT CITY ADMINISTRATOR  
**DATE:** APRIL 19, 2011  
**SUBJECT:** APPROVAL OF PROCESS TO DISPOSE OF AGENCY OWNED PROPERTY  
LOCATED AT 229 ALTA STREET  
**FINANCIAL  
IMPACT:** \$ 400.00 (347536-6197 *Purchased Appraisal Services*)

### **INTRODUCTION:**

The Redevelopment Agency of the City of Placentia is requesting authorization to initiate a process to dispose of Agency-owned property located at 229 Alta Street. The property is currently providing affordable housing opportunities and is an asset of the Low and Moderate Income Housing Fund (20% Fund). This action will approve a resolution initiating a process in which to formally dispose of the property and provide continued affordable housing opportunities for tenants and future owners of the property.

### **RECOMMENDATION:**

It is recommended that the Board of Directors adopt Resolution RA 2011-\_\_\_ authorizing Agency staff to begin the process in which to dispose of the property through sale to a qualified non-profit agency or income eligible home buyer for continued use as affordable housing.

### **DISCUSSION:**

The Redevelopment Agency of the City of Placentia (Agency) acquired the vacant single family residential parcel at 229 Alta Street on September 20, 2005. The initial purchase was made with Capital Project (80%) funds. At the time, the Agency was considering the property and others for potential parking related to the planned Placentia Metrolink Station. However, it was soon determined that the site was not conducive to parking and the funding was formally reimbursed through action by the Board of Directors to the Low and Moderate Income Housing Fund. The home remained vacant for several years until March 2010, at which time the home was made available to a family that resided in another Agency-owned property. The family was provided the home for a lease term of one year and the family signed a relocation waiver if the Agency were to dispose of the home after the initial one year term.

After further review of the Agency's real estate holdings, as well as its goals and objectives, it is determined that the Agency is not a long-term property manager and the property is therefore proposed to be sold as an affordable housing opportunity. The sale of the property would include a deed restriction that requires a fifty-five (55) year affordable housing covenant.

It is proposed that the property be made available to local non-profit organizations for utilization as affordable housing. If no local agency expresses interest, it is proposed that the property be put up for sale as a deed restricted property for income qualified home owner candidates. The property is for owner-occupation only – it is not eligible to be a rental or investment property under State regulations and the deed restrictions which will be put in place will enforce those provisions.

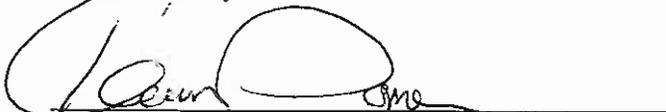
The current tenants, regardless of the relocation waiver, will be contacted and provided the opportunity to obtain a Housing Choice Voucher (voucher) through the Orange County Housing Authority (OCHA). Per the County of Orange's Annual Action Plan, residents within the City of Placentia, since the City is a participating city with the County, are eligible to receive a priority voucher if displacement occurs due to government action. In communications with the OCHA Housing Manager, the current tenants, if they remain income eligible, will be provided a period of 120 days in which to make an application to OCHA for a voucher which can be used in the City of Placentia or another participating city in Orange County. The voucher is good for the entire time the family remains income eligible. Currently, the family consists of two adults and two adult children. As part of the County's Annual Action Plan it is required that a governing body approve a resolution requesting that an income eligible family be provided the opportunity to obtain a voucher due to impending government action. The proposed disposition of the property is a qualifying event and the draft resolution attached, if approved, will be sent to OCHA to begin the process.

Accordingly, the process requested to initiate disposition of the subject property is: work with OCHA on providing the tenants an opportunity for a voucher; initiate contacts with local non-profits for potential transaction of the property for affordable housing purposes; conduct a property appraisal; and/or begin a process guided by Health and Safety Code § 33431 for the disposition of the property to an income qualified homebuyer.

**FISCAL IMPACT:**

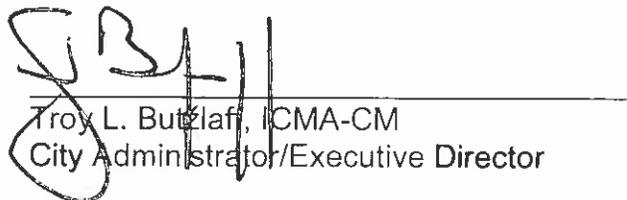
The proposed fiscal impact is a budgeted expenditure of \$400 to obtain a residential property appraisal. As the action is not the actual disposition of the property, there are no further fiscal impacts at this time.

Submitted by:



Kenneth A. Domer  
Assistant City Administrator

Reviewed and approved:



Troy L. Butzlaff, ICMA-CM  
City Administrator/Executive Director

Attachments: Resolution RA-2011-\_\_\_\_\_

RESOLUTION NO. RA-2011-

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA APPROVING THE INITIATION OF PROCEEDINGS TO DISPOSE OF AGENCY-OWNED PROPERTY LOCATED AT 229 ALTA STREET.

A. Recitals.

(i) On September 6, 2005 the Redevelopment Agency of the City of Placentia ("Agency") approved the purchase of one (1) parcel located at 229 Alta Street (APN 339-061-10) in the City of Placentia, California ("Property") and title to said Property transferred to the Agency on September 20, 2005.

(ii) The Property was originally purchased with proceeds from the Agency's 2002 Series B Bonds to create parking associated with Downtown Placentia improvements, including the Placentia Metrolink Station.

(iii) By Agency Board approval on April 3, 2007, the original funding source was reimbursed with Low-Moderate Income Housing Funds based on the intention of the Agency to utilize the Property as affordable housing to partially fulfill the Agency's obligation to preserve and increase the stock of affordable housing within the community.

(iv) The Property is located in a primarily low and moderate income area within the boundaries of the Agency.

(v) Since March, 2010 the Property has been leased to an income eligible family, is residentially zoned and the Agency intends to continue to restrict the Property for affordable housing purposes through recorded covenants.

(vi) The Board of Directors agree that disposition of the property for continued affordable housing purposes not under the ownership of the Agency is in the best interests of the Agency, the City of Placentia and is consistent with the Five Year Annual Plan and Agency Housing Program.

(vii) The current tenants, through an action understood and agreed to by said tenants as a condition of

executing a lease for a period of one year, signed a waiver of relocation benefits.

(viii) Through the Agency's proposed actions to dispose of said property, the tenants will remain in need of affordable housing options and it is the Agency's desire to provide the tenants the opportunity to obtain a Housing Choice Voucher through the Orange County Housing Authority.

(ix) All legal prerequisites to the adoption of this Resolution have occurred.

**B. Resolution**

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA DOES HEREBY RESOLVE:

1. In all respects as set forth in the Recitals, Part A., of this Resolution.

2. Based upon the findings, the Board of Directors authorizes the initiation of disposition proceedings of the Agency-owned property at 229 Alta Street including outreach to local non-profit agencies seeking to increase affordable housing opportunities or through sale of the property to income qualified individuals using affordable housing covenants for a period not less than fifty-five (55) years.

3. It is the intent of the Board of Directors that, based on these actions, the provision of a Housing Choice Voucher through the Orange County Housing Authority be made available to the current tenants as a means to provide continued affordable housing options.

PASSED ADOPTED AND APPROVED this 19<sup>th</sup> day of April, 2011.

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SCOTT W. NELSON, CHAIRMAN

Attest:

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PATRICK J. MELIA, SECRETARY

STATE OF CALIFORNIA  
COUNTY OF ORANGE

I, Patrick J. Melia, Secretary of the Redevelopment Agency of the City of Placentia, do hereby certify that the foregoing resolution was adopted at a regular meeting of the Redevelopment Agency of the City of Placentia held on the 19<sup>th</sup> day of April, 2011 by the following vote:

AYES:	AGENCY MEMBERS:
NOES:	AGENCY MEMBERS:
ABSENT:	AGENCY MEMBERS:
ABSTAIN:	AGENCY MEMBERS:

---

PATRICK J. MELIA, SECRETARY

APPROVED AS TO FORM:

---

ANDREW V. ARCZYNSKI,  
AGENCY COUNSEL



# Placentia City Council

## AGENDA REPORT

**TO:** CITY COUNCIL

**VIA:** CITY ADMINISTRATOR

**FROM:** DIRECTOR OF ADMINISTRATIVE AND COMMUNITY SERVICES

**DATE:** APRIL 19, 2011

**SUBJECT:** AMENDMENT TO CITY ORDINANCE TO PROHIBIT DOGS FROM ATHLETIC FIELDS AND PLAYGROUND AREAS.

**FINANCIAL**

**IMPACT:** NEGLIGIBLE

### **INTRODUCTION:**

Due to health and safety concerns related to dog urine and feces on City owned athletic fields and playground areas, the City's Recreation and Parks Commission is recommending that City Council consider an amendment to Section 14.08.090 of the Placentia Municipal Code to prohibit dogs from these areas. This proposed amendment would not prohibit dogs in other areas of the park. If approved, dog owners will still be able to walk dogs on leashes and enjoy City parks with their dogs. Dogs would only be prohibited from athletic fields and playground areas. Guide dogs, service dogs and signal dogs are exempt from this ordinance.

### **RECOMMENDATION:**

It is recommended that the City Council:

1. Adopt Ordinance No. 0-2011-\_\_\_\_\_, an ordinance of the City Council of the City of Placentia, amending section 14.08.090 of the Placentia Municipal Code relating to prohibiting dogs from athletic fields and playground areas.

### **DISCUSSION:**

The health and safety concerns related to dogs on athletic fields and in playground areas has been a reoccurring agenda item during Recreation and Parks Commission and Sports Advisory Committee meetings for many years. This topic has been discussed and debated by the Recreation and Parks Commission at length. The Commission feels the best solution to assist in resolving the health and safety concerns of residents is to prohibit dogs from athletic fields and playground areas. The proposed amendment to the municipal code would only limit dogs on City athletic fields and playground areas. Leashed dogs would still be welcome in all other areas of City parks.

The problem with dog waste on athletic fields has become a growing problem. The primary reason for this is that many people are now utilizing City sports fields as dog parks. This has become a popular practice, especially at Placentia Champions Sports Complex, because dogs can be locked inside the fences, have their leashes removed and become free to roam. The Community Services Department receives complaints on a regular basis from sports organizations and residents regarding this issue and a majority of the complaints are focused on dog feces that are not being picked up by dog owners. Although the majority of dog owners are responsible and pick up after their dog, some owners are not.

AMENDMENT TO CITY ORDINANCE TO PROHIBIT DOGS  
FROM ATHLETIC FIELDS AND PLAYGROUND AREAS.

APRIL 19, 2011

PAGE 2

Several measures have been attempted to curb this improper use of the fields including enforcement of leash laws, signage, and direct communication with dogs owners at the fields. Even if the City was able to gain 100% compliance of removal of dog feces by dog owners, this issue would still be a problem. In some instances the dog waste is not solid or remnants of dog waste still remain after the waste is picked up by the owner. It is also not practical to assume that dog owners would attempt to clean urine from grass areas, brick dust or dugouts.

Dogs in playground areas have also been a reoccurring problem. The main problem in the playground areas is related to male dogs urinating on the playground posts. Subsequently, playground users, many who are toddlers and young children, touch and come into contact with the posts. Dog feces can also be found in playground areas periodically causing further health and safety concerns.

The proposed ordinance will also update penalties for violations of the ordinance. The recommended ordinance would allow for issuance of an administrative citation pursuant to the provisions of Chapter 1.10 of the Placentia Municipal Code. Should compliance become a problem following the administrative citation process, penalties of up to \$1,000 may be levied. The goal is voluntary compliance and a significant public outreach effort will be implemented to assist in educating the community. If this ordinance is approved, new signs will be posted at park sites and an information campaign will occur utilizing the Placentia Quarterly, news releases, cable programming, communication with the sports user groups, City web site and through other information distribution techniques.

Prepared by:



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Mike Kudron  
Recreation Services Manager

Reviewed and submitted by:



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Stephen D. Pischel  
Director of Administrative & Community Services

Reviewed and approved:



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Troy Butzlaff, ICMA-CM  
City Administrator

Attachments: Picture of Dogs at Placentia Champions Sports Complex  
Proposed City Ordinance

**PLACENTIA CHAMPIONS SPORTS COMPLEX**

Picture documenting and example of an athletic field being used as a dog park



ORDINANCE NO. 0-2011-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA, ADDING A NEW SECTION 14.08.090(5) TO CHAPTER 14.08 OF TITLE 14 OF THE PLACENTIA MUNICIPAL CODE RELATING TO THE PROHIBITION OF DOGS ON SPECIFIED AREAS OF CITY PARKS, INCLUDING EXCEPTIONS THERETO.

City Attorney's Summary

This Ordinance adds a new § 14.08.090(5) to Chapter 14.08 of Title 14 of the Placentia Municipal Code prohibiting dogs on athletic fields and children's playgrounds.

**A. Recitals.**

(i) Chapter 14.08 of the Placentia Municipal Code governs the use of City parks and playgrounds.

(ii) The City Recreation and Parks Commission has recommended enactment of prohibitions pertaining to dogs in order to ensure safe and sanitary playing areas for children and other users of City parks and playgrounds.

(iii) The City Council desires to ensure safe and sanitary playing areas for children and other users of City parks and playgrounds.

(iv) All legal prerequisites to the adoption of this ordinance have occurred.

**B. Ordinance.**

The City Council of the City of Placentia does ordain as follows:

Section 1. In all respects as set forth in the Recitals, Part A., of this Ordinance.

Section 2. A new subsection (5) hereby is added to Section 14.08.090 of Chapter 14.08 of Title 14 of the Placentia Municipal Code to read, in words and figures, as follows:

"(5). Notwithstanding any other provision of the Placentia Municipal Code, no person shall allow or permit any dog, except guide dogs, service dogs or signal dogs, as the same are defined in California Civil Code § 54.2, as the same may be amended from time to time hereinafter, on, upon or in any designated athletic fields or playgrounds in any City park. The Director of Public Works is authorized to place such signs or announcements of the provisions of this § 14.08.090(5) as is deemed practical or necessary."

### Section 3. Penalty for Violation.

It shall be unlawful for any person, firm, partnership or corporation to violate any provision or to fail to comply with any of the requirements of this Ordinance hereby adopted. Any person, firm, partnership or corporation violating any provision of this Ordinance or failing to comply with any of its requirements shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding One Thousand Dollars (\$1,000.00), or by imprisonment not exceeding six (6) months, or by both such fine and imprisonment. Each and every person, firm, partnership, or corporation shall be deemed guilty of a separate offense for each and every day or any portion thereof during which any violation of any of the provisions of this Ordinance is committed, continued or permitted by such person, firm, partnership or corporation, and shall be deemed punishable therefor as provided in this Ordinance. Notwithstanding the foregoing, enforcement officials designated by the Placentia Municipal Code may issue an administrative citation pursuant to the provisions of Chapter 1.10 of the Placentia Municipal Code.

### Section 4. Civil Remedies Available.

The violation of any of the provisions of this Ordinance hereby adopted shall constitute a nuisance and may be abated by the City through civil process by means of restraining order, preliminary or permanent injunction or in any other manner provided by law for the abatement of such nuisances.

Section 5. Severability.

The City Council declares that, should any provision, section, paragraph, sentence or word of this Ordinance be rendered or declared invalid by any final court action in a court of competent jurisdiction, or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences and words of this Ordinance shall remain in full force and effect.

SECTION 6. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law and this Ordinance shall take effect thirty (30) days after passage.

PASSED and ADOPTED this \_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
SCOTT W. NELSON, MAYOR

ATTEST:

\_\_\_\_\_  
PATRICK J. MELIA, CITY CLERK

I, PATRICK J. MELIA, City Clerk of the City of Placentia, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council held on the \_\_\_\_ day of \_\_\_\_\_, 2011 and was finally adopted at a

regular meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 2011, by  
the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

---

PATRICK J. MELIA,  
CITY CLERK

APPROVED AS TO FORM

---

ANDREW V. ARCZYNSKI,  
CITY ATTORNEY



# Placentia City Council

## AGENDA REPORT

**TO:** CITY COUNCIL

**VIA:** CITY ADMINISTRATOR

**FROM:** KAREN OGAWA, DIRECTOR OF FINANCE

**DATE:** APRIL 19, 2011

**SUBJECT:** ADOPTION OF CITY COUNCIL RESOLUTION APPROVING AND ADOPTING THE CITY OF PLACENTIA POLICY NO. 430 PERTAINING TO PURCHASING

**FINANCIAL**

**IMPACT:** NONE

### INTRODUCTION:

Chapter 3.08 of the Placentia Municipal Code, Purchasing, adopted in 1971 and amended in 1984 and 2008, establishes the framework for City purchasing. Section 3.08.030 - Purchasing Agent – Powers and Duties, authorizes the Director of Finance (Purchasing Agent) to prepare and recommend administrative purchasing policies and procedures consistent with the Municipal Code and City Charter. The proposed action will add a new policy pertaining to purchasing to the existing Policy and Procedural Manual.

### RECOMMENDATION:

It is recommended that the City Council:

1. Adopt Resolution No. R-2011-XXX approving and adopting the City of Placentia Policy No. PM 430; and
2. Authorize staff to finalize documents for hard copy and electronic distribution and utilization.

### DISCUSSION:

The City Administrator and City Council have made a commitment that the City will operate its internal operations as well as provide services to the community in a professional and high quality manner. To assist in accomplishing this goal, policies and procedures have been established to help guide elected and appointed officials as well as City staff. These policies and procedures have been developed over time and have been updated, revised, rescinded, and re-written as necessary. The latest City of Placentia Policy and Procedure Manual was adopted in February 2010.

The proposed new administrative policy and procedure is designed to provide the City with a means of assuring continuity and uniformity in the purchasing operation, and to define the

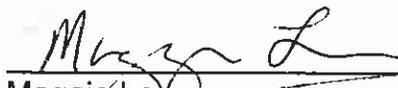
**4b**

**April 19, 2011**

responsibilities for purchasing supplies, services and equipment for the City, consistent with the Placentia Municipal Code (PMC). These guidelines are not intended to address every issue, exception, or contingency that may arise in the course of purchasing activities. The basic standard that should always prevail is to exercise good judgment in the use and stewardship of City resources, including maintaining the budget authorized by the City Council.

In summary, staff recommends that the City Council approve and adopt the attached administrative purchasing policy and procedure pertaining to purchasing for inclusion in the City of Placentia Policy and Procedure Manual.

Prepared by:



Maggie Le  
Management Analyst

Reviewed and approved:



Troy L. Butzlaff, ICMA-CM  
City Administrator

Submitted by:



Karen Ogawa  
Director of Finance

Enclosed: City of Placentia Administrative Policies and Procedures – Purchasing  
Resolution No. R-2011-XXX

RESOLUTION NO. R-2011-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA APPROVING AND ADOPTING A REVISED POLICY AND PROCEDURE FOR THE PURCHASING OF GOODS AND SERVICES.

A. Recitals.

(i) The City of Placentia heretofore adopted policies and procedures for the guidance of elected and appointed officials, officers and employees of the City as well as to establish policies and procedures for the implementation of provisions of the Placentia Municipal Code.

(ii) The City Administrator has caused the Policy and Procedure Manual of the City of Placentia to be carefully reviewed and adopted to set forth practices and procedures for the effective governance of the City.

(iii) A full, true and correct copy of Policy No. PM 430 of the City of Placentia, dated April 19, 2011, is on file in the office of the City Clerk.

(iv) All legal prerequisites to the adoption of this Resolution have occurred.

B. Resolution.

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

1. In all respects as set forth in the Recitals, Part A., of this Resolution.

2. Policy No. PM 430 of the City of Placentia, dated April 19, 2011, on file in the office of the City Clerk, and by this reference incorporated as though fully set forth herein, hereby is adopted as the administrative purchasing policy and procedure in the Policy and Procedure Manual of the City of Placentia.

3. The administrative purchasing policy and procedure identified in Policy No. PM 430 shall be maintained on file in the Office of the City Clerk and each department of the City shall be provided a copy thereof.

4. Wherever in said Policy and Procedure Manual any policy or procedure is identified as a "City Council Policy," the same

may only be amended or revised by resolution of the City Council, except where superseded by an ordinance.

5. Wherever in said Policy and Procedure Manual any policy or procedure is identified as a "City Administrator Policy," the same may be amended or revised by the City Administrator after notice is given to the Members of the City Council of any such revision or amendment, except where superseded by an ordinance or resolution of the City Council.

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

PASSED AND ADOPTED this 19<sup>th</sup> day of April, 2011.

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SCOTT W. NELSON, MAYOR

ATTEST:

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PATRICK J. MELIA, CITY CLERK

I, Patrick J. Melia, City Clerk of the City of Placentia, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Placentia, held on the 19<sup>th</sup> day of April, 2011, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

---

PATRICK J. MELIA,  
CITY CLERK

APPROVED AS TO FORM:

---

ANDREW V. ARCZYNSKI,  
CITY ATTORNEY

PURCHASING POLICY

1 - PURPOSE

The purpose of this policy is to provide the City of Placentia ("City") with a means of assuring continuity and uniformity in its purchasing operation, and to define the responsibilities for purchasing supplies, services and equipment for the City of Placentia. These guidelines are not intended to address every issue, exception, or contingency that may arise in the course of purchasing activities. The basic standard that should always prevail is to exercise good judgment in the use and stewardship of City resources, including keeping within the budget authorized by the City Council.

2 - POLICY STATEMENT

The policy contained herein was developed under the authority of §§ 3.08.010 through 3.08.130 of the Placentia Municipal Code. The Director of Finance is designated as the Purchasing Agent for the City and may delegate the administration of the program. The Purchasing Agent is charged with the responsibility and authority for coordinating and managing the procurement of the City's supplies, services and equipment according to this policy.

The policy outlined herein is to be adhered to by the Purchasing Agent and all departments when procuring supplies, services and equipment. This Policy strives to define decision making with prudent review and internal control procedures and to maintain departmental responsibility and flexibility in evaluating, selecting, and purchasing, supplies, equipment and services.

Excluded from this policy is the purchase of supplies, services and equipment which are included within the specification of a "Public Works Contract" construction project and is subject to the regulations contained in the City Charter or the California Public Contract Code, if applicable. Also excluded is the award of Professional Design and Consulting Services, governed by California Government Code §§ 4525-4529.5. See Subsection 11 herein.

Conflict of Interest Policy.

No member, officer, or employee of the City of Placentia, or their designees or agents, and no public official who exercise authority over or responsibility with respect to purchasing during his tenure, or for one year thereafter, shall have any interest, direct or indirect, in any purchase, agreement or sub agreement, or the proceeds thereof, for any purchase or purchase agreement.

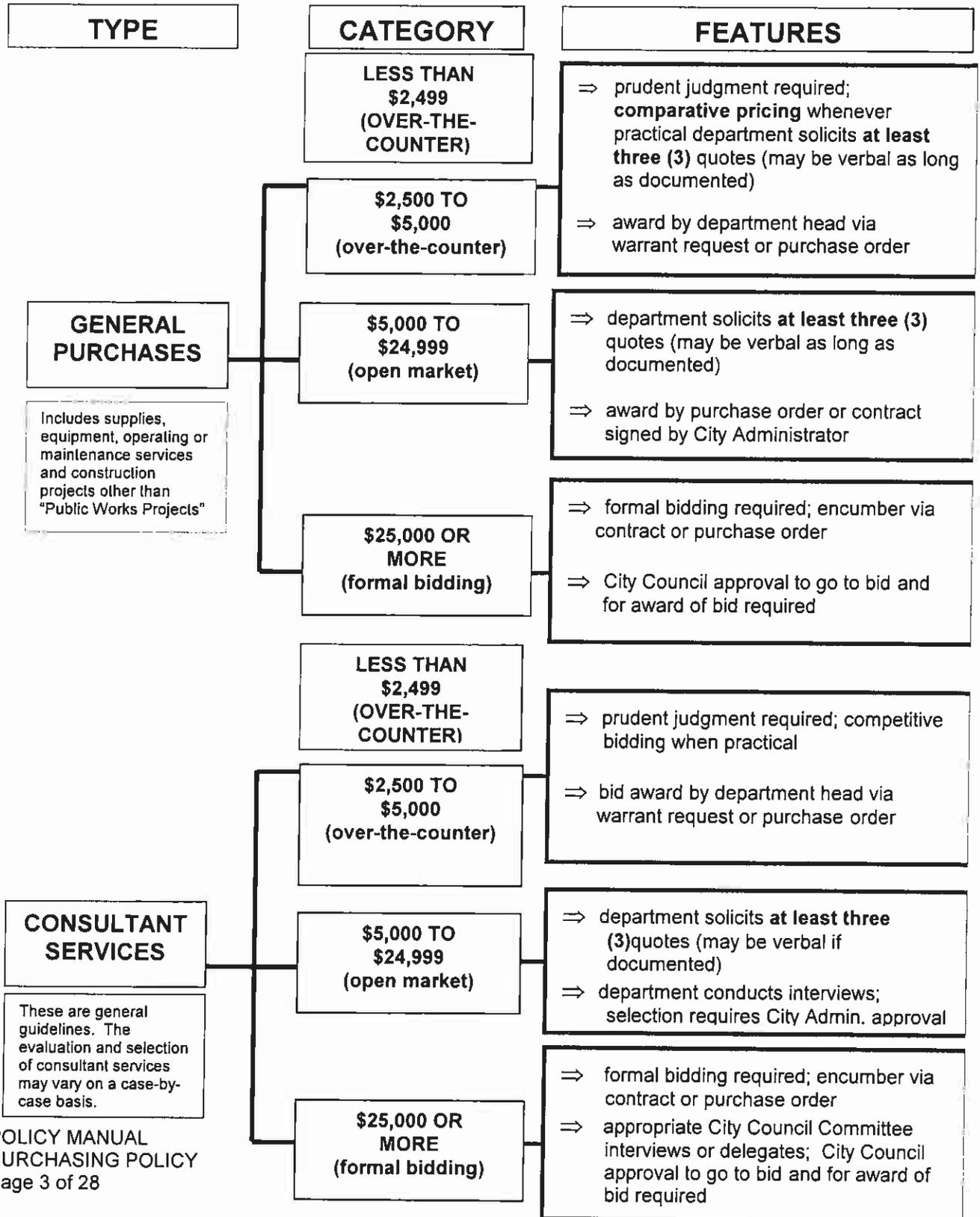
3 - UNAUTHORIZED PURCHASES

Except for emergencies, departmental purchases, or other authorized exemptions stated in these guidelines, no purchase of supplies, services, or equipment shall be made without an authorized purchase order. Otherwise:

- A. such purchases are void and not considered an obligation of the city.
- B. invoices without an authorized purchase order may be returned to the vendor unpaid.
- C. the person ordering the unauthorized purchase may be held personally liable for the costs of the purchase or contract.

Purchase orders shall be issued prior to ordering supplies, equipment and services and not "after the fact" for work already done or materials already ordered.

## PURCHASING SYSTEM OVERVIEW



#### 4 - RESPONSIBILITIES OF THE PURCHASING AGENT

The Purchasing Agent is responsible for 1) the procurement of general supplies, services and equipment; 2) the administration of the purchasing policy; and 3) the management of surplus City property. To perform these functions efficiently and assist departments, the Purchasing Agent shall:

- A. Be charged with the responsibility and authority for coordinating and managing the procurement of the City's general supplies, services and equipment from the lowest responsive and responsible bidder when required by this policy.
- B. Ensure full and open competition on all purchases as required by this policy.
- C. Identify, evaluate and utilize purchasing methods which best meet the needs of the City (i.e., cooperative purchases, blanket purchase orders, contractual agreements, etc.).
- D. Assist all departments with research and recommendations in developing specifications; review specifications for completeness of information to ensure specifications are not unnecessarily restrictive.
- E. Coordinate vendor relations, locate sources of supply, and evaluate vendor performance.
- F. Recommend revisions to purchasing procedures when necessary and keep informed of current developments in the field of public purchasing.
- G. Prescribe and maintain all forms and records necessary for the efficient operation of the purchasing function.
- H. Act as the City's agent in the transfer and disposal of surplus equipment and materials.
- I. Investigate the cost of recycled and non-recycled products to determine if the purchase of recycled products is practical and economical. To be considered economical, the added costs should not exceed 10% of the lowest non-recycled product price.
- J. Make purchase award recommendations to the appropriate authority.

## 5 - RESPONSIBILITIES OF DEPARTMENTS

Departments are charged with the following responsibilities in the purchasing process:

- A. To provide to the Purchasing Agent at the beginning of each fiscal year, an updated authorized signature list designating those individuals who are delegated the authority to make purchases pursuant to the policies and procedures as described herein.
- B. To anticipate requirements sufficiently in advance to allow adequate time to obtain goods in accordance with the best purchasing practices.
- C. To communicate and coordinate purchases with the Purchasing Agent, as necessary.
- D. To provide detailed, accurate specifications to ensure goods obtained are consistent with requirements and expectations.
- E. To prepare requisitions in accordance with instructions so as to minimize the processing effort.
- F. To inform the Purchasing Division of any vendor relations problems, shipping problems (i.e., damaged goods, late delivery, wrong items delivered, incorrect quantity delivered, etc.) and any situations which could affect the purchasing function.
- G. To minimize urgent and sole source purchases and to provide written documentation when such purchases may be necessary.
- H. To assist the Purchasing Division with the review of all bids received for compliance with specifications, and provide the Purchasing Division with written documentation regarding their findings.
- I. To notify vendors of purchase award when authorized by Purchasing Agent.
- J. To not "split" orders for the purpose of avoiding procurement requirements. (See definitions.)
- K. To consider the use of recycled products when practical and economically feasible. To be considered economical, the added costs should not exceed 10% of the lowest non-recycled product price.

6 - VENDOR RELATIONS

It is to the City's advantage to promote and maintain good relations with vendors. The Purchasing Division and operating department staff shall conduct their dealings with vendors in a professional manner and shall promote equal opportunity and demonstrate fairness, integrity, and courtesy in all vendor relations.

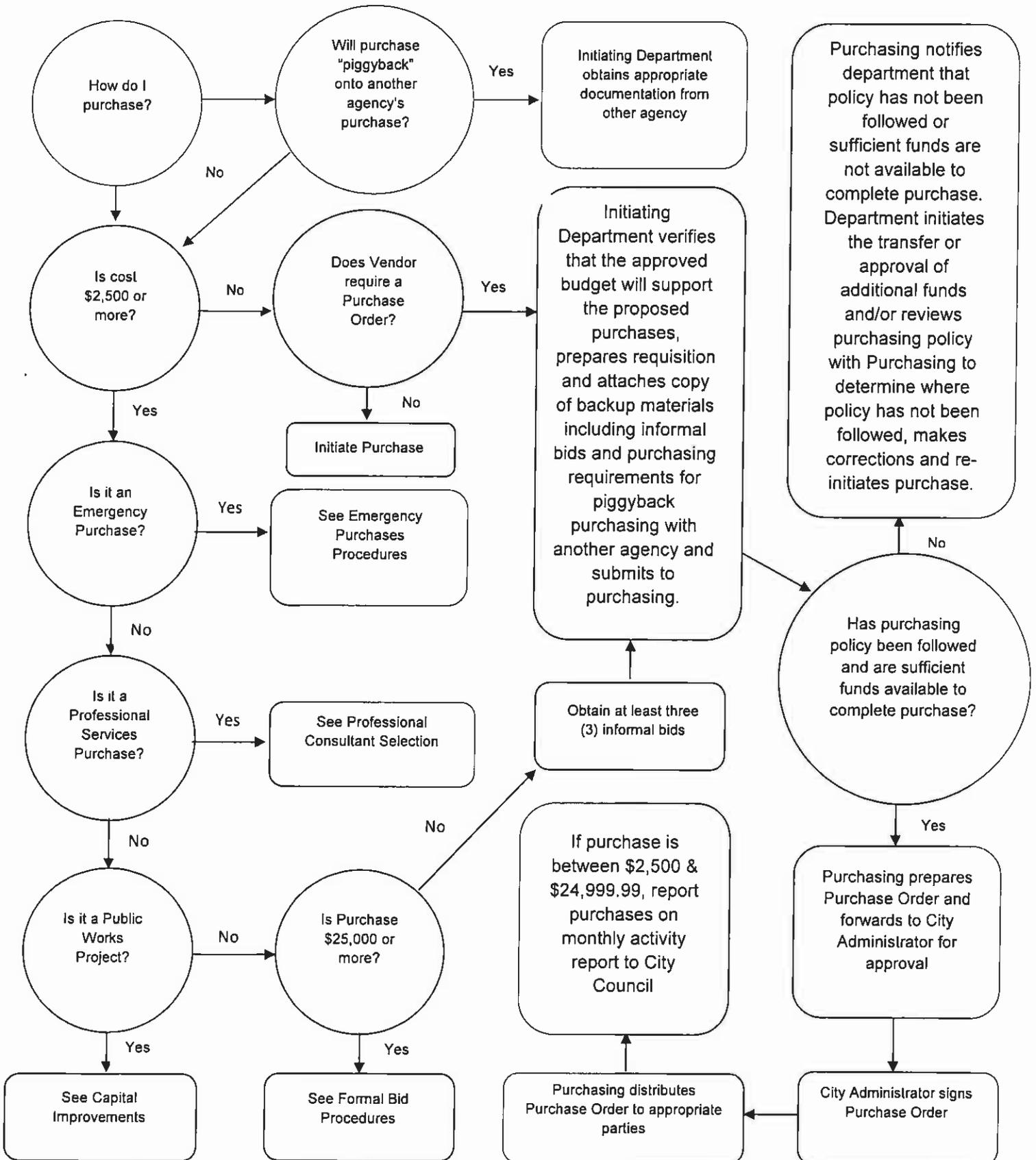
7 - PURCHASING METHODS

A. Requirements for certain purchasing dollar limits.

Purchasing dollar limits are "per order". This policy specifically prohibits splitting an order to circumvent the specified dollar limits. Departments shall contact the Purchasing Division to coordinate volume bids of repetitive requirements (i.e., the frequent purchase of items such as chemical, paper goods, etc., which annually exceed the specified limits).

THE PURCHASING PROCESS

START HERE



1. Purchases of Less than \$5,000 – Over-the-Counter

For purchases of supplies, equipment and services of less than \$2,499, the authority to award is the Department Head. Comparative pricing is not required but shall be used when practical. Prudent judgment shall be used at all times. All departments may purchase supplies, equipment, and services, of less than \$2,499 without competitive bidding and without a Purchase Order. A Purchase Order may be requested by the department if required by the vendor or if the department wishes to use the Purchase Order as a mechanism to encumber funds.

For purchases of \$2,500 to \$5,000, comparative pricing is required whenever; solicits at least three (3) quotes. Quotes may be verbal as long as documented.

2. Purchases between \$5,000 - \$24,999 – Open Market

For purchase of between \$5,000 - \$24,999 the authority to award is the City Administrator. Department staff shall not award purchase orders for \$5,000 or more without the approval of the City Administrator, except in the event of an emergency purchase (see F, Emergency Purchases). All departments shall obtain three (3) oral or written competitive quotations whenever possible for purchases. The Purchasing Division may be requested to assist in this process. The department shall submit a requisition, which includes the recommended vendor, with all supporting documentation to the Purchasing Division. Supporting documentation shall include competitive price quotes obtained, names of vendors contacted, description of the items required, and certificates of insurance as applicable. The Purchasing Division shall review the recommendation and supporting documentation and may contact additional sources for quotations.

The City Administrator may award purchase to the lowest responsive and responsible bidder whose quote fulfills the intended purpose, quality, and delivery needs of the solicitation, provided that an unencumbered appropriation for that item exists. In lieu of awarding the purchase, the City Administrator may reject bids, or may negotiate further to obtain terms more acceptable to the city.

3. Purchases of \$25,000 or More – Formal Bid

Purchases that exceed \$24,999 require a Formal Bid Process, and City Council approval. See item 8.

B. Blanket Purchase Orders

A Blanket Purchase Order is an agreement whereby the City contracts with a vendor to provide equipment or supplies on an as-needed and often over-the-counter basis. Blanket Purchase Orders provide a mechanism whereby items which are uneconomical to stock may be purchased in a manner that allows field operations timely access to necessary materials. Blanket Purchase Orders shall not be used to purchase services, capital assets or items maintained in stock.

The Purchasing Division shall request confirmation of Blanket Purchase Orders annually, before the beginning of the fiscal year. Requests for Blanket Purchase Orders may also be submitted to the Purchasing Division on an as-needed basis. The Purchasing Division shall review Blanket Purchase Order requests based upon the following criteria:

1. Geographic location.
2. Responsiveness and capabilities.
3. Average dollar value and type of items to be purchased.
4. Frequency of need.

All Blanket Purchase Orders shall include the following information:

- a. A general description of the equipment or supplies which may be charged.
- b. The period of time the order will remain open, not to exceed one year.
- c. The maximum total amount which may be charged on the purchase order.
- d. The maximum amount which may be charged each time the employee implementing a purchase enters the vendor's place of business, or if unspecified, \$250 and/or \$750 per month.
- e. Items excluded from the purchase, if applicable.
- f. The phone number of the purchasing agent for questions or approval of charges which exceed the limit.
- g. Identification of the department(s) and employee(s) who may charge against the order.
- h. Requirement that the employee shows CITY identification.
- i. Requirement that employees print and sign their names when picking up goods.

- j. Account number(s) to be charged.

Once a Blanket Purchase Order is issued to a vendor, any authorized City employee may contact the vendor directly to place orders per the terms and conditions specified in the Blanket Purchase Order.

C. Contract Purchases Orders

Contract Purchase Orders are the preferred method of purchasing repetitive-use items or services which may be common to several departments or within one department. Establishing Contract Purchase Orders provides a means of obtaining volume pricing based upon the combined needs of all departments, reduces the administrative costs associated with seeking redundant competitive bids and processing a Purchase Order each time an order is placed, and allows departments to order as needed, reducing the requirement to maintain large inventories of stock.

If a Contract Purchase order exists, departments shall order all of their requirements from the successful vendor. No other source shall be used without prior approval of the Purchasing Agent. Departments shall submit, in writing to the Purchasing Division, any performance problem encountered immediately following the occurrence so that corrective action may be taken.

Contract Purchase Orders are annual and may include option for renewal for specific products, product types, or services at agreed upon prices or pricing structure and for a specified period of time.

D. Cooperative Purchases

The Purchasing Division may participate in purchases and contracts established by other political jurisdictions, provided the cooperative agreement is established following a competitive bid process. The City Administrator may authorize the award of cooperative purchase agreements up to \$24,999.99. City Council approval is required for the award of any cooperative purchase of \$25,000 or more.

E. Sole Source Purchases

Commodities and services which can be obtained from only one vendor are exempt from competitive bidding. Sole source purchases may include proprietary items sold directly from the manufacturer, items that have only one distributor authorized to sell in this area or a certain product has been proven to be the only product that has proven to be acceptable. All sole source purchases shall be

supported by written documentation, signed by the appropriate department head and forwarded to the Purchasing Division. Final determination that an item is a valid sole source purchase will be made by the Purchasing Agent or designee.

F. Emergency Purchases

Emergency purchases may be made without competitive bidding when time is of the essence, and shall be made only for the following reasons:

1. to preserve or protect life, health or property; or
2. upon natural disaster; or
3. to forestall a shutdown of essential public services.

Since emergency purchases do not normally provide the City an opportunity to obtain competitive quotes or properly encumber funds committed, sound judgment shall be used in keeping such orders to an absolute minimum. In addition, the following requirements shall apply:

4. The Purchasing Division shall be contacted as soon as possible for an advance purchase order number, which may be given verbally, to cover the emergency transaction. If unable to contact the Purchasing Division, place the order and contact the Purchasing Division the next workday.
5. A completed purchase requisition shall be submitted to the Purchasing Division within two working days, or as soon as the information is available. All purchase requisitions for emergency purchases shall be signed by the appropriate department head.
6. Documentation explaining the circumstances and nature of the purchase shall be submitted by the appropriate department head as follows:
  - a) Purchases less than \$5,000: Use standard purchasing procedures
  - b) Purchases in the amount of \$5,000 - \$100,000: Require the approval of the City Administrator
7. If the emergency purchase causes any budget line item to exceed the approved budget, it shall be the responsibility of the department requesting the purchase to obtain subsequent City Council approval, through the Purchasing Agent, for an

additional appropriation or to make a transfer to cover the purchase.

G. Purchase Order Exemptions

Certain purchases are not readily adaptable to the open market and formal bidding process. These purchases are generally for items where the competitive bid process is not applicable or where a check is required to accompany the order. Following is a list of allowable exemptions:

Advertisement and Notices	Payments to Other Governmental Units
Attorney Services	Petty Cash Replenishment
Consultant Services	Property Rentals
Courier/Delivery/Messenger Services	Real Property/Easement Acquisition
Dept. Purchases under \$2,500 (see A. 1)	Subscriptions
Fuel	Trade Circulars or Books
Insurance Claims and Premiums	Travel Expense/Advances
Medical Payments (Physicians, lab, etc.)	Utility Payments
Membership Dues	

Exemptions are limited to those items listed above. Departments may submit written requests for additional exemptions to the Purchasing Agent. If warranted, additional exemptions will be added to this list.

If a vendor requires a Purchase Order to process an order, the department shall submit a purchase order requisition to the Purchasing Division to initiate a purchase order.

H. Purchase Award

1. Lowest Responsive and Qualified Bidder

a. Bids shall be awarded to the **“responsive”** and **“qualified”** bidder who submits the lowest bid.

b. In determining the lowest **“responsive”** bid, the following elements shall be considered in addition to price:

(1) A responsive bid is one which is in substantial conformance with the requirements of the invitation to bid, including specifications and the City’s contractual terms and conditions. Bidders who substitute terms and conditions or who qualify their bids in such a manner as to nullify or limit their liability shall be considered non-responsive bidders.

- (2) Conformance with the requirements of the invitation to bid may also include providing proof of insurance, completing all forms, including references, and all other information as requested in the bid document.
  - (3) The successful bidder must demonstrate the ability to successfully fulfill a contract, including rendering of subsequent and continuing service. Staff may request proof of a prospective bidder's reliability. Prospective bidders may be requested to furnish proof of financial resources, a list of current or previous customers, and other pertinent data. Such action may also be taken after receipt of bids.
  - (4) A bidder may be determined to be non responsive if a prospective bidder fails to furnish proof of qualifications when required.
- c. In determining the lowest ***“qualified”*** bidder, the following elements shall be considered in addition to price:
- (1) That the products offered provide the quality, fitness, and capacity for the required usage.
  - (2) That the bidder has the ability, capacity and skill to perform the contract satisfactorily and within the time required.
  - (3) That the bidder's experience(s) regarding past purchases by the City or other public agencies demonstrates the reliability of the bidder to perform the contract.
- d. When a bid is recommended to be awarded to other than the low bidder, written justification is required. The written statement, signed by the appropriate department head, shall be attached to the purchase requisition.

2. Rejection of Bids

The Purchasing Agent or the requesting department may recommend rejection of any or all bids if it is determined to be

in the best interests of the city. Reasons for rejection may include, but are not limited to, the following: a bid is determined to be non-responsive, the number of bids received is inadequate, bids received are not reasonably uniform in price, or the lowest bid received is deemed to be too high. The Purchasing Agent may, in any given case, reject all bids with or without cause and submit the supplies, equipment or service involved to a new bidding process. If all bids are rejected, the Purchasing Division may be authorized to re-solicit bids, negotiate a contract for the purchase, or abandon the purchase.

3. Tie Bids

If two or more bids are received which are in all respects equal, the Purchasing Division may accept the one deemed to be in the best interests of the city.

I. Change Orders

Purchase Orders represent a contract between the City and the Vendor. Any substantial change to a Purchase Order shall be documented as a change order. Change orders shall be reviewed by the Purchasing Division and shall be approved by the City Administrator. A purchase order may not be increased by more than 10% or \$2,500, whichever is less, without a change order, except for taxes, shipping and handling as discussed below.

Taxes, shipping and handling may cause the purchase order to exceed the authorized purchase order amount. These items do not require a change order, even if they exceed 10% of the original purchase order amount.

The Requisition Form shall be used to change a quantity, description, size, color, vendor name or address, unit price, delivery location, terms and conditions and to delete or add to the order. It shall also be used to terminate a purchase order and to correct errors in the original purchase order.

8 - INFORMAL AND FORMAL BID PROCESS

Except as otherwise exempted in this policy, supplies, services and equipment with an estimated value of \$5,000 to \$24,999.99 shall be purchased following an Informal Bid Process and purchases \$25,000 or more shall be made following a Formal Bid Process.

To initiate the informal/formal bid process, the department making the request shall provide specifications for the item to be purchased and documentation showing the existence of an unencumbered appropriation for the item in the current approved budget. The Purchasing Division or requesting department shall solicit informal/formal bids as prescribed by the City of Placentia Municipal Code.

Informal bids may be posted at City Hall, mailed to prospective bidders a minimum of ten calendar days before the due date, or solicited over the phone. Formal bids shall be posted at City Hall and shall be published at least once in a newspaper of general circulation as required by State law, and, if applicable, in appropriate trade publications. The date of publication shall be at least 10 days before the due date. All formal bids shall be sealed and shall be publicly opened and read at the date, time, and place indicated in the published notice.

Bids shall be reviewed for compliance with specifications by the requesting department. All deviations from the specifications shall be fully documented by the requesting department and the impact of the deviations on the performance or suitability of the bid item shall be detailed. Staff will prepare and forward a recommendation for approval of purchase. Informal bids shall be approved by the Purchasing Agent. Formal bids shall be approved by the City Council.

## 9 - CREDIT CARD USAGE

Under certain circumstances, the use of a city credit card may be the most appropriate method for certain purchases. The following policies and procedures are established to ensure internal control and timely payment of charges.

- A. City bank and gasoline credit cards will be signed out on an as-needed basis to or staff at the sole discretion of the City Administrator or the appointed designee, in accordance with internal control procedures. Failure to comply with established procedures may result in discontinuance of use by the employee/department.
- B. Because of Internal Revenue Service (IRS) tax reporting requirements, except for Emergency Purchases, City credit cards may not be used to purchase services provided by vendors who are doing business as partnerships or sole proprietors. Examples of this include, but are not limited to:
  - 1. Labor charges for auto repair
  - 2. Plumbers
  - 3. Construction contractors
- C. City credit cards shall be available to the staff for the conduct of official City business, included, but not limited to the following purposes:

1. Gasoline purchases
  2. Telephone charges
  3. Authorized travel expenses and hotel charges which shall subsequently be documented on the travel reconciliation report.
  4. To charge the cost of meals when required in the conduct of official business, except when an employee is traveling on a per diem basis.
  5. Other circumstances where the use of a credit card best meets the City's purchasing needs as determined by the City Administrator or the appointed designee.
- D. All receipts must be turned in monthly with the credit card statement.
- E. No personal items shall be charged on any City credit card except those charges that might be incidental to another charge made on the card for travel or meetings. These incidental charges may include a spousal airline ticket purchased in conjunction with the employee's ticket for authorized travel and/or meals or movies charged to a hotel room that is paid with a City credit card. Whenever one of these personal charges is made on the City credit card, the charges will be reconciled and reimbursed to the City when the travel reconciliation is completed. Under no circumstances shall a single personal charge be made on a City credit card.

## 10 - SPECIFICATIONS

It is the responsibility of each department to provide detailed, accurate specifications when requisitioning supplies, equipment and services. Accurate specifications are essential for effective bidding.

### A. Sole Source Specifications

Sole source specifications shall be avoided whenever possible, as they minimize or eliminate competition. The appropriate authority (City Administrator if total purchase is less than \$25,000; City Council if total purchase is \$25,000 or more) may waive bidding requirements if sufficient written justification for a sole source purchase exists. An example of sole source is where equipment or supplies are required in order to be compatible with existing equipment or to perform a complex or unique function. Written documentation signed by the appropriate department head shall accompany the requisition for any sole source request.

B. Standardization

Standardization of specifications for items common to several divisions and/or departments can facilitate the purchasing process. The Purchasing Division and departments shall work together to establish standard specifications for such items.

C. Brand Name, or Equal, Specifications

In purchasing equipment or supplies needed to be compatible with existing equipment, or to perform complex or unique functions, the Purchasing Agent may limit bidding to a specific product type or a brand name product.

Use of brand names in specifications shall be for the purpose of describing the standard of quality, performance, and characteristics the City desires and not be intended to limit or restrict competition. If a brand name is incorporated into a specification, a minimum of two acceptable brands shall be listed whenever possible and shall be followed by the statement "or approved equal" unless the sole source rule applies.

Using specifications provided by a specific manufacturer should be avoided, however, if used, the name of the manufacturer, model number, etc., should be indicated. The bid document shall clearly state that the use of the manufacturer's specifications are for the sole purpose of establishing the level of quality desired. The Purchasing Agent reserves the right to determine and approve any product submitted as an "or equal."

D. Vendor Assistance in Writing Specifications

There may be occasions when vendor assistance is required to develop a specification. Such specifications shall be written in general terms and the vendor shall be informed that the information they provide may be used to develop specifications for a competitive bid process. The vendor shall be allowed to submit a bid, but will not be given any preference over the other bids.

11 - PROFESSIONAL CONSULTANT SELECTION

A. Selection of Consultants for Professional Services (General):

1. The following criteria shall be used to determine approval authority for Professional Consultant Service Contracts:

Contracts under \$5,000 Department Head Approval  
Contracts of \$5,000 - \$24,999.99 City Administrator Approval  
Contracts of \$25,000 or greater City Council Approval

2. This policy specifically prohibits splitting a purchase to circumvent the limits set forth in item 1, above.
3. The appropriate department head, with the approval of the City Administrator, shall prepare a scope of work consistent with budget and project authorization of the City Council. The Request for Proposal (RFP) shall outline the City requirements and project description. The list of solicited firms will be drawn from firms who, in the opinion of the department head, can perform the work. A Request for Qualifications may first be necessary if the required services are particularly specialized or if the qualifications of the available consultants are unknown. The list of solicited firms may be limited to a minimum of 3 to 5 due to time constraints or specialties involved.
4. The initial review of proposals shall be conducted by the involved department head(s), who shall make a recommendation to the City Administrator regarding which consultants should be invited to interviews.

Interviews (Contracts less than \$5,000) will be conducted by the appropriate department staff members.

Formal interviews (for Contract of \$25,000 or more) will be conducted or delegated to a senior staff committee by the City Administrator or an ad hoc committee shall be formed to conduct the oral interviews for selected consultants. The Committee will make a recommendation to the City Council for final selection.

5. Qualifications should be the determining factor in the selection of a professional consultant. Staff shall then negotiate the final fee based upon the agreed scope of work.
6. Prior to approval of a contract, the department head shall conduct appropriate background and reference checks and ensure that adequate bonding or security, if required, is posted.

7. Consultants shall comply with all regulations and laws dealing with conflict of interest disclosure and reporting. Consultants shall not be engaged if a conflict of interest exists.
  8. Approval of "Additional Work" items shall comply with the limits of item 11-A.1.
- B. Selection of Consultants for Professional Services for Capital Improvement Projects:
1. After the City Council adopts the next year's Capital Improvement Program (CIP), the Director of Public Works shall develop a list of projects recommended for 1) appropriate City Council review and interview of consultants, or 2) staff to determine the selection of consultants. The City Council shall review the list for adoption or revision.
  2. Consultant selection shall be from a list of qualified professionals prepared by the department responsible for the project.
  3. If the project is to be reviewed by the City Council, a formal presentation and interview process will be arranged by the Director of Public Works. If the project is to be reviewed by staff, the Director of Public Works and the City Administrator will determine the RFP review process.
- C. Selection of Consultants for Professional Services for Continuing Services:
1. Professional firms providing engineering, land surveying, transit, planning, environmental, auditing, landscape architecture or other services may be retained on a continuing basis to provide professional services. The department head, with the approval of the City Administrator, may contract on a project-by-project or on a retainer basis for additional work/services without going through the RFP and selection process. At least every three (3) years these arrangements shall be reviewed and every effort shall be made to receive proposals from at least three (3) consultants to perform the same services. This is to ensure the City is receiving the best value in their services.
  2. Beginning each fiscal year, the Purchasing Division shall make a written request to each department head to submit to the City Administrator a list of consultants currently under contract by their department, setting forth name of firms,

type of services, cost of contracts, length of contracts and date entered into, and the number of years retained by the City.

D. Exclusions

1. The process of selecting environmental impact report consultants for non-City projects shall be conducted by the Director of Development Services due to time restraints and application processing requirements. The final consultant selection and fee shall be reviewed and approved by the City Administrator.
2. City Council shall also review and approve each debt issuance in concept with approval for the selection of certain professional consultants, as needed, to be selected by the Director of Finance as approved by the City Administrator.

- E. All consultant and professional services agreements, except time and material agreements, shall be encumbered on an Encumbrance Order (EO). (See definitions.)

12 - SURPLUS PERSONAL PROPERTY

The Purchasing Agent is responsible for the transfer and disposition of surplus City personal property. "Surplus property" is used generically to describe any City personal property that is no longer needed or useable by the holding department. The Purchasing Agent or designee has the authority to declare item(s) surplus.

Surplus property that may result from the termination of a lease agreement shall be specifically reported to the Purchasing Agent prior to the termination of the lease. The report shall include all information about the lease, including purchase price at the commencement of the lease, residual value at the end of the lease, the total payments through the end of the lease and the fair market value at the end of the lease. In determining the fair market value, each department shall document the methods used to make such determination including tools such as Kelly Blue Book, classified advertisements, and local vendors with similar products available.

Each department shall periodically review its equipment, material, and inventory, and shall promptly notify the Finance Department of any surplus property. A surplus property form shall be completed and submitted for each surplus property item. Surplus Property Forms are available from the Finance Department.

A. Methods of Disposition

The Purchasing Agent or designee shall determine or approve one of the following methods of disposition that is most appropriate and in the best interests of the City.

1. Transfer to Another Department

Surplus property may be transferred between City departments. Departments wishing to transfer surplus property to or from another department shall complete the Surplus Property Form and submit it to the Finance Department for review. All transfers of items with an estimated value of \$1,000 or more require approval of the Department Heads from each department affected by the transfer.

2. Trade-In

Property declared as surplus may be offered as a trade-in for credit toward the acquisition of new property. All trade-in offers will be submitted for the review and approval of the Purchasing Division. If surplus property is to be applied to a purchase order, the trade-in value shall be itemized on the Purchase Order. The amount charged against the expenditure account will be the value of the purchase before application of the trade-in credit.

3. Return to Manufacturer

Surplus property may, when possible, be returned to the manufacturer for buy-back or credit toward the purchase of new property.

4. Disposal

Surplus property may be offered for sale by the Purchasing Agent. All surplus property is for sale "as is" and "where is", with no warranty, guarantee, or representation of any kind, expressed or implied, as to the condition, utility or usability or the property offered for sale. Appropriate methods of sale are as follows:

- (a) Public Auction - Surplus property may be sold at public auction. Public Auctions may be conducted by City staff, or the City may contract

with a professional auctioneer including professional auction services.

- (b) Sealed Bids - Sealed bids may be solicited for the sale of surplus property. Surplus property disposed of in this manner shall be sold to the highest responsible bidder.
- (c) Selling for Scrap - Surplus property may be sold as scrap if the Purchasing Agent deems that the value of the raw material exceeds the value of the property as a whole.
- (d) Negotiated Sale - Surplus property may be sold outright if the Purchasing Agent determines that only one known buyer is available or interested in acquiring the property.
- (e) No Value Item – Where the Purchasing Agent determines that specific supplies or equipment are surplus and of minimal value to the city due to spoilage, obsolescence or other cause or where the Purchasing Agent determines that the cost of disposal of such supplies or equipment would exceed the recovery value, the Purchasing Agent shall dispose of the same in such a manner as he or she deems appropriate and in the best interest of the City.

B. Proceeds

Proceeds from the sale or trade-in of surplus property shall be returned to the appropriate fund.

13 - DEFINITIONS

AGREEMENT	An understanding or arrangement between two or more parties. Also see " <i>Contract</i> " and " <i>Purchase Order</i> ".
APPROPRIATION	City Council authorization to expend public funds for a specific purpose.
AS IS	A term indicating that goods offered for sale in existing condition are without <i>Warranty</i> or <i>Guarantee</i> .
AWARD	The acceptance of a <i>Bid</i> or <i>Proposal</i> .
BID	The executed document submitted by a <i>Bidder</i> in response to a <i>Notice Inviting Bids (NIB)</i> , a <i>Proposal</i> , or a <i>Request for Quotations</i> .
BIDDER	A person or legal entity who submits a bid in response to a solicitation. Proposer. See <i>Bid</i> or <i>Proposal</i> .
BLANKET PURCHASE ORDER	An <i>Agreement</i> of no more than one year between the <i>City</i> and a <i>Vendor</i> allowing authorized <i>City</i> employees to charge repetitive <i>Purchases</i> of supplies, equipment or services at pre-arranged prices, dollar limits and/or other terms and conditions.
BRAND NAME	A trade name which serves to identify a product or particular manufacturer.
CHANGE ORDER	Written modification or addition to a <i>Purchase Order</i> or <i>Contract/Agreement</i> authorized by the appropriate authority.
CITY	<i>City</i> shall mean the City of Placentia, City of Placentia Community Redevelopment Agency, City of Placentia Financing Authority and other such districts, authorities, or agencies as may be governed by the members of the City of Placentia <i>City Council</i> .
CITY ATTORNEY	Shall mean and include the <i>City Attorney</i> of the City of Placentia, City of Placentia Community Redevelopment Agency, City of Placentia Financing Authority and other such districts, authorities, or agencies as may be governed by the members of the City of Placentia <i>City Council</i> .
CITY COUNCIL	Shall mean and include the <i>City Council</i> of the City of Placentia and City of Placentia Community Redevelopment

	Agency, City of Placentia Financing Authority and other such districts, authorities, or agencies as may be governed by the members of the City of Placentia <i>City Council</i> .
CITY ADMINISTRATOR	Shall mean and include the City of Placentia Community Redevelopment Agency, City of Placentia Financing Authority and other such districts, authorities, or agencies as may be governed by the members of the City of Placentia <i>City Council City Administrator</i> of the City of Placentia.
COMPETITIVE BIDDING	The submission of prices by individuals or firms competing for a <i>Contract</i> , privilege, or right to supply merchandise or services.
CONTRACT	A verbal or written, legally binding mutual promise between two parties, e.g., an accepted <i>Purchase Order</i> .
CONTRACT PURCHASE ORDER	A <i>Purchase Order</i> (usually issued for one year) which outlines unit prices to be charged by the <i>Vendor</i> for the term of the <i>Purchase Order</i> . This type of <i>Purchase Order</i> is generally used for such things as electrical, plumbing and other goods and services which are anticipated to be needed periodically throughout the year. The <i>Bids</i> are usually expressed at hourly rates plus parts expressed at a specific <i>Discount</i> below list price.
CONTRACT TRACKING FORM	A form used to communicate to the Purchasing Agent that a Contract has been awarded and that certain dollar values, representing the amount expected to be spent during the current and future fiscal years, are to be encumbered. This form precedes the issuance of an Encumbrance Order.
DESIGNEE	A duly authorized and appointed representative of an employee that holds a superior position to the person appointed to represent him or her.
DISCOUNT	An allowance or deduction from a normal or list price extended by a seller to a buyer to make the unit price more competitive.
DISPOSE OF	To transfer or part with, to sell; to get rid of; to throw out.
EMERGENCY PURCHASE	See <i>Emergency Purchase</i> .

ENCUMBRANCE	Committing budgeted funds prior to receiving supplies, equipment or services; funds are shown as an encumbrance until supplies, equipment or services are received, at which time funds are actually expended.
ENCUMBRANCE ORDER	Direction provided to the Purchasing Division using a Contract Tracking Form to encumber contracts without the issuance of a Purchase Order.
EQUIPMENT	Personal property necessary to conduct the City's business, including, but not limited to furnishings, machinery, vehicles, rolling stock, and other property used to conduct the <i>City's</i> business.
FORMAL BID	A <i>Bid</i> which must be submitted in a sealed envelope and in conformance with a prescribed format, to be opened and announced at a specified time at a public opening.
GENERAL SERVICES	Services such as janitorial, uniform cleaning, maintenance, and other services for which the performance of such activities do not require any unique skill, special background or training.
GUARANTEE	A pledge or assurance that something is as represented and will be replaced or repaired if it fails to meet the stated <i>Specifications</i> .
INFORMAL BID	Written or verbal <i>Quotations</i> for less supplies, equipment and services which pursuant to this policy are not required to meet the formal bidding requirements. <i>Informal Bids</i> include unsealed written quotes, verbal quotes and quotes received via fax.
LOWEST (RESPONSIVE AND) RESPONSIBLE BIDDER	The <i>Bidder</i> submitting the lowest price and capable of performing the proposed <i>Contract</i> . See also " <i>Responsive Bidder</i> " and " <i>Responsible Bidder</i> ".
NON-RESPONSIVE BID	A <i>Bid</i> that does not conform to the essential requirements of the <i>Notice Inviting Bids</i> . Non-Conforming <i>Bid</i> . Unresponsive <i>Bid</i> .
NOTICE INVITING BIDS	A formal notice, published in the newspaper or elsewhere or sent directly to potential <i>Bidders</i> , notifying them that the

(NIB)	City is accepting bids for a specific purpose.
PROFESSIONAL SERVICES	Any work performed by an auditor, attorney, doctor, architect, engineer, land surveyor, construction project manager, appraiser, expert, or consultant, for example.
PROPOSAL	The executed document submitted by an offer or in response to a <i>Request for Proposals</i> (and the basis for subsequent negotiation).
PUBLIC CONTRACT CODE	Shall mean the <i>Public Contract Code</i> of the State of California.
PUBLIC PROJECT (definition is from State of California Public Contract Code)	a) A project for the erection, improvement, painting, or repair of public buildings and works. b) Work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow. c) Street or sewer work except maintenance or repair. d) Furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.
PUBLICLY OWNED, LEASED or OPERATED FACILITY	Any plant, building, structure, ground facility, utility system, real property, streets and highways or other capital improvement which project is to be undertaken by the <i>City</i> .
PURCHASE	Renting, leasing, purchasing, licensing or a trade of <i>Equipment or Supplies</i> .
PURCHASE ORDER	A <i>Purchaser's</i> document to formalize a <i>Purchase</i> transaction with a <i>Vendor</i> . Acceptance of a <i>Purchase Order</i> constitutes a <i>Contract</i> ; a <i>Purchaser's</i> written offer to a supplier stating all terms and conditions of a proposed transaction.
PURCHASING DIVISION	The division and/or department within the organization to which the purchasing function has been delegated by the <i>Purchasing Agent</i> .
PURCHASING AGENT	The <i>City Administrator</i> or his/her designated representative.

QUALIFIED BIDDER A "qualified" bidder, is a bidder that demonstrates the following characteristics:

- (1) can provide product quality, fitness, and capacity for the required usage.
- (2) has the ability, capacity, and skill to perform the contract or provide the service required.
- (3) has demonstrated character, integrity, reputation, judgment, experience, and efficiency, particularly with reference to past purchases by the city or other public agencies.
- (4) has the ability to perform within the time required.
- (5) has shown quality of performance and/or of products provided in previous contracts or services with the city or other public agencies.
- (6) Note: Previous documented incidents of unsatisfactory performance and/or unsatisfactory delivery, materials, or services may also result in a determination of unqualified.

QUOTATION A *Bid*. A statement of price, terms of sale, and description of goods or services offered by a prospective seller to a prospective *Purchaser*, usually for *Purchases* below the amount requiring *Formal Bidding*.

REQUEST FOR PROPOSAL (RFP) All documents, whether attached or incorporated by reference, utilized for soliciting competitive *Proposals*. The *RFP* procedure permits negotiation of *Proposals* and prices as distinguished from *Competitive Bidding* and a Notice Inviting *Bids*. The procedure allows changes to be made after *Proposals* are opened and contemplates that the nature of the *Proposals* and/or prices offered will be negotiated prior to *Award*.

REQUEST FOR QUOTATION (RFQ) The document generally used for seeking competition on small *Purchases* or on any *Purchase* that does not require competitive *Sealed Bidding*. Can be used for obtaining price and delivery information for *Sole Source* and emergencies. Also, see *Quotation*.

RESPONSIBLE BIDDER A person who has the capability in all respects to perform in full the *Contract* requirements, and the integrity and reliability which will assure good faith performance.

RESPONSIVE BIDDER (1) A person who has submitted a *Bid* which conforms in all material respects to the Notice Inviting *Bids* (NIB) or (2)

one whose *Bid* conforms in all material respects to the terms and conditions, *Specifications* and other requirements of the NIB.

**SEALED BID** A *Bid* which has been submitted in a sealed envelope to prevent its contents from being revealed or known before the deadline for the submission of all *Bids*; required on *Formal Bids*.

**SOLE SOURCE** An *Award* for a commodity or service to the only reasonably known capable supplier due to the unique nature of the requirement, the supplier, or market conditions.

**SPECIFICATIONS** A description of what the *Purchaser* seeks to buy or accomplish, and consequently, what a *Bidder* must be responsive to in order to be considered for *Award* of a *Contract*. A *Specification* may be a description of the physical or functional characteristics, or the nature of a supply or service. It may include a description of any requirements for inspecting, testing, or preparing a supply or service item for delivery.

**SPLIT** To divide a *Purchase* into two or more parts in order to avoid the requirements of the Purchasing Policy. This action is prohibited by the Policy.

Example :

Split:

If a department knows it will use \$16,000 of a particular supply in one fiscal year and they place two orders six months apart to keep each order below the \$15,000 limit, the action is considered *Splitting* and is not allowed under the policy.

Not Split:

If a department hires ABC Engineering to prepare a fee study for \$8,000 and also hires the same company to oversee a capital improvement project for \$9,000, the action is not considered splitting.

**SUPPLIES** Office *Supplies*, janitorial *Supplies*, materials, goods, tools, or other commodities used in the general conduct of the *City's* business, excepting *Supplies* or materials for a *Public Work* which is regulated under the *Public Contract*

Code section 20160, et seq.

SURPLUS  
PROPERTY

Any City personal property that is no longer needed or usable by the holding department.

VENDOR

A supplier of goods or services.

WARRANTY

The representation that something is true. Not to be confused with "*Guarantee*". A representation of utility, condition, and durability made by a *Bidder* or offerer for a product offered.



# Placentia City Council

## **AGENDA REPORT**

**TO:** CITY COUNCIL

**FROM:** CITY ADMINISTRATOR

**DATE:** APRIL 19, 2011

**SUBJECT:** EXECUTION AND DELIVERY OF CALIFORNIA COMMUNITIES  
GAS TAX REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2011A

**FINANCIAL IMPACT:** Annual debt service payment of \$482,500 on a \$4.66 million issuance

### **INTRODUCTION:**

As part of the City's efforts to provide funding to rehabilitate and reconstruct City streets and to construct other street related improvements staff is proposing that the City Council approve the issuance of certificates of participation (Certificates) through the California Statewide Communities Development Authority. Proceeds from the sale of these Certificates can be used for various street improvements including, but not limited to, the resurfacing of various City streets and the improvement of streets, curbs, gutters, sidewalks, and other street and traffic improvements. This action will approve the necessary resolution authorizing the issuance of a gas tax bond.

### **RECOMMENDATION:**

It is recommended that the City Council adopt Resolution No. R2011-\_\_ authorizing the issuance and sale of Certificates for eligible street infrastructure projects, hereafter referred to as the "Project" and authorizing the preparation of an official statement and other matters related thereto.

### **DISCUSSION:**

Article 19 of the California Constitution authorizes the collection of the Motor Vehicle Fuel Tax (the "Gas Tax") to be used for operation, construction, or maintenance of public streets and highways. The Gas Tax is an 18 cent per gallon state fuel excise tax. The California State Controller allocates the Gas Tax to cities and counties on a monthly basis based on factors such as population according to Section 2103, 2105, 2106, and 2107 of the California Streets & Highway Codes.

In the past, the City has received revenues for street and road projects from these gas tax revenues (excise taxes) and also from Proposition 42 (Prop. 42) revenues (sales taxes). Prop. 42 revenues have never been recommended as a pledged source of revenue to the proposed Certificates. However, in May of 2010, the legislature voted to enact the "2010 Gasoline Sales Tax – Gasoline Excise Tax Swap" (ABX8 6 and ABX8 9), which contained provisions repealing the existing State sales tax on gasoline (Prop. 42 funds) and replacing it with increased excise taxes. This in effect increased the amount of revenue legally eligible to secure the Certificates without

changing the overall amount of street and road funds at the City's disposal. For FY 2010/11, it is estimated that the City will receive \$1,368,194 in gas tax revenues. Of this amount \$844,703 was previously collected under Sections 2105, 2106, and 2107. The remaining \$523,491 is the amount replacing Prop. 42 funds and is now collected under Section 2103 of the California Streets & Highways Codes. The proposed Certificates will be secured solely by these gas tax revenues. However, it should also be pointed out that the Underwriters for the proposed Certificates have created additional flexibility as part of the enabling documents that are being recommended for approval to allow the City to make debt payments from other available funds, such as Measure M2 funds or General Fund monies. These funds are not being recommended as a formal pledge to the proposed Certificates, but could be used by the City to make debt service payments if desired/needed.

Due to the State's budget deficit there has been a certain degree of risk that the State could delay the payment of Gas Tax revenues - which it has done twice in the last three years (April-August 2008 payments were delayed until September 2008; and January-April 2009 payments were delayed until May 2009). However, the passage of Proposition 22 in November of 2011 prohibits the State from borrowing transportation funds from Local Agencies which should mitigate any risks associated with further payment delays by the State. Based on the protections afforded by Proposition 22 and a very competitive construction market that is witnessing a savings of 30% to 40% on construction bids, staff believes the timing is right to move this issue forward.

The table below outlines the proposed projects that may be fully or partially funded from proceeds of the proposed 2011A Gas Tax Certificates. The City is not obligated to construct only these projects and may elect to pursue other eligible projects if desired. A list of permissible gas tax expenditures is attached.

**DESCRIPTION OF PLANNED CITY OF PLACENTIA  
 PROJECT COMPONENTS AND ESTIMATED COSTS**

<u>Name of Project Component</u>	<u>Description of Project Component</u>	<u>Estimated Cost</u>
3R Work (Citywide)	Street maintenance, repair and improvements	\$1,500,000
Golden Avenue Bridge Rehabilitation	Bridge improvements	1,500,000
Valencia Avenue Rehabilitation	Street improvements	950,000
Santa Fe Street Improvements	Street, curb, gutter, sidewalk improvements	1,500,000
Richfield Road Widening	Street improvements	80,000
Signal Continuity Program (Citywide)	Traffic Signal Improvements	100,000
Pedestrian Accessibility Project (Citywide)	Street and sidewalk improvements	100,000
<b>Total</b>		<b>\$5,730,000</b>
<b>Net Proceeds Available</b>		<b>\$4,660,000</b>

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The City's street network is perhaps its most valuable asset. It is estimated that the value of the City's entire street network is about \$80 million. Like anything else streets must be maintained or they will deteriorate over time and eventually will have to be completely reconstructed. The City recently retained a consulting firm to evaluate the pavement condition of the City's neighborhood street network. The consulting firm has prepared a comprehensive report on the state of the City's pavement conditions. Street conditions are assessed using a 100 point scale known as a Pavement Condition Index (PCI). The City's current average PCI for its neighborhood streets is 68 (fair). To maintain our current PCI rating the report indicates that the City would have to spend \$2.20 million annually over the next seven (7) years. Unfortunately, the City has not been in a financial position to fund its street maintenance program. If the City continues its current policy of allocating minimal funding to pavement management, the PCI rating will drop to 46 (poor) in seven (7) years. This will increase the cost of maintaining our roads to a staggering \$40 million in just seven (7) years.

While the amount of funding the proposed Certificates will generate will only cover a fraction of the total \$24 million in street improvements that are needed, staff believes that issuing Certificates represents the City's best opportunity for maintaining the index level of the City's street network. Moreover, by issuing a gas tax certificate now and investing it into our streets today the City will be able to achieve substantial long-term savings as the cost of street repairs grows exponentially as maintenance and rehabilitation is deferred and a street's condition worsens. By funding its street CIP backlog today, the City can greatly increase the useful life of the street network and lower its maintenance costs over time. Finally, leveraging these revenues today will mitigate the risk of inflation in the future. A "pay-as-you-go" approach is typically only sufficient to patch up streets suffering from deferred maintenance.

## **FINANCING STRUCTURE**

The California Statewide Communities Development Authority ("California Communities") is a joint powers authority that was co-founded by the League of California Cities and California State Association of Counties to provide California local governments and private entities access to low-cost, tax-exempt financing programs. The City of Placentia is a member of the California Communities. In 2005, the City of Placentia issued \$832,000 of bonds through California Communities' VLF Gap Loan Securitization Program.

In 2007, California Communities set up a street financing pool program known as the Gas Tax Accelerated Street Improvement Program (the "Program") to assist smaller agencies in their efforts to issue debt to pay for street improvement projects. The Program completed a \$14.6 million pool for the cities of Coachella and Indio in April 2008. Participating in the Program is beneficial because the documentation is standardized and the overall process is very efficient. Under the Program, California Communities would issue Certificates on behalf of the City of Placentia and potentially any other local participants. Each local agency participant would be responsible for the debt service on their pro-rata portion of the Certificates. No agency is responsible for any other agency's obligations under the Program.

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The 2008 Certificates carried an underlying "A minus" credit rating from Standard & Poor's. During 2009 and early 2010, the City went through a preliminary rating assessment process in which S&P provided a preliminary indication that the Certificates would be rated in the "BBB" category due to weakening of the City's General Fund as well as continued payment delays of Gas Tax Revenues by the State. The City and its financing team returned to S&P in March of 2011 to present an update on the City's credit. By focusing on the conservative structure of the proposed Certificates, the recent Prop. 22 legislation, and the improvement in the City's General Fund, the City obtained an "A" underlying rating (with a "stable" outlook) for the proposed 2011A Certificates. Given this strong rating, the City and its team was able to secure an extremely aggressive bond insurance bid from Assured Guaranty ("AA+" rated bond insurer) of 55 basis points (0.55%) which will significantly reduce the interest rate paid on the proposed bonds. After paying the premium for the bond insurance, the net reduction in interest costs is approximately 0.28% which will allow the City to raise an additional \$120,000 of proceeds for projects.

The proposed Certificates will be repaid over 20 years with level annual payments. The City has the option of extending the maturity as far out as 30 or 40 years, which would raise more proceeds up front, however a 20-year maturity is being recommended given the estimated useful life of the projects to be completed. Debt service payments on the proposed Certificates are currently structured to be \$482,500 per year, which is approximately 35% of total annual revenues (\$1.37 million) that the City receives. This will provide the City with enough bond proceeds to fund a significant amount of CIP upfront, while still maintaining plenty of revenue for pay-as-you go projects and other annual needs.

Based on an estimated bond yield of 6.20%, the amount or net proceeds raised for projects will be about \$4.66 million. The total par would be slightly higher at approximately \$5.45 million to account for funding of the standard debt service reserve fund and costs of issuance. Ultimately, the actual amount raised by the City will depend on the interest rates set at the time of pricing. The proposed not-to-exceed amount of the proposed Certificates is conservatively set at \$7,000,000, which will provide the City flexibility to take advantage of favorable interest rates to raise additional proceeds at the same level of debt service payments and/or raise more proceeds by changing the financing parameters (maturity or % of total revenue used for debt).

In December 2009, the City Council took the initial steps to participate in the California Communities Program by authorizing the sale of up to \$7 million in Certificates. In addition, the City directed staff to file a validation action under Section 860 of the California Code of Civil Procedure, in the Superior Court for the County of Orange, to determine the validity of the proposed financing. On April 12, 2010, the Superior Court entered a default judgment to the effect that the Installment Payments are valid, legal, and binding obligations of the City and that the City has the legal ability to pledge Gas Tax revenues toward the repayment of Installment Sale Agreement. Judicial validation is required so that bond counsel can opine that the Certificates are valid and legal. The issuance and sale of any subsequent series of Certificates would still need to be authorized by a future Council resolution.

The City will be responsible for certain agreed upon costs of issuance. These costs include, bond counsel, issuer fees, credit rating services, disclosure counsel, printing of the Preliminary Official

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Statement and discount fees paid to the Underwriter. These costs, which are estimated to be approximately 3% to 4% of the total amount issued, will be paid from the Certificates proceeds.

**EXPLANATION OF DOCUMENTS:**

The attached Resolution (Exhibit A) will accomplish the following:

- Reaffirms the City Council's intent to sell Certificates of Participation through the California Communities Program in an amount not to exceed \$7 million.
- Re-authorizes the Mayor, Mayor Pro-Tem, City Clerk, City Administrator and Finance Director, as applicable, to execute all documents including, but not limited to: the Installment Agreement; Trust Agreement; and certifications that may be necessary to consummate the transaction.
- Approves the Preliminary Official Statement (Exhibit B) which provides disclosure on California Communities, the Certificates, the City and other pertinent information to potential investors needed prior to making an investment decision.
- Re-approves the sale of the Certificates to the underwriter, E. J. De La Rosa & Co., Inc. at a net interest cost of not more than 7% and an underwriter's discount of not more than 2% (actual discount will be below 1.2%). The Authority reserves the right to replace finance team members at its discretion.
- Approves the Purchase Agreement (Exhibit C) among California Communities, E. J. De La Rosa & Co. and the City defines the terms and conditions under which the Certificates will be purchased by the underwriter.

The Installment Agreement and Trust Agreement were approved by the City Council in December 2009. The purpose of these documents are as follows:

- **Installment Sale Agreement.** The Installment Sale Agreement between the City and California Communities to transfer the Project to the City, in consideration of which the City will obligate itself to make installment payments for the Project for California Communities in the amounts and on the dates set forth in the Installment Purchase Agreement (the "Installment Payments").
- **Trust Agreement.** The Trust Agreement defines the terms and conditions of the Certificates, the rights and obligations of the City, California Communities, the trustee (Wells Fargo Bank, N.A.), and the COP holders.

The Resolution simply re-affirms the City Council's prior action on these documents. Both documents are on file with the City Clerk and available for public review. The Preliminary Official Statement and Purchase Agreement were not part of the documents the City Council approved in 2009 and need to be adopted as part of the Resolution.

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**TENTATIVE FINANCING SCHEDULE:**

The following is the anticipated financing schedule. Dates are subject to change.

<b><u>Date</u></b>	<b><u>Description of Activity</u></b>
April 19, 2011	City Council adopts Resolution Approving Execution and Delivery Of California Communities Gas Tax Revenue Certificates of Participation, Series 2011A
April 20, 2011	Print and mail Preliminary Official Statement
April 28, 2011	Sale of Certificates through California Communities
May 12, 2011	Closing; funds available to City

**FINANCIAL IMPACT:**

For Fiscal Year 2011-12, debt service (principal and interest) on the Certificates is estimated to be \$482,500. Thereafter, average annual debt service will be at the same level. Debt service on the Certificates will be paid solely from gas tax revenues or other available revenues if the City so desires. Proceeds from the sale of the Certificates will fund the Project described herein in the amount of approximately \$4.66 million. The revenue, debt service, and expenditure budgets for the Project will need to be set up and the authorization for this amendment is included in the attached resolution.

Submitted by:

  
\_\_\_\_\_  
Troy D. Butzlaff, ICMA-CM  
City Administrator

Attachment: As Stated

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## PERMISSIBLE GAS TAX EXPENDITURES

Under Article XIX of the California Constitution, gas tax expenditures can only be used for certain activities relating to public streets and highways; though not all of these costs may be financed through the California Communities Accelerated Street Improvement Program. In general, only “capital assets” may be financed. As a general rule the cost of incidental repairs which neither materially add to the value of the property nor appreciably prolong its life, but simply keep it in an ordinarily efficient operating condition cannot be financed. On the other hand costs that extend the life of a facility, improve the performance, upgrade the quality or restore the facility to its original condition may be financed. The California State Controller’s Office has produced a helpful guide in determining what are proper gas tax expenditures, see its *Guidelines Relating to Gas Tax Expenditures For Cities and Counties*. Much of what follows is taken from that publication. We are, of course, available to discuss specific questions you may have which are not addressed in what follows.

### Construction costs which may be financed

There are four general categories of construction work:

1. New Construction – A construction that substantially deviates from the existing alignment and provides for an entirely new street or roadbed for the greater parts of its length.
2. Reconstruction – A construction involving realignment or the use of standards well above those of the existing element, whereby the type or the geometric and structural features are significantly changed.
3. Preventative Maintenance – Includes, but is not limited to, roadway activities such as joint and shoulder rehabilitation, heater re-mix, seal coats, corrective grinding of PCC pavement, and the restoration of drainage systems.
4. 3R Work – All other work which does not fall into the above defined categories for new construction, reconstruction, or preventative maintenance and typically involves the improvement of highway pavement surfaces through resurfacing, restoration, or rehabilitation. It is generally regarded as heavy, non-routine maintenance designed to achieve a ten-year service life. Specifically, 3R Work is defined as the following:
  - Resurfacing generally consists of placing additional asphalt concrete over a structurally sound highway, street, or bridge that needs treatment to extend its useful service life.
  - Restoration means returning a road, street, structure, or collateral facility to the condition existing after original construction.

- Rehabilitation implies providing some betterments, such as upgrading guardrail or widening shoulders.

The following are examples of types of customary construction expenditures:

- Additions
  - The addition of a frontage street or road
  - Addition of auxiliary lanes such as speed change, storage, or climbing lanes
- Barriers
  - Earthwork protective structures within or adjacent to the right-of-way area
  - Extensions and new installation of walls
  - Replacement of retaining walls to a higher standard
  - Extension of new installation of guardrails, fence lines, raised medians, or barriers for traffic safety
- Bikeways
  - Construction of bikeways when they are an integral part of the streets and highways system
  - Construction of bicycle or pedestrian underpasses or overhead crossings for the general public use
- Bridges
  - Reconstruction of an existing bridge or installation of a new bridge
  - Widening of a bridge
  - Replacement of bridge rails and floors to a higher standard
- Curbs, etc.
  - Installation or extension of curbs, gutters, sidewalks, or underdrains
- Drainage
  - A complete reconstruction or an addition to a culvert
  - Extending old culverts and drains and replacing headwalls
- Landscaping
  - Installation or additional landscape treatment such as sod, shrubs, trees, irrigation, etc., along the street or road right-of-way
- Layout
  - Change of alignment, profile, and cross-section
  - Reconstruction of an intersection and its approximate approaches to a substantially higher type involving a change in its character and layout including changes from a plain intersection to a major channelized intersection or to a grade separation and ramps
- Lighting
  - Installation or expansion of street or road lighting system
- Relocation
  - The removal of old street and roadbeds and structures, and detour costs when connected with a construction project

- Replacement in kind, when legally required, of structures that are required to be relocated for street and road purposes
- Signs and Signals
  - The installation of original traffic signs and markers
  - Replacement of all major signs or traffic control devices on a street or road
  - The installation of a new sign or the replacement of an old sign with one of superior design such as increased size, illumination, or overhead installations
  - Installation or improvement of traffic signal controls at intersections and protective devices at railroad grade crossings
  - Purchase and installation of traffic signal control equipment including traffic actuated equipment, radio or other remote control devices and related computers, and that portion of preemption equipment not mounted on motor vehicles
- Striping
  - Painting or rearrangement of pavement striping and markings, or repainting to a higher standard
- Surface Work
  - Original surfacing of shoulders
  - Improvement of a surface to a higher type
  - Placing sufficient new material on soil surface or gravel street or road to substantially improve the quality or the original surface
  - Bituminous material of 1" or more placed on bituminous or concrete material – a lesser thickness may be considered construction provided the engineer certifies that the resulting pavement is structurally adequate to serve anticipated traffic
  - Remix existing bituminous surfacing with added materials to provide a total thickness of 1" or more – a lesser thickness may be considered construction provided the engineer shall certify that the resulting pavement is structurally adequate to serve anticipated traffic
  - Stabilization of street or road base by adding material such as cement, lime, or asphalt
- Widening
  - Widening of existing street or roadbed or pavement, with or without resurfacing
  - Resurfacing, stabilizing, or widening of shoulders including necessary connections to side streets or road approaches

○

**Other less customary costs which could be financed**

**Greenbelt Purposes**

Surplus street or road land may be used for a park, providing it mitigates the environmental impact of a street construction project. However, legislative action is necessary to authorize the use of highway users taxes to purchase land for "greenbelt" purposes.

**Emergency Telephone System**

Highway users taxes may be used to fund a freeway emergency telephone system that would potentially increase traffic capacity through better accident reporting.

**Street or road related equipment**

Street or road related equipment is eligible for highway users taxes funding, provided the following criteria are met:

- The city or county keeps accurate records on acquisition cost, use, maintenance, and disposition;
- The city or county reimburses the Special Gas Tax Street Improvement Fund or Road Fund for equipment utilized for a non-street purpose using either Caltrans equipment rates or internally developed rental rates with adequate supporting documentation;
- The city or county provides a representation letter substantiating street use, non-street use; and
- Proceeds from disposition are redeposited in the Special Gas Tax Street Improvement Fund or Road Fund.

**Facilities that are necessary to drain streets and roads**

These facilities include cross culverts, storm drains or drainage channels, longitudinal storm drains or culverts, gutters at intersections and catch basins and related pipes.

**Certain ineligible gasoline tax expenditures**

In the course of performing many types of projects, the term "construction" is utilized. However, the term does not make the costs eligible for funding under the Highway Users Tax Program. To be eligible, the work must be for a street or road purpose.

The following are types of expenditures NOT eligible for financing from gas tax moneys:

- Cost of rearranging non-street or road facilities, including utility relocation, when not a legal road or street obligation

- New (first installation of) utilities, including water mains, sanitary sewers, and other non-street facilities
- Cost of leasing property or right-of-way, except when required for construction work purposes on a temporary basis
- Cost of constructing or improving a street or area for parking purposes, except for the width normally required for parking adjacent to the traveled way and within the right-of-way
- Decorative lighting
- Park features such as benches, playground equipment, and restrooms
- Work outside the right-of-way which is not a specific right-of-way obligation
- Equestrian under- and overpasses or other similar structures for any other special interest group unless as a part of a right-of-way obligation
- Construction, installation, or maintenance of cattle guards
- Acquisition of buses or other mass transit vehicles or maintenance and operating costs for mass transit power systems or passenger facilities (including, but not limited to, bus benches, shelters, and bus stop signs, or equipment and services)
- Lighting for bus stop shelters
- Maintenance or construction on alleys that have not been formally designated as part of the jurisdiction's street and road system
- Improvements and maintenance to park and ride designated lots
- Driveways outside of the street and road right-of-way

## Exhibit A

RESOLUTION NO. R-2011-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA RECONFIRMING ITS PRIOR APPROVAL OF THE EXECUTION AND DELIVERY OF CALIFORNIA COMMUNITIES GAS TAX REVENUE CERTIFICATES OF PARTICIPATION AND AUTHORIZING THE PREPARATION OF AN OFFICIAL STATEMENT AND OTHER MATTERS RELATED THERETO

A. Recitals.

(i) The California Statewide Communities Development Authority ("Authority") is empowered to assist the City of Placentia ("City") in financing certain public capital improvements pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, § 6584, *et. seq.* ("Act") and pursuant to that certain Amended and Restated Joint Exercise of Powers Agreement among a number of California cities, counties and special districts, including the City, dated June 1, 1988.

(ii) The City Council of the City previously determined that the design, acquisition and construction of certain roadway improvements and street resurfacing ("Project") was necessary and proper for, and for the common benefit of, the City, and under the terms of applicable law, the payment for such project may be made from motor vehicle fuel tax revenues received by the City from the State of California.

(iii) In order to achieve a lower net interest cost and lower costs of issuance in connection with financing the acquisition of the Project, the City heretofore determined to participate in the Authority's Gas Tax Accelerated Street Improvement Program ("Program") established by the Authority to finance street improvement projects, such as the Project.

(iv) Pursuant to a resolution adopted by the City Council on December 15, 2009 ("Authorizing Resolution"), the City Council previously authorized the execution and delivery of various documents, including an installment sale agreement and a trust agreement, pursuant

to which California Communities Gas Tax Revenue Certificates of Participation (the "Certificates") were to be issued to finance the cost of the Project pursuant to the Program.

(v) Pursuant to the Authorizing Resolution, the City Council authorized the bringing of a validation action under the California Code of Civil Procedure, § 860, et seq., in the Superior Court for the County of Orange, to determine the validity of the proposed financing, which validation action resulted in a final judgment that, among other things, determined that upon execution and delivery thereof, the Certificates, the installment sale agreement and the trust agreement will be valid and binding obligations of the City.

(vi) The City Council desires to reaffirm its approval of the Certificates and the trust agreement, the installment sale agreement and related documents; provided, however, that the aggregate amount of the principal components of the installment sale payments shall not exceed \$7,000,000.

(vii) E. J. De La Rosa & Co., Inc., ("Underwriter"), has submitted to the City a proposed form of an agreement to purchase the Certificates in the form of a Certificate Purchase Agreement ("Certificate Purchase Agreement").

(viii) A Preliminary Official Statement to be used in connection with the offering and sale of the Certificates has been prepared and submitted to this City Council as of the date hereof (said Preliminary Official Statement in the form presented as of the date hereof, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Preliminary Official Statement").

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

1. In all respects as set forth in the Recitals, Part A., of this Resolution.

2. The Preliminary Official Statement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, with such changes, insertions and omissions therein as may be approved by the Mayor, the City Administrator, the Finance Director, the Mayor Pro-Tem, or such Officer of the City as designated in writing by the Mayor filed with the City Attorney and the Trustee (each, an "Authorized Representative") is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Certificates is hereby authorized and approved. The Authorized Representative is hereby authorized and directed, for and in the name and on behalf of the City, to certify to the Underwriter that the Preliminary Official Statement has been "deemed final" for purposes of Rule 15c2-12 insofar as it relates to the City and the financing of the Project. If, at any time prior to the end of the underwriting period, as defined in the Rule, any event occurs as a result of which the information contained in the Preliminary Official Statement relating to the City might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City shall promptly notify the Underwriter.

3. The preparation and delivery of a final Official Statement and any update or supplement thereto ("Official Statement"), and its use in connection with the offering and sale of the Certificates, be and the same is hereby authorized and approved and the Authority is hereby authorized and directed, at or after the time of the sale of the Certificates, for and in the name and on behalf of the City, to execute a final Official Statement in substantially the form of the Preliminary Official Statement presented to this meeting, with such additions thereto or changes therein as the City may approve, such approval to be conclusively evidenced by the execution and delivery thereof including as may be evidenced by the execution and delivery of the Official Statement by an authorized representative of the Authority. The Authority is hereby authorized and directed to execute and deliver the final Official Statement, and any amendment or supplement thereto, for and in the name and on behalf of the City.

4. The form of Certificate Purchase Agreement, on file with the City Clerk, including the form of the Pricing Confirmation set forth as an exhibit thereto ("Pricing Confirmation") is hereby approved, and the Authorized Representatives are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Certificate Purchase Agreement in substantially said form, with such changes therein as the Authorized Representative executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate amount of the principal components of the installment sale payments shall not exceed \$7,000,000 and the underwriter's discount for the sale of the Certificates shall not exceed 2.00% of the aggregate principal amount of the principal components of the installment sale payments payable under the Installment Sale Agreement. Delivery of an executed copy of the Pricing Confirmation by fax or telecopy shall be deemed effective execution and delivery for all purposes.

5. Each Authorized Representative is hereby authorized and directed to do any and all things which he or she may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution. The City Clerk, acting alone, is hereby authorized and directed to attest the signature of the Authorized Representative(s) as may be required in connection with the execution and delivery of the documents referenced in and otherwise authorized by this Resolution.

6. Except as provided herein, all actions heretofore taken by the officers, employees and agents of the City with respect to the transactions set forth above, including the approval of the Authorizing Resolution and the authorization of the execution and delivery of the documents mentioned therein, are hereby approved, confirmed and ratified.

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

PASSED, ADOPTED AND APPROVED this 19<sup>th</sup> day of April, 2011.

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Scott W. Nelson, Mayor

ATTEST:

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Patrick J. Melia,  
City Clerk

I, Patrick J. Melia, City Clerk of the City of Placentia, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Placentia, held on the 15<sup>th</sup> day of March, 2011, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

**CERTIFICATION:**

The undersigned City Clerk of the City of Placentia, does hereby certify as follows:

The foregoing Resolution is a full, true and correct copy of a Resolution duly adopted by a vote of a majority of the members of the City Council of said City at a regular meeting of the City Council of said City duly, regularly and legally held at the regular meeting place thereof, on April 19 2011, of which meeting all of such members had due notice.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in

my office, and the foregoing is a full, true and correct copy of the original Resolution adopted at said meeting and entered in said minutes.

Said Resolution has not been amended, modified or rescinded since the date of its adoption and the same is not in full force and effect.

Dated: April \_\_, 2011

---

Patrick J. Melia,  
City Clerk

APPROVED AS TO FORM:

---

Andrew V. Arczynski,  
City Attorney

## Exhibit B

NEW ISSUE – BOOK-ENTRY ONLY

INSURED RATING: Standard & Poor's: "\_\_\_"  
 UNDERLYING RATING: Standard & Poor's: "A"  
 (See "RATINGS.")

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Special Counsel to the Local Agency, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, the interest on the Installment Sale Payments paid by the Local Agency under the 2011 Installment Sale Agreement and received by the owners of the Certificates is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Special Counsel, such interest is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Special Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Special Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of the interest on the Installment Sale Payments. See "TAX MATTERS."*

\$ \_\_\_\_\_  
**CALIFORNIA COMMUNITIES**  
**GAS TAX REVENUE CERTIFICATES OF PARTICIPATION**  
**SERIES 2011A**  
**(GAS TAX ACCELERATED STREET IMPROVEMENT PROGRAM)**  
**Evidencing Proportionate and Undivided Interest of the Owners Thereof**  
**in Installment Sale Payments to be Made by**  
**a Participating Local Agency**  
**Pursuant to a 2011 Installment Sale Agreement**

**Dated: Date of Delivery**

**Due: June 1, as shown below**

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE CERTIFICATES. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The California Communities Gas Tax Revenue Certificates of Participation, Series 2011A (the "Certificates"), are being executed and delivered in the aggregate principal amount of \$ \_\_\_\_\_ by Wells Fargo Bank, National Association, as trustee (the "Trustee"), pursuant to the provisions of a Trust Agreement, dated as of April 1, 2011 (the "Trust Agreement"), by and among the California Statewide Communities Development Authority (the "Authority"), the Trustee, and the City of Placentia, as the local agency named therein (the "Local Agency"). Capitalized terms used on this cover page and not otherwise defined shall have the meanings ascribed to them elsewhere in this Official Statement. See in particular "APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Definitions."

The proceeds from the sale of the Certificates will be used to (i) finance the design, acquisition, and construction of certain local roadway improvements and street resurfacing projects within the jurisdiction of the Local Agency (the "Project"), (ii) fund a reserve fund for the Certificates, and (iii) pay the costs incurred in connection with the execution, sale, and delivery of the Certificates. The Project will be sold by the Authority to the Local Agency pursuant to a 2011 Installment Sale Agreement, dated as of April 1, 2011 (the "2011 Installment Sale Agreement"), by and between the Authority and the Local Agency. See "ESTIMATED SOURCES AND USES OF CERTIFICATE PROCEEDS," "THE LOCAL AGENCY AND THE PROJECT," and "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Reserve Fund."

The Local Agency is required under the 2011 Installment Sale Agreement to make installment sale payments (the "Installment Sale Payments") to the Authority, which Installment Sale Payments are payable from a first lien on all Gas Tax Revenues (defined as "Revenues" in the 2011 Installment Sale Agreement), generally consisting of certain amounts received by the Local Agency from taxes imposed on the sale of motor vehicle fuels. Installment Sale Payments are scheduled in an amount sufficient to pay, when due, the annual principal and interest with respect to the Certificates. See "SECURITY AND SOURCE OF PAYMENT FOR THE CERTIFICATES" and "GAS TAX REVENUES." The Gas Tax Revenues are the sole source of payment of the Installment Sale Payments. Neither the general fund of the Local Agency, nor any other moneys of the Local Agency, are available to pay or secure the Installment Sale Payments or the Certificates. **The obligation of the Local Agency to pay its Installment Sale Payments is not subject to abatement.**

The Certificates will be executed and delivered in fully registered form without coupons and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York,

\* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

New York ("DTC"). DTC will act as securities depository for the Certificates. Individual purchases of Certificates may be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof for each maturity. Purchasers will not receive certificates representing their interest in the Certificates purchased. See "THE CERTIFICATES – Book-Entry Only System."

Payments of principal and interest with respect to the Certificates will be made by the Trustee to DTC, which will in turn remit such principal and interest to its participants for subsequent dispersal to beneficial owners of the Certificates as described herein. Interest with respect to the Certificates is payable semiannually each June 1 and December 1, commencing December 1, 2011, until the maturity or the earlier prepayment thereof. Principal with respect to each Certificate will be paid on each June 1, commencing June 1, 2012, upon surrender of such Certificate at the principal corporate office of the Trustee upon maturity or the earlier prepayment thereof.

**The Certificates are subject to optional, mandatory, and mandatory sinking fund prepayment prior to their stated principal payment dates as described herein.**

[CONFIRM/DELETE GLOBALLY:] Payment of the principal and interest with respect to the Certificates when due will be insured by a [bond insurance policy] to be issued by \_\_\_\_\_ simultaneously with the delivery of the Certificates.

[CERTIFICATE INSURER LOGO]

THE OBLIGATION OF THE LOCAL AGENCY TO MAKE INSTALLMENT SALE PAYMENTS UNDER THE 2011 INSTALLMENT SALE AGREEMENT IS A SPECIAL OBLIGATION OF THE LOCAL AGENCY PAYABLE SOLELY FROM GAS TAX REVENUES AND DOES NOT CONSTITUTE A DEBT OF THE LOCAL AGENCY, THE AUTHORITY, THE STATE OF CALIFORNIA (THE "STATE"), OR ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE LOCAL AGENCY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE LOCAL AGENCY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER.

[See Maturity Schedule on Inside Cover]

*The Certificates are offered when, as, and if executed and delivered to and received by the Underwriter, subject to the approval of legality by Orrick Herrington & Sutcliffe LLP, Los Angeles, California, Special Counsel to the Local Agency. Certain legal matters will be passed upon for the Authority by Orrick Herrington & Sutcliffe LLP, Los Angeles, California, for the Local Agency by its City Attorney, Andrew V. Arczynski, Placentia, California, and for the Underwriter by Goodwin Procter LLP, Los Angeles, California, as Underwriter's Counsel. It is anticipated that the Certificates in book-entry form will be available for delivery to DTC in New York, New York, on or about \_\_\_\_\_, 2011.*



Dated \_\_\_\_\_, 2011

### MATURITY SCHEDULE

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP <sup>(1)</sup> No.	Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP <sup>(1)</sup> No.
------------------------------	---------------------	------------------	-------	-------	--------------------------	------------------------------	---------------------	------------------	-------	-------	--------------------------

\$ \_\_\_\_\_ % Term Certificates due June 1, 20\_\_ Yield: \_\_\_\_\_%; Price: \_\_\_\_\_%; CUSIP <sup>(1)</sup>No. \_\_\_\_\_  
 \$ \_\_\_\_\_ % Term Certificates due June 1, 20\_\_ Yield: \_\_\_\_\_%; Price: \_\_\_\_\_% CUSIP <sup>(1)</sup>No. \_\_\_\_\_

(1) Copyright, American Bankers Association. CUSIP data are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. ("CUSIP Service Bureau"). Such CUSIP data are provided only for the convenience of the reader and are not intended to create a database and do not serve in any way as a substitute for the services and information provided by the CUSIP Service Bureau. CUSIP is a registered trademark of the American Bankers Association. Neither the Authority nor the Local Agency takes any responsibility for the accuracy of any CUSIP data set forth herein or for any changes or errors in such data.

No dealer, broker, salesperson, or other person has been authorized by the Local Agency, the Authority, or E. J. De La Rosa & Co., Inc. (the "Underwriter"), to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Certificates, nor shall there be any sale of the Certificates, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

This Official Statement is not to be construed to be a contract with the purchasers of the Certificates. Statements contained in this Official Statement that involve estimates, forecasts, or matters of opinion, whether or not expressly described as such herein, are intended solely as such and are not to be construed as representations of fact.

The information set forth in this Official Statement has been obtained from the Local Agency, the Authority, and other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness and it is not to be construed as a representation by the Local Agency or the Authority. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Local Agency or the Authority since the date hereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement is submitted in connection with the sale of the Certificates referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

THE CERTIFICATES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE CERTIFICATES HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE UNDERWRITER MAY OFFER AND SELL THE CERTIFICATES TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

**PARTICIPATING LOCAL AGENCY**

**City of Placentia, California**

Scott W. Nelson, *Mayor*  
Jeremy B. Yamaguchi, *Mayor Pro Tem*  
Joseph V. Aguirre, *Councilmember*  
Constance Underhill, *Councilmember*  
Chad P. Wanke, *Councilmember*

**PROFESSIONAL SERVICES**

***Special Counsel***

Orrick, Herrington & Sutcliffe LLP  
Los Angeles, California

***Underwriter's Counsel***

Goodwin Procter LLP  
Los Angeles, California

***Trustee***

Wells Fargo Bank, National Association  
Los Angeles, California

***Financial Advisor***

Urban Futures Inc.  
Orange, California

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## OFFICIAL STATEMENT

§ \_\_\_\_\_\*

**CALIFORNIA COMMUNITIES  
GAS TAX REVENUE CERTIFICATES OF PARTICIPATION  
SERIES 2011A  
(GAS TAX ACCELERATED STREET IMPROVEMENT PROGRAM)  
Evidencing Proportionate and Undivided Interest of the Owners Thereof  
in Installment Sale Payments to be Made by  
a Participating Local Agency  
Pursuant to a 2011 Installment Sale Agreement**

### INTRODUCTION

This Official Statement, which includes the cover page, Table of Contents, and Appendices (the "Official Statement"), provides certain information concerning the execution and delivery of the California Communities Gas Tax Revenue Certificates of Participation, Series 2011A (the "Certificates"), in an aggregate principal amount of \$ \_\_\_\_\_\*. Descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each such document for complete details of all terms and conditions therein. All statements in this Official Statement are qualified in their entirety by reference to the applicable documents.

This Introduction is subject in all respects to the more complete information contained elsewhere in this Official Statement, and the offering of the Certificates to potential investors is made only by means of the entire Official Statement. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in "APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Definitions."

#### **Description of the Certificates**

The Certificates will be dated the date of their initial delivery and will mature on the dates and in the principal amounts set forth on the cover page hereof. The Certificates will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, which will act as securities depository for the Certificates.

The Certificates evidence proportionate and undivided interests of the registered owners thereof (the "Owners") in installment sale payments (the "Installment Sale Payments") to be made by the City of Placentia (the "Local Agency" or the "City of Placentia") to the California Statewide Communities Development Authority (the "Authority"), as the purchase price for certain local roadway improvements and street resurfacing projects throughout the geographic boundaries of the Local Agency (the "Project") pursuant a 2011 Installment Sale Agreement, dated as of April 1, 2011 (the "2011 Installment Sale Agreement"), by and between the Authority and the Local Agency. See "THE CERTIFICATES," "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES," and "THE LOCAL AGENCY AND THE PROJECT."

#### **Authorization**

The Certificates are being executed and delivered by Wells Fargo Bank, National Association, as trustee (the "Trustee"), pursuant to (i) a Trust Agreement, dated as of April 1, 2011 (the "Trust

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\* Preliminary; subject to change.

Agreement”), by and among the Authority, the Trustee, and the Local Agency, and (ii) a resolution adopted by the Authority on \_\_\_\_\_, 2011, and resolutions adopted by the City of Placentia on December 15, 2009, and April 19, 2010 (collectively, the “Resolutions”). See “THE CERTIFICATES – Authorization” and Registration of Certificates” and “APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.”

### **Judicial Validation**

The City of Placentia filed a complaint in the Superior Court of the State of California for the County of Orange (the “Orange County Superior Court”) pursuant to California Government Code Section 53510 *et seq.* and California Code of Civil Procedure Section 860 *et seq.* (collectively, the “Validation Law”) seeking to validate certain issues raised by the proposed execution and delivery of the Certificates. The City of Placentia filed its complaint on January 11, 2010. There was no answering party in the action and, on April 12, 2010, the City of Placentia obtained a judgment in its favor that enjoins the institution of any action or proceeding raising any issue as to which such judgment is binding and conclusive. An appeal of such judgment may only be filed with the Orange County Superior Court within 30 days after the entry of such judgment and, since there was no answering party in the action, only issues related to the jurisdiction of the Orange County Superior Court to enter a judgment in the action may be raised during such period. The appeal period expired for such action on May 12, 2010.

### **Use of Certificate Proceeds**

The proceeds from the sale of the Certificates will be used to (i) finance the design, acquisition, and construction of the Project, (ii) fund a reserve fund for the Certificates (the “Reserve Fund”), and (iii) pay the costs incurred in connection with the execution, sale, and delivery of the Certificates. See “ESTIMATED SOURCES AND USES OF CERTIFICATE PROCEEDS,” “THE LOCAL AGENCY AND THE PROJECT,” and “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Reserve Fund.”

### **Payment of Principal and Interest**

Interest with respect to the Certificates is payable semiannually on June 1 and December 1, commencing December 1, 2011 (each, an “Interest Payment Date”), and is payable by check mailed by first class mail on the date such interest is due to the Owner at his address as it appears on the registration books maintained by the Trustee; provided, however, that an Owner of \$1,000,000 or more in aggregate principal amount evidenced by the Certificates may request in writing that the Trustee pay the interest evidenced by such Certificates by wire transfer and the Trustee shall comply with such request for all Interest Payment Dates following the 15th day after receipt of such request until such request is rescinded. Principal with respect to each Certificate will be payable on June 1 of each year, commencing June 1, 2012 (each, a “Certificate Payment Date”), upon surrender of such Certificate at the principal corporate trust office of the Trustee in Los Angeles, California, upon the maturity or earlier prepayment thereof. See “THE CERTIFICATES.”

### **Prepayment of Certificates**

The Certificates are subject to optional, mandatory, and mandatory sinking fund prepayment under certain circumstances as described herein. See “THE CERTIFICATES – Prepayment of Certificates.”

## **Security and Sources of Payment for the Certificates**

***Installment Sale Payments.*** Pursuant to the 2011 Installment Sale Agreement, the Local Agency is required to pay to the Trustee, from a first lien on the Gas Tax Revenues, the Installment Sale Payments attributable to the Local Agency, which Installment Sale Payments are designed to be sufficient, in both time and amount, to pay, when due, the principal and interest evidenced and represented by the Certificates. The term “Gas Tax Revenues” is defined in the 2011 Installment Sale Agreement as “Revenues” and means all amounts received by the Local Agency from the State of California (the “State”) in accordance with Streets and Highways Code Sections 2103, 2104(d), (e), and (f), 2105, 2106, and 2107, as such provisions may be amended, and all other revenues (except revenues received by the Local Agency in accordance with Streets and Highways Code Section 2107.5), if any, received by the Local Agency from taxes imposed on the purchase of motor vehicle fuels and any payments, subventions, or reimbursements received by the Local Agency from the State in lieu of such revenues. Pursuant to the Trust Agreement, the Authority will assign to the Trustee all of the Authority’s rights and remedies under the 2011 Installment Sale Agreement, including, but not limited to, the Authority’s security interest in and lien upon the Gas Tax Revenues. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES,” “GAS TAX REVENUES,” and “APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.”

***Reserve Fund and Reserve Subaccounts.*** Pursuant to the Trust Agreement, the Trustee is required to maintain amounts on deposit in the Reserve Subaccount of the Reserve Fund for the Local Agency, which amounts are held by the Trustee and pledged to the payment of principal and interest with respect to the Certificates, in amounts equal to the Local Agency’s Reserve Fund Requirement (as defined herein) for such Reserve Subaccount. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Reserve Fund” and “APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Trust Agreement.”

***Certificate Insurance Policy.*** Concurrently with the execution and delivery of the Certificates, \_\_\_\_\_ (the “Certificate Insurer”) has agreed to deliver to the Trustee a [bond insurance policy] (the “Certificate Insurance Policy”). The Certificate Insurance Policy will guaranty the scheduled payments when due of the principal and interest with respect to the Certificates. See “CERTIFICATE INSURANCE POLICY.”

## **Special, Limited Obligation of the Local Agency**

THE OBLIGATION OF THE LOCAL AGENCY TO MAKE INSTALLMENT SALE PAYMENTS UNDER THE INSTALLMENT SALE AGREEMENT IS A SPECIAL OBLIGATION OF THE LOCAL AGENCY PAYABLE SOLELY FROM GAS TAX REVENUES AND DOES NOT CONSTITUTE A DEBT OF THE LOCAL AGENCY, THE AUTHORITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE LOCAL AGENCY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE LOCAL AGENCY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER.

## **Continuing Disclosure**

In connection with the execution and delivery of the Certificates, the Local Agency will covenant in a continuing disclosure agreement (the “Continuing Disclosure Agreement”), executed for the benefit of Owners, to provide certain financial information and operating data and notices of certain events, if

material. See “CONTINUING DISCLOSURE” and “APPENDIX D – FORM OF LOCAL AGENCY CONTINUING DISCLOSURE AGREEMENT.”

**Forward-Looking Statements**

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “intend,” “expect,” “propose,” “estimate,” “project,” “budget,” “anticipate,” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements described to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. No updates or revisions to these forward-looking statements are expected to be issued if or when the expectations, events, conditions, or circumstances on which such statements are based change. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such forward-looking statements. **READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON SUCH FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.**

**References Qualified**

The summaries of and references to all documents, statutes, reports, and other instruments referred to in this Official Statement do not purport to be complete, comprehensive, or definitive, and each such summary and reference is qualified in its entirety by reference to each such document, statute, report, or instrument.

**ESTIMATED SOURCES AND USES OF CERTIFICATE PROCEEDS**

The following table details the estimated sources and uses of Certificate proceeds.

Estimated Sources:

Principal Amount of Certificates	\$
[Less/Plus]: Net Original Issue [Discount/Premium]	
Less: Underwriter’s Discount	
Total Sources	\$

Estimated Uses:

Transfer to Certificate Insurer <sup>(1)</sup>	\$
Deposit into the Reserve Subaccounts of Reserve Fund <sup>(2)</sup>	
Deposit into the Costs of Issuance Fund <sup>(3)</sup>	
Deposit into the Proceeds Subaccounts of the Acquisition Fund <sup>(4)</sup>	
Total Uses	\$

<sup>(1)</sup> Represents the premium for the Certificate Insurance Policy.  
<sup>(2)</sup> Represents the Reserve Fund Requirement of \$ \_\_\_\_\_ for the Reserve Subaccount for the City of Placentia.  
<sup>(3)</sup> Moneys in the Costs of Issuance Fund are expected to be used to pay the fees and expenses of Special Counsel, Underwriter’s Counsel, the Trustee, and the applicable rating agency, as well as printing and other miscellaneous costs.  
<sup>(4)</sup> Within the Acquisition Fund, amounts will be deposited as follows: \$ \_\_\_\_\_ into the Proceeds Subaccount for the City of Placentia, to be applied to the acquisition and construction of the Project. See “THE LOCAL AGENCY AND THE PROJECT.”

## THE CERTIFICATES

### Authorization and Registration of Certificates

The Certificates are being executed and delivered by the Trustee pursuant to the Trust Agreement and the Resolutions. The Certificates will be dated the date of their initial delivery and will mature on the dates and in the principal amounts set forth on the cover page hereof. The Certificates will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, which will act as securities depository for the Certificates. See “THE CERTIFICATES – Book-Entry Only System” and “APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Trust Agreement.”

### Judicial Validation of Certificates

The City of Placentia filed a complaint in the Orange County Superior Court pursuant to the Validation Law seeking to validate certain issues raised by the proposed execution and delivery of the Certificates. The City of Placentia filed its complaint on January 11, 2010. There was no answering party in the action and, on April 12, 2010, the City of Placentia obtained a judgment in its favor that enjoins the institution of any action or proceeding raising any issue as to which such judgment is binding and conclusive. An appeal of such judgment may only be filed with the Orange County Superior Court within 30 days after the entry of such judgment and, since there was no answering party in the action, only issues related to the jurisdiction of the Orange County Superior Court to enter a judgment in the action may be raised during such period. The appeal period expired for such action on May 12, 2010.

### Payment of Certificates

The Certificates will be executed and delivered in fully registered form without coupons and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Certificates. Individual purchases of Certificates may be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof for each maturity. Purchasers will not receive certificates representing their interest in the Certificates purchased. Payments of principal and interest with respect to the Certificates will be made by the Trustee to DTC, which will in turn remit such principal and interest to its participants for subsequent dispersal to beneficial owners of the Certificates as described herein. Interest with respect to the Certificates is payable semiannually on each Interest Payment Date, commencing December 1, 2011, until the maturity or the earlier prepayment thereof. Principal and any prepayment premiums with respect to each Certificate will be paid on each Certificate Payment Date upon surrender of such Certificate at the principal corporate office of the Trustee upon maturity or the earlier prepayment thereof. See “THE CERTIFICATES – Book-Entry Only System.”

### Prepayment of Certificates

*Optional Prepayment of Certificates.* The Certificates maturing on or before June 1, 2021, are not subject to optional prepayment prior the respective stated maturities. The Certificates maturing on or after June 1, 2022, will be subject to optional prepayment prior to maturity, at the option of the Authority upon direction of the Local Agency, on or after June 1, 2021, in whole or in part (by lot within any maturity), on any date, at a prepayment price equal to the principal amount to be prepaid, plus accrued interest to the date fixed for prepayment, without premium. The Local Agency is required to provide written notice to the Authority and the Trustee at least 45 days prior to the prepayment date (or such lesser period of time acceptable to the Trustee in its sole discretion) specifying the principal amount evidenced by and maturities of the Installment Sale Payments to be prepaid.

***Mandatory Prepayment of Certificates Upon Acceleration.*** The Certificates are subject to mandatory prepayment prior to maturity, in whole or in part (by lot within any maturity), on any date, from amounts received upon the acceleration of Installment Sale Payments upon the occurrence of an event of default under the 2011 Installment Sale Agreement, at a prepayment price equal to the principal amount to be prepaid, plus accrued interest to the date fixed for prepayment, without premium.

***Mandatory Sinking Fund Prepayment.*** The Certificates maturing on June 1, 20\_\_, are subject to mandatory prepayment on June 1 of each year commencing June 1, 20\_\_, in part, from mandatory sinking fund payments, on each June 1 specified below, at a prepayment price equal to the principal evidenced thereby, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium. The principal evidenced by such Certificates to be so prepaid and the dates therefor shall be as follows:

<b>Mandatory Prepayment Date (June 1)</b>	<b><u>Principal Amount</u></b>
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(Maturity)

The amount of each such prepayment shall be reduced in the event and to the extent that Installment Sale Payments payable on the corresponding Certificate Payment Date are optionally prepaid by the Local Agency pursuant to the 2011 Installment Sale Agreement and applied to the prepayment of Certificates maturing on June 1, 20\_\_.

The Certificates maturing on June 1, 20\_\_, are subject to mandatory prepayment on June 1 of each year commencing June 1, 20\_\_, in part, from mandatory sinking fund payments, on each June 1 specified below, at a prepayment price equal to the principal evidenced thereby, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium. The principal evidenced by such Certificates to be so prepaid and the dates therefor shall be as follows:

<b>Mandatory Prepayment Date (June 1)</b>	<b><u>Principal Amount</u></b>
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(Maturity)

The amount of each such prepayment shall be reduced in the event and to the extent that Installment Sale Payments payable on the corresponding Certificate Payment Date are optionally prepaid by the Local Agency pursuant to the 2011 Installment Sale Agreement and applied to the prepayment of Certificates maturing on June 1, 20\_\_.

## **Purchase of Certificates in Lieu of Prepayment**

In lieu of prepayment of any Certificates, amounts on deposit in the Revenue Fund held under the Trust Agreement, or in any sinking account therein, may also be used and withdrawn by the Trustee at any time, upon the written request of the Authority, for the purchase of such Certificates at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest that is payable from the Interest Fund) as the Authority may in its discretion determine, but not in excess of the principal amount thereof plus accrued interest to the purchase date. The principal amount of any Certificates so purchased by the Trustee in any twelve-month period ending 60 days prior to any Certificate Payment Date in any year will be credited towards and shall reduce the principal amount of any Certificates required to be prepaid on such Certificate Payment Date in such year.

## **Selection of Certificates for Prepayment**

Whenever provision is made in the Trust Agreement for the prepayment or purchase of less than all of the Certificates or any given portion thereof, the Trustee will, subject to the following sentence, select the Certificates to be prepaid or purchased, from all Certificates subject to prepayment or purchase or such given portion thereof equal to a multiple of \$5,000 or any integral multiple thereof not previously called for prepayment or purchase, in any manner that the Trustee in its sole discretion shall deem appropriate and fair. Upon notice of any optional prepayment pursuant to the Trust Agreement, or receipt of moneys resulting in a mandatory prepayment pursuant to the Trust Agreement, the Trustee will request the Cash Flow Consultant to prepare a Cash Flow Report identifying the principal amount and maturities of the Certificates to be prepaid. The Trustee will promptly notify the Authority in writing of any prepayment or purchase of Certificates and of the Certificates or portions thereof so selected for prepayment or purchase.

## **Notice of Prepayment; Effect of Notice**

Notice of prepayment or purchase must be given in the form and manner specified in the Trust Agreement and is required to be mailed by first-class mail by the Trustee, not less than 30 nor more than 60 days prior to the prepayment or purchase date, to (i) the respective Owners of any Certificates designated for prepayment or purchase at their addresses appearing on the registration books of the Trustee, and (ii) if the Certificates are no longer held by DTC, to the Securities Depositories and the Information Services. If any of the Certificates are prepaid pursuant to an advance refunding, notice of such advance refunding and prepayment shall be given in the same manner as provided in the Trust Agreement for the optional or mandatory prepayment of Certificates, and also within the same time period with respect to the actual prepayment date. Notice of prepayment or purchase of Certificates will be given by the Trustee at the expense of the Authority. Conditional notice of prepayment may be given at the direction of the Authority and shall be given if funds sufficient to prepay the Certificates are not then on deposit with the Trustee.

Failure by the Trustee to give notice of the prepayment of Certificates pursuant to the Trust Agreement to any one or more of the Information Services or Securities Depositories will not affect the sufficiency of the proceedings for prepayment or purchase. Failure by the Trustee to mail notice of prepayment or purchase pursuant to the Trust Agreement to any one or more of the respective Owners of any Certificates designated for prepayment or purchase will not affect the sufficiency of the proceedings for prepayment with respect to the Owner or Owners to whom such notice was mailed.

## **Partial Prepayment or Purchase of Certificates**

Upon surrender of any Certificate to be prepaid or purchased in part only, the Trustee will execute and deliver to the registered owner thereof, at the expense of the Authority, a new Certificate or

Certificates of authorized denominations, and having the same Certificate Payment Date, equal in aggregate principal amount to the unprepaid or unpurchased portion of the Certificate surrendered.

### **Effect of Prepayment**

Notice of prepayment having been duly given as described above, and moneys for payment of the principal and prepayment premium, if any, of the Certificates (or portions thereof) so called for prepayment (the "Prepayment Price"), together with interest accrued to the prepayment date with respect to such Certificates (or portions thereof), being held by the Trustee, on the prepayment date designated in such notice, the Certificates (or portions thereof) so called for prepayment shall become due and payable at the Prepayment Price specified in such notice and interest accrued with respect thereto to the prepayment date, interest with respect to the Certificates so called for prepayment shall cease to accrue, said Certificates (or portions thereof) will cease to be entitled to any benefit or security under the Trust Agreement, and the Owners of said Certificates shall have no rights in respect thereof except to receive payment of said Prepayment Price and accrued interest.

### **Book-Entry Only System**

*The following information regarding DTC and its book-entry system has been provided by DTC and has not been verified for accuracy or completeness by the Authority or the Local Agency, and neither the Authority nor the Local Agency shall have any liability with respect thereto. Neither the Authority nor the Local Agency shall have any responsibility or liability for any aspects of the records maintained by DTC relating to, or payments made on account of, beneficial ownership, or for maintaining, supervising, or reviewing any records maintained by DTC relating to beneficial ownership, of interests in the Certificates.*

DTC will act as securities depository for the Certificates. The Certificates will be executed and delivered as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Certificate will be issued for each maturity of the Certificates, in the aggregate amount of such maturity, and will be deposited with DTC.

DTC, the world's largest 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 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participations") 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealer, Inc. 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 Standard &

Poor's Ratings Service ("Standard & Poor's") highest rating: AAA. The DTC Files applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Certificates except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as prepayments, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Prepayment notices shall be sent to DTC. If less than all of the Certificates are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be prepaid.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Certificates unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Certificates are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments with respect the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions

and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (or its nominee), the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Certificates at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Certificate certificates are required to be printed and delivered in accordance with the terms of the Trust Agreement.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Certificate certificates will be printed and delivered to DTC.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE LOCAL AGENCY AND THE AUTHORITY BELIEVE TO BE RELIABLE, BUT NEITHER THE LOCAL AGENCY NOR THE AUTHORITY TAKE ANY RESPONSIBILITY FOR THE ACCURACY THEREOF. NEITHER THE LOCAL AGENCY NOR THE AUTHORITY GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE PAYMENTS TO DTC PARTICIPANTS OR THAT PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS WITH RESPECT TO THE CERTIFICATES RECEIVED BY DTC OR ITS NOMINEES AS THE REGISTERED OWNER, ANY PREPAYMENT NOTICES, OR OTHER NOTICES TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

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## Debt Service

The table below presents the annual debt service with respect to the Certificates (including sinking account prepayments), assuming that there are no optional prepayments, for the year ending on June 1 in the years shown below:

### Debt Service Schedule

<u>Date</u> <u>(June 1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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Source: Underwriter.

## SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES

### Installment Sale Payments

The Certificates evidence proportionate and undivided interests of the Owners thereof in the Installment Sale Payments to be made by the Local Agency pursuant to the 2011 Installment Sale Agreement. Pursuant to the 2011 Installment Sale Agreement, the Local Agency is required to pay to the Trustee, from a first lien on the Gas Tax Revenues, the Local Agency's Installment Sale Payments, which are designed to be sufficient, in both time and amount, to pay, when due, the principal and interest evidenced and represented by the Certificates. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Gas Tax Revenues."

Pursuant to the Trust Agreement, the Authority assigns to the Trustee, for the benefit of the Owners, its rights under the 2011 Installment Sale Agreement, including, but not limited to, the Authority's security interest in and lien upon the Gas Tax Revenues. See "APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS."

### Pledge of Gas Tax Revenues

All Gas Tax Revenues and any other amounts (including proceeds of the sale of the Certificates) held by the Trustee in any fund or account established under the Trust Agreement (other than amounts on deposit in the Acquisition Fund and the Rebate Fund established under the Trust Agreement) will be irrevocably pledged to the payment of the principal, interest, and prepayment premium, if any, evidenced and represented by the Certificates as provided in the Trust Agreement, and the Gas Tax Revenues will not be used for any other purpose while any of the Certificates remain outstanding; provided, however, that out of the Gas Tax Revenues and other moneys there may be applied such sums for such purposes as are permitted under the Trust Agreement. Such pledge will constitute a first pledge of and charge and lien upon the Gas Tax Revenues and all other moneys on deposit in the funds and accounts established under the Trust Agreement (other than amounts on deposit in the Acquisition Fund and the Rebate Fund) for the payment of the interest and principal with respect to the Certificates in accordance with the terms of the Trust Agreement. Pursuant to the Trust Agreement, the Authority will assign to the Trustee all of the Authority's rights and remedies under the 2011 Installment Sale Agreement, including, but not limited to, the Authority's security interest in and lien upon the Gas Tax Revenues.

The term "Gas Tax Revenues" is defined in the 2011 Installment Sale Agreement as "Revenues" and means all amounts received by the Local Agency from the State in accordance with Streets and Highways Code Sections 2103, 2104(d), (e), and (f), 2105, 2106, and 2107, as such provisions may be amended, and all other revenues (except revenues received by the Local Agency in accordance with Streets and Highways Code Section 2107.5), if any, received by the Local Agency from taxes imposed on the purchase of motor vehicle fuels and any payments, subventions, or reimbursements received by the Local Agency from the State in lieu of such revenues.

In order to carry out and effectuate the pledge, charge, and lien contained in the Trust Agreement, the Authority will covenant that all Gas Tax 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 created and maintained by the Trustee under the Trust Agreement. All Gas Tax Revenues shall be held in trust in the Revenue Fund.

The following funds and accounts will be established within the Revenue Fund: (i) Interest Fund and, within the Interest Fund, an Interest Payment Account for the Local Agency; (ii) Principal Fund and, within the Principal Fund, a Principal Payment Account for the Local Agency; (iii) Reserve Fund and, within the Reserve Fund, a Reserve Subaccount for the Local Agency; (iv) Administration Fund and,

within the Administration Fund, an Administration Subaccount for the Local Agency; and (v) Surplus Account.

In order to carry out and effectuate the obligation of the Local Agency contained in the 2011 Installment Sale Agreement to pay the Installment Sale Payments and the Administration Fee (as defined below), the Local Agency will agree and covenant in the 2011 Installment Sale Agreement that all Gas Tax Revenues received by the Local Agency will be deposited when and as received in the Local Agency's Gas Tax Fund (the "Gas Tax Fund"), and all money on deposit in the Gas Tax Fund will be held in trust and applied only as provided in the 2011 Installment Sale Agreement. Pursuant to the 2011 Installment Sale Agreement, all money on deposit in the Gas Tax Fund shall be set aside and deposited by the Local Agency in the various funds and accounts within the Revenue Fund at the following times in the following order of priority:

***Interest Fund and Principal Fund Deposits.*** On or before the 15th day preceding each Interest Payment Date, the Local Agency shall, from the money in the Gas Tax Fund, transfer to the Trustee for deposit in the Local Agency's Interest Payment Account in the Interest Fund within the Revenue Fund, a sum equal to the interest becoming due and payable on the next succeeding Interest Payment Date, except that no such deposit need be made if the Trustee then holds money in such Interest Payment Account equal to the amount of interest becoming due and payable with respect to the Local Agency on the next succeeding Interest Payment Date; and on or before the 15th day preceding each Certificate Payment Date, the Local Agency shall, from the money in the Gas Tax Fund, transfer to the Trustee for deposit in the Local Agency's Principal Payment Account in the Principal Fund within the Revenue Fund, a sum equal to the principal becoming due and payable on the next succeeding Certificate Payment Date, except that no such deposit need be made if the Trustee then holds money in such Principal Payment Account equal to the amount of principal becoming due and payable with respect to the Local Agency on the next succeeding Certificate Payment Date.

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

***Administration Fund Deposit.*** On or before the 15th day preceding each Certificate Payment Date, the Local Agency shall, from the remaining money on deposit in the Gas Tax Fund, transfer to the Trustee for deposit in the Local Agency's Administration Subaccount in the Administration Fund within the Revenue Fund, a sum equal to the Administration Fee becoming due and payable under the Trust Agreement on the next Certificate Payment Date, and all money on deposit in the Administration Subaccount shall be used to pay the Administration Fee due on such Certificate Payment Date, in accordance with the terms of the Trust Agreement. "Administration Fee" means an amount equal to the sum of the respective annual administration fees charged by the Authority, the Trustee, and the Rebate Analyst, payable on the 15th day of the month preceding each Certificate Principal Payment Date.

So long as the Local Agency has made each required deposit to the Revenue Fund as required by the 2011 Installment Sale Agreement, the Local Agency may expend any remaining money in the Gas Tax Fund for any lawful purpose of the Local Agency.

For more information regarding the Gas Tax Fund and the historical and projected Gas Tax Revenues, see "GAS TAX REVENUES." See also "RISK FACTORS – Passive Revenue Source."

### **Deposit of Other Available Revenues**

Notwithstanding the pledge of Gas Tax Revenues as described above under the section "Pledge of Gas Tax Revenues," the Local Agency may satisfy its obligation to deposit Installment Sale Payments with the Trustee by depositing Other Available Revenues with the Trustee and, if and when so deposited, such Other Available Revenues shall be irrevocably pledged to the payment of Installment Sale Payments. Unless and until deposited with the Trustee, such Other Available Revenues are not pledged to the payment of Installment Sale Payments. The term "Other Available Revenues" is defined in the 2011 Installment Sale Agreement as revenues, other than Revenues as defined in the 2011 Installment Sale Agreement, legally available to the Local Agency to make Installment Sale Payments, including Article XIXB Revenues, to the extent the Project constitutes an Article XIXB Project, in an amount not greater than the Installment Sale Payments related to such Article XIXB Project, Measure M Revenues, to the extent the Project constitutes a Measure M Project, in an amount not greater than the Installment Sale Payments related to such Measure M Project, or any other revenues of the Local Agency made available, if any. The term "Article XIXB Project" is defined in the 2011 Installment Sale Agreement to mean a capital project for which Article XIXB Revenues may be expended. The term "Article XIXB Revenues" is defined in the 2011 Installment Sale Agreement to mean revenues allocated to the Local Agency from the sale, storage, use or, other consumption in California of motor vehicle fuel pursuant to Article XIXB of the Constitution of the State of California. The term "Measure M Project" is defined in the 2011 Installment Sale Agreement to mean a capital project for which Measure M Revenues may be expended. The term "Measure M Revenues" is defined in the 2011 Installment Sale Agreement to mean revenues allocated to the Local Agency from a retail transactions and use tax imposed in Orange County, in accordance with the provisions of part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code and Division 19 (commencing with Section 180000) of the California Public Utilities Code, pursuant to Ordinance No. 3, adopted by the Orange County Local Transportation Authority on July 24, 2006.

### **Additional Contracts**

So long as the Local Agency is not in default under the 2011 Installment Sale Agreement, the Local Agency may at any time execute any installment sale contracts, capital leases, or similar obligations of the Local Agency (each, a "Contract"), authorized and executed by the Local Agency under and pursuant to applicable law, the interest and principal and prepayment premium, if any, payments under and pursuant to which are payable from Gas Tax Revenues on a parity with the Local Agency's Installment Sale Payments; provided, that the audited Gas Tax Revenues for the fiscal year next preceding the date of the adoption by the governing body of the Local Agency of the resolution authorizing the execution of such Contract, as evidenced by both a calculation prepared by the Local Agency and a special report prepared by an Independent Certified Public Accountant on such calculation on file with the Local Agency shall have produced a sum equal to at least 175% of the Maximum Annual Debt Service on all of the Local Agency's Contracts outstanding after the execution of such Contract.

Notwithstanding the foregoing, there is no limitation on the ability of the Local Agency to execute any Contract at any time to refund any outstanding Contract.

### **Reserve Fund**

The Trustee will set aside from amounts deposited by the Local Agency in the Revenue Fund and deposit in the Local Agency's Reserve Subaccount that amount of money (or other authorized deposit of security) that shall be required to maintain the Local Agency's Reserve Subaccount in the full amount of

the Local Agency's Reserve Fund Requirement applicable to such Reserve Subaccount. No deposit need be made in the Reserve Subaccount so long as there shall be on deposit therein a sum equal to the applicable Reserve Fund Requirement. All money in the Reserve Subaccount (including all amounts that may be obtained from any insurance policy on deposit in such Reserve Subaccount) shall be used and withdrawn by the Trustee solely for the purpose of replenishing the related Local Agency Interest Payment Account or the related Local Agency Principal Payment Account, in that order, in the event of any deficiency at any time in either of such accounts, but solely for the purpose of paying the interest, principal, or prepayment premiums, if any, payable in connection with the 2011 Installment Sale Agreement, except that any cash amounts in the Reserve Subaccount in excess of the amount required to be on deposit therein shall be withdrawn from such Reserve Subaccount on each Interest Payment Date and deposited in the related Local Agency Interest Payment Account.

In lieu of making a Reserve Fund Requirement deposit or in replacement of moneys then on deposit in the Reserve Subaccount (which shall be transferred by the Trustee to the Local Agency upon delivery of an insurance policy satisfying the requirements stated below), the Local Agency may also deliver to the Trustee an insurance policy (a "Qualified Reserve Instrument") securing an amount, together with moneys or Permitted Investments on deposit in the Reserve Subaccount, no less than the applicable Reserve Fund Requirement, issued by an insurance company licensed to issue insurance policies guaranteeing the timely payment of the principal and interest components of the 2011 Installment Sale Agreement and whose unsecured debt obligations (or for which obligations secured by such insurance company's insurance policies) are rated in the two highest rating categories (without respect to any modifier) of the Rating Agencies.

If and to the extent that the Reserve Subaccount has been funded with a combination of cash (or Permitted Investments) and a Qualified Reserve Instrument, then all such cash (or Permitted Investments) shall be completely used before any demand is made on such Qualified Reserve Instrument, and replenishment of the Qualified Reserve Instrument shall be made prior to any replenishment of any cash (or Permitted Investments). If the Reserve Subaccount is funded, in whole or in part, with more than one Qualified Reserve Instrument, then any draws made against such Qualified Reserve Instrument shall be made pro-rata.

The term "Reserve Fund Requirement" is defined in the Trust Agreement 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 Installment Sale Payments under the 2011 Installment Sale Agreement; (ii) 125% of the average annual Installment Sale Payments under the 2011 Installment Sale Agreement, or (iii) the Maximum Annual Debt Service, as defined in the 2011 Installment Sale Agreement.

See "APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Trust Agreement."

### **Certificate Insurance Policy**

The scheduled payment of principal and interest with respect to the Certificates when due will be guaranteed under the Certificate Insurance Policy to be issued concurrently with the delivery of the Certificates by the Certificate Insurer. For a more detailed description of the Certificate Insurance Policy and the Certificate Insurer, see "CERTIFICATE INSURANCE POLICY" and "APPENDIX E – SPECIMEN CERTIFICATE INSURANCE POLICY."

## THE LOCAL AGENCY AND THE PROJECT

### Participating Local Agency

The City of Placentia is the Local Agency that will execute the Trust Agreement. Information regarding the Local Agency is included in Appendix B. See also “GAS TAX REVENUES” for a discussion of the historical and prospective Gas Tax Revenues for the Local Agency.

### The Project

The Local Agency is undertaking its Project as part of such Local Agency’s ongoing effort to accelerate street system improvements within its jurisdiction. The Project is expected to include the components described below.

The Project is comprised of facilities that are eligible for expenditure of Gas Tax Revenues under applicable laws of the State. The Project is expected to cost approximately \$5,730,000, and is currently expected to include the improvements described in the following table.

### DESCRIPTION OF PLANNED CITY OF PLACENTIA PROJECT COMPONENTS AND ESTIMATED COSTS

<u>Name of Project Component</u>	<u>Description of Project Component</u>	<u>Estimated Cost</u>
3R Work (Citywide)	Street maintenance, repair and improvements	\$1,500,000
Golden Avenue Bridge Rehabilitation	Bridge improvements	1,500,000
Valencia Avenue Rehabilitation	Street improvements	950,000
Santa Fe Street Improvements	Street, curb, gutter, sidewalk improvements	1,500,000
Richfield Road Widening	Street improvements	80,000
Signal Continuity Program (Citywide)	Traffic Signal Improvements	100,000
Pedestrian Accessibility Project (Citywide)	Street and sidewalk improvements	100,000
<b>Total</b>		<b>\$5,730,000</b>

Source: City of Placentia.

### GAS TAX REVENUES

Pursuant to the 2011 Installment Sale Agreement, the Local Agency will pledge its Gas Tax Revenues for the payment of Installment Sale Payments. The term “Gas Tax Revenues” is defined in the 2011 Installment Sale Agreement as “Revenues” and means all amounts received by the Local Agency from the State in accordance with Streets and Highways Code Sections 2103, 2104(d), (e), and (f), 2105, 2106, and 2107, as such provisions may be amended, and all other revenues (except revenues received by the Local Agency in accordance with Streets and Highways Code Section 2107.5), if any, received by the Local Agency from taxes imposed on the purchase of motor vehicle fuels and any payments, subventions, or reimbursements received by the Local Agency from the State in lieu of such revenues. Gas Tax Revenues are received by the Local Agency and held and maintained in the Gas Tax Fund of the Local Agency. See “– Statewide Gas Tax Apportionments” below.

## Statewide Fuel Consumption

The following table details the historical motor vehicle fuel use for the State for calendar years 2000 through 2009. Gas Tax Revenues are received by the Local Agency through apportionments of a tax levied by the State on the distribution of net taxable motor vehicle and taxable diesel fuel. The revenues from such tax are collected Statewide, and then apportioned to cities and counties in the State based on specified factors, including population.

### HISTORICAL FUEL USE STATE OF CALIFORNIA Statewide Fuel Distributions (Millions of Gallons)

<u>Year</u>	<u>Net Taxable Fuel <sup>(1)</sup></u>	<u>Taxable Fuel</u>	<u>Total</u>
2000	14,544,627,116	2,632,760,098	17,177,387,214
2001	15,117,143,010	2,627,365,691	17,744,508,701
2002	15,513,415,849	2,700,122,539	18,213,538,388
2003	15,661,671,712	2,667,933,636	18,329,605,348
2004	15,908,278,251	2,842,332,046	18,750,610,297
2005	15,937,855,020	2,963,733,672	18,901,588,692
2006	15,825,386,719	2,994,049,134	18,819,435,853
2007	15,672,334,029	3,082,740,281	18,755,074,310
2008	15,032,229,963	2,827,526,205	17,859,756,168
2009	14,811,281,527	2,580,138,949	17,391,420,476

(1) Includes aviation gasoline, which constitutes less than 1% of total.  
Source: California State Controller's Office.

## Statewide Gas Tax Revenues and Apportionments

*Historical Statewide Gas Tax Revenues.* The following table details the historical State gas and other taxes and income available for apportionment to cities and counties pursuant to the Streets and Highways Code for the fiscal years 1997 through 2010.

### STATEWIDE APPORTIONMENTS OF GAS TAX REVENUES STATE OF CALIFORNIA Fiscal Years 1997 through 2010

<u>Fiscal Year</u>	<u>Gasoline</u>	<u>Diesel</u>	<u>Use Fuel</u>	<u>Other</u>
1997	\$2,326,820,014.27	\$369,754,215.07	--	\$3,556,619.01
1998	2,384,177,816.52	386,196,849.77	\$ 752,429.09	4,587,598.52
1999	2,478,017,159.23	426,248,112.40	2,164,245.17	4,430,721.28
2000	2,465,594,433.20	446,358,768.12	1,806,220.40	3,985,877.16
2001	2,548,249,845.96	462,729,331.53	2,364,342.77	6,446,135.53
2002	2,658,222,917.06	462,921,539.59	2,292,259.94	5,320,384.18
2003	2,644,078,729.07	469,573,686.64	2,919,927.42	4,542,405.31
2004	2,690,175,521.69	508,459,347.89	2,487,020.79	2,260,010.41
2005	2,726,396,601.14	522,992,148.93	2,828,250.40	2,410,852.63
2006	2,684,849,928.33	544,660,666.44	3,454,724.27	3,816,543.02
2007	2,663,511,840.24	577,674,583.05	3,221,241.33	6,007,296.01
2008	2,636,756,497.13	588,630,861.34	3,192,638.66	7,079,143.27
2009	2,473,812,690.73	510,380,716.42	3,357,819.55	8,689,958.75
2010	2,486,437,214.68	491,771,675.92	4,402,234.39	4,815,783.31

Source: California State Controller's Office.

**Statewide Gas Tax Apportionments.** Apportionment to the Local Agency of per gallon taxes that comprise the Local Agency's Gas Tax Revenues is made monthly by the Controller of the State pursuant to Sections 2103, 2105, 2106, and 2107 of the California Streets and Highways Code (respectively, "Section 2103," "Section 2105," "Section 2106," and "Section 2107"). Apportionments under Sections 2104(d), (e), and (f) of the California Streets and Highways Code apply to counties only; the Local Agency does not receive any Gas Tax Revenues under such Sections.

For purposes of the following statutory apportionment of per gallon taxes, the population of each city is determined for that city by the last federal decennial or special census, or by a subsequent census validated by the population research unit of the State Department of Finance, or (if applicable) by the method described in Section 11105.3 of the California Revenue and Taxation Code or Sections 2107.1 or 2107.2 of the California Streets and Highways Code.

Gas Tax Revenues received by the Local Agency pursuant to Section 2107.5 of the California Streets and Highways Code are not included in the definition of Gas Tax Revenues for the Local Agency.

**Section 2103.** Section 2103 was substantially amended by the passage of Assembly Bill No. 9 (ABX8 9), adopted into law along with its companion Assembly Bill No. 6 (ABX8 6) on March 22, 2010. Pursuant to Section 2103, as amended, commencing in fiscal year 2010-11, a portion of the revenues from the increased the excise tax on gasoline that became effective on July 1, 2010, will be allocated each month to cities, among other purposes, as set forth in Section 2103. See " – 2010 Gasoline Sales Tax – Gasoline Excise Tax Swap" below and "RISK FACTORS – Possible Repeal of 2010 Gasoline Sales Tax – Gasoline Excise Tax Swap."

**Section 2105.** Pursuant to Section 2105, cities are apportioned a sum equal to \$0.1035 per gallon from the tax under Section 7360 of the Revenue and Taxation Code, 11.5% of any per gallon tax in excess of \$0.09 per gallon under Section 8651 of the California Revenue and Taxation Code, and \$0.01035 per gallon from the tax under Sections 60050 and 60115 of the Revenue and Taxation Code, in the proportion that the total population of the city bears to the total population of all cities in the State.

**Section 2106.** Pursuant to Section 2106, a sum equal to the net revenue derived from a \$0.0104 per gallon tax under the Motor Vehicle Fuel Tax Law (Section 7301 *et seq.* of the California Revenue and Taxation Code) (the "Motor Vehicle Fuel Tax Law") is apportioned monthly from the Highway Users Tax Account in the State's Transportation Tax Fund (the "Highway Users Tax Account") to cities as follows: (a) \$400 per month is apportioned to each city and city and county, and \$800 per month is apportioned to each county and city and county, (b) \$600,000 per month is transferred to the Bicycle

Transportation Account in the State Transportation Fund, and (c) the balance is apportioned as follows: (1) the total money is divided among the counties on the basis that the ratio of automobile registration for county bears to the statewide total, (2) within a county, the amount determined is divided between the county and the cities within that county in the proportion that the assessed valuation of tangible property outside the incorporated cities of the county and within the incorporated cities of the county bears to the total assessed valuation of the county, and (3) each city's share is then divided on the basis of the ratio of the city's population to the total population of all cities within the county.

**Section 2107.** Pursuant to Section 2107, a sum equal to the net revenues derived from a per gallon tax of \$0.01315 under the Motor Vehicle Fuel Tax Law, \$0.0259 under the Use Fuel Tax Law (Section 8601 *et seq.* of the California Revenue and Taxation Code), and \$0.0180 under the Diesel Fuel Tax Law (Section 60001 *et seq.* of the California Revenue and Taxation Code), is apportioned monthly to cities from the Highway Users Tax Account as follows: the State Controller allocates annually to each city that has filed a report containing the information prescribed by subdivision (c) of Section 2152 of the California Streets and Highways Code, and that had expenditures in excess of \$5,000 during the preceding fiscal year for snow removal, an amount equal to one-half the amount of its expenditures for snow removal in excess of \$5,000 during such fiscal year. The balance of such sum is allocated to each city in the proportion that the population of the city bears to the total population of all cities in the State.

**2010 Gasoline Sales Tax – Gasoline Excise Tax Swap.** In March 2010, as a part of a special budget session called by the Governor, the Legislature passed, and the Governor signed into law, ABX8 6 and ABX8 9, which contain the provisions for a swap of State sales taxes on gasoline in exchange for a gasoline excise tax. Such legislation: (i) effective July 1, 2010, repealed the State sales tax on gasoline; (ii) effective July 1, 2010, increased the excise tax on gasoline by \$0.173 per gallon and added an annual index that is intended to ensure that the new excise tax keeps pace with the revenues expected from the sales tax on gas; (iii) effective July 1, 2011, will impose an additional 1.75% tax on the sale, storage, use, and consumption of diesel fuel; and (iv) effective July 1, 2011, will reduce the excise tax on diesel fuel from \$0.18 to \$0.136 per gallon, subject to annual adjustment. The legislation includes expressed legislative intent to fully replace the local streets and road funds cities and counties would have received under the State sales tax on gasoline with allocations from the increased gasoline excise tax rate.

In fiscal year 2010-11 only, under Section 2103, the revenues from the increased the excise tax on gasoline will be allocated each month as follows, in the following order of priority: (a) first, to the Transportation Debt Service Fund of the State, amounts necessary to reimburse the State's General Fund for debt service paid with respect to specified State bonding programs; (b) second, \$54,167,000 per month will be held in the Highway Users Tax Account for future appropriation by the Legislature; (c) third, the remainder shall be allocated as follows: (i) 50% to the State Transportation Improvement Program ("STIP") and (ii) 50% evenly split between cities and counties using current Highway Users Tax Account formulas.

Beginning In fiscal year 2011-12 and continuing in fiscal years thereafter, under Section 2103, the revenues from the increased the excise tax on gasoline will be allocated each month as follows, in the following order of priority: (a) first, to the Transportation Debt Service Fund of the State, to reimburse the State's General Fund for debt service paid with respect to specified State bonding programs; and (b) second, the remainder shall be allocated as follows: (i) 44% to STIP, (ii) 12% to the State Highway Operation and Protection Program, the State's highway safety improvement program, and (iii) and 44% evenly split between cities and counties using current Highway Users Tax Account formulas.

**Possible Repeal of 2010 Gasoline Sales Tax – Gasoline Excise Tax Swap.** On November 2, 2010, the California electorate approved Proposition 26, the Supermajority Vote to Pass New Taxes and Fees Act ("Proposition 26"), an initiative amendment to the California Constitution. Proposition 26 requires a two-thirds supermajority vote in the California State Legislature to pass many fees, levies,

charges, and tax revenue allocations that under the State’s previous rules could be enacted by a simple majority vote. By its terms, Proposition 26 requires that any State law adopted between January 1, 2010, and November 2, 2010 (the date Proposition 26 was approved), that conflicts with Proposition 26 would be repealed one year after Proposition 26’s approval date. This repeal would not take place, however, if two-thirds of each house of the Legislature passed the law again. Because the State Legislature approved the 2010 gasoline sales tax – gasoline excise tax swap with only a majority vote in March 2010, that legislation will be repealed in November 2011 unless the State Legislature approves such legislation again with a two-thirds vote in each house. See “RISK FACTORS – Possible Repeal of 2010 Gasoline Sales Tax – Gasoline Excise Tax Swap.”

**City of Placentia Gas Tax Revenues**

*Historic Gas Tax Revenues.* The following table details the historical Gas Tax Revenues received by the City of Placentia, as apportioned under the California Streets and Highway Code to the City of Placentia for fiscal years 2000 through 2011.

**HISTORIC GAS TAX REVENUES  
CITY OF PLACENTIA  
Fiscal Years 2000 through 2011**

<u>Fiscal Year</u>	<u>Section 2103</u>	<u>Section 2105</u>	<u>Section 2106</u>	<u>Section 2107</u>	<u>Totals <sup>(1)</sup></u>
2000	\$ -	\$ 299,944	\$ 198,759	\$ 399,329	\$ 898,032
2001	-	303,623	200,910	401,170	905,703
2002	-	271,502	173,134	356,276	800,912
2003	-	327,863	208,846	435,395	972,104
2004	-	304,884	192,863	406,406	904,153
2005	-	310,524	195,831	412,560	918,915
2006	-	307,471	190,795	410,088	908,354
2007	-	310,970	196,478	415,690	923,138
2008	-	307,392	192,626	412,081	912,099
2009	-	281,327	179,215	374,787	835,329
2010	-	279,642	179,468	372,156	831,266
2011 <sup>(2)</sup>	261,832 <sup>(2)</sup>	184,864 <sup>(2)</sup>	118,249 <sup>(2)</sup>	244,598 <sup>(2)</sup>	809,543 <sup>(2)</sup>

(1) Does not include California Streets and Highways Code Section 2107.5 revenues.

(2) Fiscal year 2011 includes only revenues apportioned from July 2010 through February 2011.

Source: State of California Controller’s Office (Highway User’s Tax Fund Reports and Annual Street & Roads Report).

*Gas Tax Fund Financial Statements.* The following tables present the Balance Sheet and the Schedule of Revenues, Expenditures, and Changes in Fund Balances relating to the City of Placentia’s Gas Tax Fund for the fiscal years ended June 30, 2004, through June 30, 2010.

**BALANCE SHEET  
CITY OF PLACENTIA GAS TAX FUND  
For the Fiscal Years Ended June 30, 2004, through June 30, 2010**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>ASSETS:</b>							
Cash and investments	\$ 87,850	\$ 0	\$148,172	\$286,252	\$189,994	(\$104,653)	\$587,363
Due from other funds (1)	916,500	0	0	0	0	0	0
Due from ONTRAC JPA (2)	2,291,064	0	0	0	0	0	0
Due from other governments	0	0	0	0	0	0	130,988
Taxes and accounts receivable, net	0	\$86,896	176,636	89,289	304,115	104,653	0
<b>Total Assets</b>	<b>\$3,295,414</b>	<b>\$86,896</b>	<b>\$324,808</b>	<b>\$375,543</b>	<b>\$494,109</b>	<b>\$0</b>	<b>\$718,351</b>

<b>LIABILITIES:</b>							
Accounts Payable	\$ 11,542	\$136	0	0	0	0	0
Due to other funds (1)	<u>4,526,294</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total liabilities</b>	<b>\$4,537,836</b>	<b>\$136</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FUND BALANCE:</b>							
Reserved for: ONTRAC JPA receivable	\$2,291,064						
Unreserved, reported in special revenue funds	<u>(3,533,486)</u>	<u>\$86,760</u>	<u>\$324,809</u>	<u>\$375,543</u>	<u>\$494,109</u>	0	<u>\$718,351</u>
<b>Total fund balance (deficit)</b>	<b>(\$1,242,422)</b>	<b>\$86,760</b>	<b>\$324,809</b>	<b>\$375,543</b>	<b>\$494,109</b>	<b>0</b>	<b>\$718,351</b>
<b>Total Liabilities and fund balances</b>	<b>\$3,295,414</b>	<b>\$86,896</b>	<b>\$324,809</b>	<b>\$375,543</b>	<b>\$494,109</b>	<b>\$0</b>	<b>\$718,351</b>

(1) See Note 3 in City of Placentia Comprehensive Annual Financial Reports for the fiscal year ended June 30, 2004.

(2) Orange North American Trade Rail Access Corridor Joint Powers Authority.

Source: City of Placentia Comprehensive Annual Financial Reports for the applicable periods.

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
CITY OF PLACENTIA GAS TAX FUND  
For the Fiscal Years Ended June 30, 2004, through June 30, 2010**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009 <sup>(1)</sup></u>	<u>2010</u>
<b>REVENUES</b>							
Intergovernmental	\$910,155	\$926,414	\$1,164,934	\$1,297,215	\$1,742,056	\$1,199,070	\$2,076,394
Investment Income	<u>0</u>	<u>0</u>	<u>862</u>	<u>40,055</u>	<u>18,377</u>	<u>6,877</u>	<u>765</u>
<b>Total Revenues</b>	<b>\$910,155</b>	<b>\$926,414</b>	<b>\$1,165,796</b>	<b>\$1,337,270</b>	<b>\$1,760,433</b>	<b>\$1,205,947</b>	<b>\$2,077,159</b>
<b>EXPENDITURES</b>							
General Government					\$157,516	\$30,000	0
Public Works					358,212	9,057	0
Capital Outlay	<u>\$38,672</u>	<u>\$15,900</u>	<u>0</u>	<u>0</u>	<u>--</u>	<u>0</u>	<u>0</u>
<b>Total Expenditures</b>	<b>\$38,672</b>	<b>\$15,900</b>	<b>0</b>	<b>0</b>	<b>\$515,728</b>	<b>\$39,057</b>	<b>0</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in		\$418,668	0	0		0	
Transfers out	<u>(\$849,403)</u>	<u>0</u>	<u>(\$927,747)</u>	<u>(\$1,286,536)</u>	<u>(\$1,126,139)</u>	<u>(\$1,660,999)</u>	<u>(\$1,358,808)</u>
<b>Total Other Financing Sources (Uses)</b>	<b>(\$849,403)</b>	<b>\$418,668</b>	<b>(\$927,747)</b>	<b>(\$1,286,536)</b>	<b>(\$1,126,139)</b>	<b>(\$1,660,999)</b>	<b>(\$1,358,808)</b>
<b>Net Change in Fund Balance</b>	<b>\$22,080</b>	<b>\$1,329,182</b>	<b>\$238,049</b>	<b>\$50,734</b>	<b>\$118,566</b>	<b>(\$494,109)</b>	<b>\$718,351</b>
<b>Fund Balance (deficit), Beginning of Year (July 1)</b>	<b>(\$1,264,502)</b>	<b>(\$1,242,422)</b>	<b>\$ 86,760</b>	<b>\$324,809</b>	<b>\$375,543</b>	<b>\$494,109</b>	<b>0</b>
<b>Fund Balance (deficit), End of Year (June 30)</b>	<b>(\$1,242,422)</b>	<b>\$ 86,760</b>	<b>\$324,809</b>	<b>\$375,543</b>	<b>\$494,109</b>	<b>\$0</b>	<b>\$718,351</b>

Source: City of Placentia Comprehensive Annual Financial Reports for the applicable periods.

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**Projected Gas Tax Revenues.** The following is a projection of Gas Tax Revenues as prepared by the Underwriter. These projections are based upon current circumstances and available information that the Underwriter and the City of Placentia believe to be reasonable. These projections assume no increase or decrease in Gas Tax Revenues from fiscal year 2011 levels during fiscal years 2012 through 2031. The assumptions may be affected by numerous factors and there can be no assurance that such projections will be achieved.

**PROJECTED GAS TAX REVENUES  
AND DEBT SERVICE COVERAGE  
CITY OF PLACENTIA GAS TAX FUND  
For Fiscal Years Ending June 30, 2012, through June 30, 2031**

Fiscal Year	Estimated 2010/11 Gas Tax Revenues (Excluding Sales/Excise Tax Swap Revenues) <sup>(1)</sup>	Estimated 2010/11 Gas Tax Revenues (Including Sales/Excise Tax Swap Revenues) <sup>(2)</sup>	Estimated Debt Service <sup>(3)</sup>	Debt Service Coverage (Excluding Sales/Excise Tax Swap Revenues) <sup>(4)</sup>	Debt Service Coverage (Including Sales/Excise Tax Swap Revenues) <sup>(5)</sup>
2012	837,203	1,360,694	478,402	175%	284%
2013	837,203	1,360,694	478,402	175%	284%
2014	837,203	1,360,694	478,402	175%	284%
2015	837,203	1,360,694	478,402	175%	284%
2016	837,203	1,360,694	478,402	175%	284%
2017	837,203	1,360,694	478,402	175%	284%
2018	837,203	1,360,694	478,402	175%	284%
2019	837,203	1,360,694	478,402	175%	284%
2020	837,203	1,360,694	478,402	175%	284%
2021	837,203	1,360,694	478,402	175%	284%
2022	837,203	1,360,694	478,402	175%	284%
2023	837,203	1,360,694	478,402	175%	284%
2024	837,203	1,360,694	478,402	175%	284%
2025	837,203	1,360,694	478,402	175%	284%
2026	837,203	1,360,694	478,402	175%	284%
2027	837,203	1,360,694	478,402	175%	284%
2028	837,203	1,360,694	478,402	175%	284%
2029	837,203	1,360,694	478,402	175%	284%
2030	837,203	1,360,694	478,402	175%	284%
2031	837,203	1,360,694	478,402	175%	284%

- (1) Gas Tax Revenues assuming no 2010 gasoline sales tax – gasoline excise tax swap, i.e., exclusive of Section 2103 revenues. Projections are based on the actual allocations as reported by the California State Controller. Source: CaliforniaCityFinance.com.
- (2) Gas Tax Revenues, inclusive of Section 2103 revenues under 2010 gasoline sales tax – gasoline excise tax swap that became effective on July 1, 2010. Projections are based on the actual allocations as reported by the California State Controller. Source: CaliforniaCityFinance.com.
- (3) Debt service based on estimated aggregate principal amount of \$5,400,000 of Certificates and a weighted average interest rate of 6.25%. Source: Underwriter.
- (4) Debt service coverage based upon Gas Tax Revenues, assuming no 2010 gasoline sales tax – gasoline excise tax swap, i.e., exclusive of Section 2103 revenues. Source: Underwriter.
- (5) Debt service coverage based upon Gas Tax Revenues, inclusive of Section 2103 revenues under 2010 gasoline sales tax – gasoline excise tax swap that became effective on July 1, 2010. Source: Underwriter.

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## CERTIFICATE INSURANCE POLICY

*The following information has been furnished by the Certificate Insurer (also referred to herein as “\_\_\_\_\_”) for use in this Official Statement. Reference is made to Appendix E for a specimen of the Certificate Insurance Policy.*

[TO BE PROVIDED BY BOND INSURER, IF APPLICABLE]

## RISK FACTORS

*Investment in the Certificates involves risks that may not be appropriate for certain investors. The following is a discussion of certain risk factors that should be considered, in addition to other matters set forth herein, in evaluating the Certificates for investment. The information set forth below does not purport to be an exhaustive listing of the risks and other considerations that may be relevant to an investment in the Certificates. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.*

### **Installment Sale Payments Constitute Limited Obligations**

The obligation of the Local Agency to make Installment Sale Payments under the 2011 Installment Sale Agreement is a special obligation of the Local Agency and does not constitute a debt of the Local Agency, the Authority, the State, or any political subdivision of the State within the meaning of any constitutional or statutory debt limitation or restriction, and does not constitute an obligation for which the Local Agency, the State, or any political subdivision of the State is obligated to levy or pledge any form of taxation or for which the Local Agency, the State, or any political subdivision of the State has levied or pledged any form of taxation. The Authority has no taxing power.

### **Passive Revenue Source**

The payment of principal and interest with respect to the Certificates is secured solely by a pledge by the Local Agency of the Local Agency’s Gas Tax Revenues and certain funds under the 2011 Installment Sale Agreement. The Local Agency has no control over the amount of Gas Tax Revenues to be received by the Local Agency because (1) the amount of Gas Tax Revenues received by the Local Agency is based on Statewide fuel consumption and the Local Agency has no ability to control such consumption or to increase the rate at which such fuel is taxed within the State, and (2) the Local Agency has no control over the collection or distribution procedures related to any State taxes, including taxes levied in connection with fuel consumption.

There can be no assurance that Gas Tax Revenues will be available in the amounts estimated in this Official Statement. A decrease in fuel consumption in the State, which would adversely affect the amount and/or availability of Gas Tax Revenues, could result from a variety of circumstances, including, without limitation, oil shortages or embargos, increased use of alternative fuel sources, or natural disasters. See also “– Gasoline Sales Subject to Fluctuation” below.

### **Additional Contracts**

Subject to certain restrictions, the Local Agency is permitted to enter into other Contracts that constitute additional charges against its Gas Tax Revenues without the consent of Owners of the Certificates. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Additional Contracts.” To the extent that other Contracts are executed by the Local Agency, the funds available to pay the Installment Sale Payments may be decreased.

### **Loss of Tax Exemption**

As discussed under the heading “TAX MATTERS,” certain acts or omissions of the Local Agency in violation of its covenants in the Trust Agreement and the 2011 Installment Sale Agreement could result in the interest represented by the Certificates being includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Certificates. Should such an event of taxability occur, the Certificates would not be subject to a special prepayment and would remain outstanding.

### **Limitations on Remedies; Bankruptcy**

The rights of the owners of the Certificates are subject to the limitations on legal remedies against municipalities in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. Additionally, enforceability of the rights and remedies of the owners of the Certificates, and enforcement of the Local Agency’s obligations under the 2011 Installment Sale Agreement, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor’s rights generally, now or hereafter in effect, equity principles that may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against cities in the State.

Bankruptcy proceedings under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs the bankruptcy proceedings for public agencies such as the Local Agency, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Certificates to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

Special Counsel has limited its opinion as to the validity and enforceability of the 2011 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.

## **Constitutional Limitations on Appropriations**

California law imposes various taxing, revenue, and appropriations limitations on public agencies such as the Local Agency. See “CONSTITUTIONAL PROVISIONS AFFECTING LOCAL AGENCY REVENUES AND APPROPRIATIONS” herein for a discussion of these limitations.

### **Diversion of Gas Tax Revenues**

Section 6 of Article XIX of the California Constitution permits the State to loan to the State General Fund the revenues derived from taxes imposed on gasoline and diesel fuels within the State (collectively, the “Fuel Tax Revenues”) if (a) any amount loaned is to be repaid in full during the same fiscal year in which the loan was made, except that repayment may be delayed until a date not more than 30 days after the date of enactment of the State budget bill for the subsequent fiscal year, or (b) any amount loaned is to be repaid in full within three fiscal years from the date on which the loan was made and one of the following has occurred: (1) the Governor has proclaimed a state of emergency and declares that the emergency will result in a significant negative fiscal impact to the State General Fund, or (2) the aggregate amount of State General Fund revenues for the current fiscal year, as projected by the Governor in a report to the State Legislature in May of the current fiscal year, is less than the aggregate amount of State General Fund revenues for the previous fiscal year, adjusted for the change in the cost of living and the change in population, as specified in the budget submitted by the Governor in the current fiscal year. Article XIX of the California Constitution includes no provision for the payment of interest on such borrowing. A loan made to the General Fund as described in this paragraph could have an adverse impact on the amount or availability of Gas Tax Revenues.

While the State has loaned Fuel Tax Revenues to the State General Fund, typically such amounts were loaned from the State portion of such Fuel Tax Revenues, and not from amounts paid to local governments. In recent years, however, the State has diverted Fuel Tax Revenues that would otherwise have been paid to local governments, as summarized below.

In fiscal year 2008-09, the Legislature passed and the Governor signed legislation requiring that Fuel Tax Revenues collected during the months of March, April, May, June, and July of 2008 and otherwise transferrable to local governments be suspended and instead be transferred to such local governments along with the August Fuel Tax Revenues in September 2008. Such diverted amounts were repaid in full without interest in September 2008. Subsequent legislation again delayed the scheduled payments of Fuel Tax Revenues collected in January, February, and March of 2009; such payments were instead transferred to local governments along with the April Fuel Tax Revenues in May 2009. The fiscal year 2009-10 State budget also delayed and diverted scheduled monthly payments to local governments. Scheduled payments of Fuel Tax Revenues collected in June, July, and August of 2009 were suspended and instead transferred to local governments along with the September Fuel Tax Revenues in October 2009. In addition, scheduled payments of Fuel Tax Revenues collected in October, November, and December 2009 and January and February 2010 were suspended and instead transferred to local governments along with the March Fuel Tax Revenues in April 2010.

In March 2010, the Legislature amended Section 2103.1 of the Streets and Highways Code to provide that, for the months of July, August, September, October, November, and December 2010, and January, February, and March 2011, no more than \$50,000,000 each month of Fuel Tax Revenues could be deferred and diverted from local governments (excluding certain exempted counties and cities) and instead paid to local governments by April 30, 2011. On November 2, 2010, the California electorate approved Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act of 2010 (“Proposition 22”), an initiative amendment to the California Constitution. Proposition 22 prohibits the State from raiding funds that are allocated to local government, public safety, and transportation purposes, including the local government portion of Fuel Tax Revenues. In December 2010, the California State

Controller's Office notified local governments that it had determined that Proposition 22 effectively prohibited such continued deferrals of Fuel Tax Revenues under Section 2103.1 of the Streets and Highways Code and that funds deferred from July through October 2010 would be repaid to local governments by April 30, 2011.

In addition, other issues and uncertainties may arise with respect to the implementation or interpretation of, or the interaction between, the gasoline sales tax – gasoline excise tax swap (see "GAS TAX REVENUES – Statewide Gas Tax Revenues and Apportionments – 2010 Gasoline Sales Tax – Gasoline Excise Tax Swap") and Proposition 22, and additional legislation may be enacted or litigation may be commenced with respect to those or other such matters. Any such legislation or litigation regarding or affecting such implementation, interpretation, interaction, or other matters may adversely impact Gas Tax Revenues to be received the Local Agency.

### **Possible Repeal of 2010 Gasoline Sales Tax – Gasoline Excise Tax Swap**

Proposition 26, an initiative amendment to the California Constitution approved by the California electorate on November 2, 2010, requires a two-thirds supermajority vote in the California State Legislature to pass many fees, levies, charges, and tax revenue allocations that under the State's previous rules could be enacted by a simple majority vote. By its terms, Proposition 26 requires that any State law adopted between January 1, 2010, and November 2, 2010 (the date Proposition 26 was approved), that conflicts with Proposition 26 would be repealed one year after Proposition 26's approval date. This repeal would not take place, however, if two-thirds of each house of the Legislature passed the law again. Because the State Legislature approved the 2010 gasoline sales tax – gasoline excise tax swap with only a majority vote in March 2010, that legislation will be repealed in November 2011 unless the State Legislature approves such legislation again with a two-thirds vote in each house. See "GAS TAX REVENUES – Statewide Gas Tax Revenues and Apportionments – 2010 Gasoline Sales Tax – Gasoline Excise Tax Swap."

In response to the passage of Proposition 26, Governor Brown's proposed budget for fiscal year 2011-12 released on January 10, 2011, among other things, proposes trailer bill language to reenact the 2010 gasoline sales tax – gasoline excise tax swap in order prevent the repeal of that legislation. The 2010 gasoline sales tax – gasoline excise tax swap legislation includes expressed legislative intent to fully replace the local streets and road funds cities and counties would have received under the State sales tax on gasoline with allocations from the increased gasoline excise tax rate. In connection with a repeal of such legislation, it is possible that the increased gasoline excise tax rate would be invalidated because it was not approved by a two-thirds vote but that the repealed State sales tax on gasoline would not be reinstated. Gas Tax Revenues have never included the State sales tax on gasoline, however, and the repeal or reinstatement of such sales tax on gasoline will have no effect on the amount of Gas Tax Revenues to be received by the Local Agency.

If the 2010 gasoline sales tax – gasoline excise tax swap legislation is repealed, Section 2103 of the California Streets and Highways Code would no longer be effective, but the Local Agency expects that it would continue to receive Gas Tax Revenues under Sections 2105, 2106, and 2107 of the California Streets and Highways Code in amounts determined on the same basis as was done prior to the implementation of the 2010 gasoline sales tax – gasoline excise tax swap. See "GAS TAX REVENUES – Statewide Gas Tax Revenues and Apportionments." Neither the Local Agency nor the Authority can predict whether the State Legislature will vote to reenact the 2010 gasoline sales tax – gasoline excise tax swap legislation or, if so, whether a two-thirds majority will be achieved in each house or, if such legislation is repealed, the effect thereof on the amount of Gas Tax Revenues to be received by the Local Agency.

In addition, other issues and uncertainties may arise with respect to the implementation or interpretation of, or the interaction between, the gasoline sales tax – gasoline excise tax swap and Proposition 26, and additional legislation may be enacted or litigation may be commenced with respect to those or other such matters. Any such legislation or litigation regarding or affecting such implementation, interpretation, interaction, or other matters may adversely impact Gas Tax Revenues to be received the Local Agency.

### **Gasoline Sales Subject to Fluctuation**

The collection of taxes imposed on the purchase of motor vehicle fuels is necessarily subject to fluctuations in spending which is affected by, among other things, general economic cycles. Gas Tax Revenues may increase along with the increasing fuel prices brought about by inflation, but collections also are vulnerable to adverse economic conditions and reduced spending and may decrease as a result. Consequently, the rate of collection of taxes imposed on the purchase of motor vehicle fuels and, particularly, Gas Tax Revenues may be expected to correspond generally to economic cycles, patterns of usage of automobiles and truck transport, alternative transportation and energy sources as may be developed, and changes in population and density, among other factors. The Local Agency has no control over general economic cycles, alternate energy sources, or changes in usage over time, and is unable to predict what economic factors, demands, changes in use or cycles of collection will occur while the Certificates remain outstanding.

### **No Liability of Authority to Owners**

Subject to any provisions in the Trust Agreement to the contrary, the Authority has no obligation or liability to the Owners of the Certificates with respect to the payment when due of the Installment Sale Payments by the Local Agency or with respect to the performance by the Local Agency of other agreements and covenants required to be performed by the Local Agency under the 2011 Installment Sale Agreement or the Trust Agreement, or with respect to the performance by the Trustee of any of the Trustee's rights or obligations under the Trust Agreement.

### **Economic, Political, Social, and Environmental Conditions**

Prospective investors are encouraged to evaluate current and prospective economic, political, social, and environmental conditions as part of an informed investment decision. Changes in economic, political, social, or environmental conditions on a local, state, federal, or international level may adversely affect investment risk generally. Such conditional changes may include (but are not limited to) the reduction or elimination of previously available State or federal revenues, fluctuations in business production, consumer prices, or financial markets, unemployment rates, technological advancements, shortages or surpluses in natural resources or energy supplies, changes in law, social unrest, fluctuations in the crime rate, political conflict, acts of war or terrorism, environmental damage and natural disasters.

## **CONSTITUTIONAL PROVISIONS AFFECTING LOCAL AGENCY REVENUES AND APPROPRIATIONS**

### **Article XIII B of the California Constitution – Limitations on Appropriations**

On November 6, 1979, State voters approved Proposition 4, the so-called Gann Initiative, which added Article XIII B to the California Constitution ("Article XIII B"). In June 1990, Article XIII B was amended by the voters through their approval of Proposition 111, which is described below under the caption "Proposition 111." Article XIII B limits the annual appropriations of the State and of any city, county, school district, authority, or other political subdivision of the State to the level of appropriations

for the prior fiscal year, as adjusted annually for changes in the cost of living, population, and cost of services rendered by the governmental entity. The “base year” for establishing such appropriation limit is fiscal year 1978-79. Increases in appropriations by a governmental entity are also permitted (i) if financial responsibility for providing services is transferred to the governmental entity, or (ii) for emergencies, so long as the appropriations limits for the three years following the emergency are reduced to prevent any aggregate increase above the Constitutional limit. Decreases are required where responsibility for providing services is transferred from the government entity.

Appropriations of an entity of local government subject to Article XIII B include generally any authorization to expend during the fiscal year the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance, and disability insurance funds. Appropriations subject to limitation pursuant to Article XIII B do not include debt service on indebtedness existing or legally authorized as of January 1, 1979, on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990, levels. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to any entity of government from (i) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (ii) the investment of tax revenues, and (iii) certain State subventions received by local governments. Article XIII B includes a requirement that if an entity’s revenues in any year exceed the amount permitted to be spent, the excess must be returned by revising tax rates or fee schedules over the subsequent two fiscal years.

Article XIII B allows voters to approve a temporary waiver of a government’s Article XIII B limit. Such a waiver is often referred to as a “Gann limit waiver.” The length of any such waiver is limited to four years. The Gann limit waiver does not provide any additional revenues to the Local Agency or allow the Local Agency to finance additional services.

Installment Sale Payments are subject to the Article XIII B appropriations limitations. For fiscal year 2008-09, the City of Placentia calculated its appropriations limit at \$61,667,521. For fiscal year 2009-10, the City of Placentia calculated its appropriations limit at \$62,688,973. For fiscal year 2010-11, the City of Placentia has budgeted its appropriations limit at \$63,835,073. The Local Agency has never made appropriations that exceeded the limitation on appropriations under Article XIII B. The impact of the appropriations limit on the Local Agency’s financial needs in the future is unknown.

### **Articles XIII C and XIII D of the California Constitution – The Right to Vote on Taxes**

On November 5, 1996, State voters approved Proposition 218, entitled the “Right to Vote on Taxes Act” (“Proposition 218”). Proposition 218 added Article XIII C (“Article XIII C”) and Article XIII D (“Article XIII D”) to the California Constitution, which Articles contain a number of provisions affecting the ability of local agencies to levy and collect both existing and future taxes, assessments, fees, and charges. The interpretation and application of certain provisions of Proposition 218 will ultimately be determined by the courts with respect to some of the matters discussed below. It is not possible at this time to predict with certainty the future impact of such interpretations. The provisions of Proposition 218, as so interpreted and applied, may affect the ability of the Local Agency to meet certain obligations, as applicable.

Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes, even if deposited in a general fund such as the general fund of the Local Agency, require a two-thirds vote. Article XIII C further provides that any general purpose tax imposed, extended, or increased,

without voter approval, after December 31, 1994, may continue to be imposed only if approved by a majority vote in an election, which must be held within two years of November 5, 1996. The Local Agency not has imposed, extended, or increased any such taxes that are currently in effect.

Article XIIC also expressly extends the initiative power to give voters the power to reduce or repeal local taxes, assessments, fees, and charges, regardless of the date such taxes, assessments, fees, and charges were imposed. Article XIIC expands the initiative power to include reducing or repealing assessments, fees, and charges, which had previously been considered administrative rather than legislative matters and therefore beyond the initiative power. This extension of the initiative power is not limited by the terms of Article XIIC to fees imposed after November 6, 1996, and absent other legal authority could result in the retroactive reduction in any existing taxes, assessments, fees, or charges. No assurance can be given that the voters within the jurisdiction of the Local Agency will not, in the future, approve initiatives which reduce or repeal, or prohibit the future imposition or increase of, local taxes, assessments, fees or charges currently comprising a substantial part of the Local Agency's general fund. "Assessments," "fees," and "charges" are not defined in Article XIIC, and it is unclear whether these terms are intended to have the same meanings for purposes of Article XIIC as for Article XIID described below. If not, the scope of the initiative power under Article XIIC potentially could include any general fund local tax, assessment, or fee not received from or imposed by the federal or State government or derived from investment income. The Local Agency does not levy any property related "fees" or "charges" that it considers subject to challenge under Article XIIC.

The voter approval requirements of Proposition 218 reduce the flexibility of the Local Agency to raise revenues for its general fund, and no assurance can be given that the Local Agency will be able to impose, extend, or increase taxes in the future to meet increased expenditure needs.

Article XIID also added several new provisions relating to how local agencies may levy and maintain "assessments" for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments that exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that the assessment must confer a "special benefit," as defined in Article XIID, over and above any general benefits conferred, and (iii) a majority protest procedure that involves the mailing of a notice and a ballot to the record owner of each affected parcel, a public hearing, and the tabulation of ballots weighted according to the proportional financial obligation of the affected party. "Assessment" in Article XIID is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property and applies to landscape and maintenance assessments for open space areas, street medians, street lights, and parks.

In addition, Article XIID added several provisions affecting "fees" and "charges," defined for purposes of Article XIID to mean "any levy other than an *ad valorem* tax, a special tax, or an assessment, imposed by [a local government] upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." All new and existing property related fees and charges must conform to requirements prohibiting, among other things, fees and charges that (i) generate revenues exceeding the funds required to provide the property related service, (ii) are used for any purpose other than those for which the fees and charges are imposed, (iii) are for a service not actually used by, or immediately available to, the owner of the property in question, or (iv) are used for general governmental services, including police, fire, ambulance, or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Depending on the interpretation of what constitutes a "property related fee" under Article XIID, there could be future restrictions on the ability of the Local Agency to charge its respective enterprise funds for various services provided. Further, before any property related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The Local Agency must then hold a hearing upon the proposed imposition or increase and, if written protests against the proposal are presented by a majority of the owners of the identified parcels, the Local

Agency may not impose or increase the fee or charge. Moreover, except for fees or charges for wastewater, water, and refuse collection services, or fees for electrical and gas service, which fees or charges are not treated as “property related” for purposes of Article XIID, no property related fee or charge may be imposed or increased without majority approval by the property owners subject to the fee or charge or, at the option of the local agency, two-thirds voter approval by the electorate residing in the affected area.

The Local Agency does not believe that the provisions of Article XIIC or Article XIID will directly impact the Gas Tax Revenues available to the Local Agency to make its Installment Sale Payments required pursuant to the 2011 Installment Sale Agreement.

### **Future Initiatives**

Article XIIB, Article XIIC, and Article XIID were each adopted as measures that qualified for the ballot pursuant to the State’s Constitutional initiative process. From time to time other initiative measures could be adopted, affecting the ability of the Local Agency to increase or apply revenues and to make or increase appropriations.

## **THE AUTHORITY**

The Authority is a joint powers agency organized pursuant to a Joint Powers Agreement among a number of California counties, cities, and special districts entered into pursuant to the provisions relating to the joint exercise of powers contained in Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code. The Authority is authorized to participate in financings for the benefit of certain organizations described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

Since its formation in 1988, the Authority has issued more than \$47.2 billion in tax-exempt financings. Any obligation, other than the obligation represented by the Certificates, previously or to be issued or otherwise incurred by the Authority will be secured by instruments separate and apart from the Trust Agreement and the 2011 Installment Sale Agreement. The holders of such other obligations of the Authority will have no claim on the security for the Certificates and the Owners will have no claim on the security of such other obligations issued by the Authority.

The Authority is governed by a seven-member commission and is currently comprised of three members from the California State Association of Counties, two members from the League of California Cities, one member from the City of Sacramento, and one member from the County of Sacramento (collectively, the “Commissioners”). Neither the Authority nor its Commissioners or officers have any obligations or liability to the Owners of the Certificates with respect to the payment of Installment Sale Payments by the Local Agency under the 2011 Installment Sale Agreement, or with respect to the performance of the Local Agency of other covenants made by the Local Agency in the 2011 Installment Sale Agreement.

## **TAX MATTERS**

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Special Counsel”), Special Counsel to the Local Agency, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain

covenants, the interest on the Installment Sale Payments paid by the Local Agency under the 2011 Installment Sale Agreement and received by the owners of the Certificates is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Special Counsel is of the further opinion that such interest is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Special Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Special Counsel is set forth in Appendix C hereto.

To the extent the issue price of any maturity of the Certificates is less than the amount to be paid at maturity of such Certificates (excluding amounts stated to be interest and payable at least annually over the term of such Certificates), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Owner thereof, is treated as the interest on the Installment Sale Payments, which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Certificates is the first price at which a substantial amount of such maturity of the Certificates is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). The original issue discount with respect to any maturity of the Certificates accrues daily over the term to maturity of such Certificates on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Certificates to determine taxable gain or loss upon disposition (including sale, prepayment, or payment on maturity) of such Certificates. Owners of the Certificates should consult their own tax advisors with respect to the tax consequences of ownership of Certificates with original issue discount, including the treatment of Owners who do not purchase such Certificates in the original offering to the public at the first price at which a substantial amount of such Certificates is sold to the public.

Certificates purchased, whether at original execution and delivery or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier repayment date) ("Premium Certificates") will be treated as having amortizable premium. No deduction is allowable for the amortizable premium in the case of obligations, like the Premium Certificates, the interest on the Installment Sale Payments of which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an Owner's basis in a Premium Certificate, will be reduced by the amount of amortizable premium properly allocable to such Owner. Owners of Premium Certificates should consult their own tax advisors with respect to the proper treatment of amortizable premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of the interest on the Installment Sale Payments. The Authority and the Local Agency have made certain representations and covenanted to comply with certain restrictions, conditions, and requirements designed to ensure that the interest on the Installment Sale Payments will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in the interest on the Installment Sale Payments being included in gross income for federal income tax purposes, possibly from the date of original delivery of the Certificates. The opinion of Special Counsel assumes the accuracy of these representations and compliance with these covenants. Special Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Special Counsel's attention after the date of delivery of the Certificates may adversely affect the value of, or the tax status of the interest on, the Installment Sale Payments. Accordingly, the

opinion of Special Counsel is not intended to, and may not, be relied upon in connection with any such actions, events, or matters.

Although Special Counsel is of the opinion that the interest on the Installment Sale Payments is excluded from gross income for federal income tax purposes and are exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of the interest on the Installment Sale Payments may otherwise affect an Owner's federal, state, or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Owner or the Owner's other items of income or deduction. Special Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code, or court decisions may cause the interest on the Installment Sale Payments to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code, or court decisions (including the matter below) may affect the market price for, or marketability of, the Certificates. Prospective purchasers of the Certificates should consult their own tax advisers regarding any pending or proposed federal tax legislation, as to which Special Counsel expresses no opinion.

The opinion of Special Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Special Counsel's judgment as to the proper treatment of the Certificates for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Special Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or the Local Agency, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof, or the enforcement thereof by the IRS. The Authority and the Local Agency have covenanted, however, to comply with the requirements of the Code.

Special Counsel's engagement with respect to the Certificates ends with the delivery of the Certificates and, unless separately engaged, Special Counsel is not obligated to defend the Authority, the Local Agency, or the Owners regarding the tax-exempt status of the Certificates in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority, the Local Agency, and their appointed counsel, including the Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the Authority or the Local Agency legitimately disagree may not be practicable. Any action of the IRS, including but not limited to selection of the Certificates for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues may affect the market price for, or the marketability of, the Certificates, and may cause the Authority, the Local Agency, or the Owners to incur significant expense.

## RATINGS

It is anticipated that Standard & Poor's will assign its municipal bond rating of "\_\_\_\_" to the Certificates. Such rating is based on the issuance of the Certificate Insurance Policy by the Certificate Insurer. In addition, Standard & Poor's has assigned an underlying municipal bond rating of "A" to the

Certificates. There is no assurance that any such ratings will be in effect for any given period of time or that either or both will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal may have an adverse effect on the market price of the Certificates. Such ratings reflect only the views of the rating agency furnishing such ratings and an explanation of the significance of a rating may be obtained only from such rating agency.

### **CONTINUING DISCLOSURE**

The Local Agency will covenant in the Continuing Disclosure Agreement to provide certain financial information and operating data and notices of certain listed events and to file such information and notices with the Municipal Securities Rulemaking Board. The specific nature of the information required to be provided is set forth in the Continuing Disclosure Agreement, a form of which is attached hereto as Appendix D. These covenants are being made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), as amended. The Local Agency has never failed to provide any previous continuing disclosure or notices of listed events. See "APPENDIX D – FORM OF LOCAL AGENCY CONTINUING DISCLOSURE AGREEMENT."

### **UNDERWRITING**

The Certificates are being purchased by E. J. De La Rosa & Co., Inc. (the "Underwriter"). The Underwriter has agreed to purchase the Certificates at a price of \$\_\_\_\_\_ (which represents the aggregate principal amount of the Certificates, [less/plus] a net original issue [discount/premium] of \$\_\_\_\_\_, less an Underwriter's discount of \$\_\_\_\_\_.

The contract of purchase pursuant to which the Certificates are being purchased by the Underwriter provides that the Underwriter will purchase all of the Certificates if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the contract of purchase.

The Underwriter may offer and sell the Certificates to certain dealers and others at prices or yields different from the prices or yields stated on the cover page of this Official Statement. In addition, the offering prices or yields may be changed from time to time by the Underwriters.

Although the Underwriter expects to maintain a secondary market in the Certificates after the initial offering, no guaranty can be made that such a market will develop or be maintained by the Underwriter or others.

### **NO LITIGATION**

#### **The Authority**

To the knowledge of the Authority, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, governmental agency, public board, or body, pending against the Authority seeking to restrain or enjoin the execution, delivery, or sale of the Certificates, or in any way contesting or affecting any proceedings of the Authority taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Certificates, the validity or enforceability of the documents executed by the Authority in connection with the Certificates, the completeness or accuracy of this Official Statement, or the existence or powers of the Authority relating to the sale of the Certificates.

## **The Local Agency**

The Local Agency will certify that there is no action, suit, or proceeding known to the Local Agency to be pending or, to the best knowledge of the Local Agency, threatened, restraining, or enjoining the execution or delivery of the Certificates, the Trust Agreement, or the 2011 Installment Sale Agreement, or in any way contesting or affecting the validity of the foregoing or any proceeding of the Local Agency taken with respect to any of the foregoing or that will materially affect the ability of the Local Agency to pay the Installment Sale Payments when due.

## **CERTAIN LEGAL MATTERS**

The validity and enforceability of the 2011 Installment Sale Agreement and the Trust Agreement and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Special Counsel to the Local Agency. A complete copy of the proposed form of Special Counsel opinion is contained in Appendix C hereto. Special Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the Authority by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, for the City of Placentia by its City Attorney, Andrew V. Arczynski, Placentia, California, and for the Underwriter by Goodwin Procter LLP, Los Angeles, California, as Underwriter's Counsel.

## **MISCELLANEOUS**

The purpose of this Official Statement is to supply information to prospective buyers of the Certificates. Quotations from and summaries and explanations of the Certificates and other documents contained herein do not purport to be complete and reference is made to said documents for full and complete statements of their provisions.

This Official Statement and its distribution have been duly authorized and approved by the Authority and the Local Agency.

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY,**  
As agent for and on behalf of the Local Agency

By: \_\_\_\_\_  
Member of the Commission

## APPENDIX A

### SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

*The following is a brief summary of certain provisions of the Trust Agreement, the 2011 Installment Sale Agreement, the Sale Agreement, and the Agency Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to said documents.*

**[REPLACE THIS PAGE WITH BOND COUNSEL'S DOCUMENT SUMMARIES]**

**APPENDIX B**

**GENERAL INFORMATION REGARDING  
PARTICIPATING LOCAL AGENCY**

**CITY OF PLACENTIA**

*The Certificates do not constitute a general obligation debt of the participating Local Agency, and the Local Agency has not pledged its full faith and credit to the repayment of the Certificates. The following information regarding the City of Placentia is presented for informational purposes only. The Certificates are payable solely from the sources described in the Official Statement.*

**General**

The City of Placentia, California (the “City of Placentia”), is located in the northeastern portion of the County of Orange, California (“Orange County”), approximately 24 miles southeast of City of Los Angeles. The City of Placentia currently occupies approximately 6.7 square miles of land and serves a population of over 50,000 residents.

**Government**

The City of Placentia was incorporated in 1926 and has operated as a charter city under a council-administrator form of government since 1965. The five members of the City Council of the City of Placentia (the “Placentia City Council”) are elected at large for staggered five-year terms. The Placentia City Council selects one of its members as Mayor and one of its members as Mayor Pro Tem every year. The current members of the Placentia City Council, and their respective offices, are listed below:

<u>Name</u>	<u>Office</u>
Scott W. Nelson	Mayor
Jeremy B. Yamaguchi	Mayor Pro Tem
Joseph V. Aguirre	Councilmember
Constance Underhill	Councilmember
Chad P. Wanke	Councilmember

**Population**

The following table describes the population in the City of Placentia since the year 2001.

**City of Placentia  
Population  
Calendar Years 2001 through 2010**

<u>January 1</u>	<u>Population</u>
2001	47,619
2002	48,319
2003	49,097
2004	49,891
2005	50,323
2006	51,236
2007	51,597
2008	51,727
2009	51,932
2010	52,305

Source: City of Placentia Comprehensive Annual Financial Report for Fiscal Year 2009-10.

## Labor Force and Unemployment

According to State of California Employment Development Department statistics, in November 2010, the City of Placentia had a labor force of approximately 28,000 workers and an unemployment rate of approximately 8.2%. For the same period, Orange County had a labor force of approximately 1,607,800 workers and an unemployment rate of approximately 9.3%.

## Major Employers

The following table describes the largest employers within the City of Placentia as of June 2010.

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Placentia-Yorba Linda Unified School District	Education	2,500
Placentia-Linda Community Hospital	Hospital	375
The Hartwell Corporation	Mechanical Fasteners	290
Primedia	Publisher of Trade Magazines	200
City of Placentia	Government	211

Source: City of Placentia.

## Property Tax Rates

In June of 1978, California voters approved Proposition 13 (the Jarvis-Gann Initiative), which added Article XIII A to the California Constitution (“Article XIII A”). Article XIII A limits *ad valorem* taxes on real property to 1% of the full cash value, plus taxes necessary to repay indebtedness approved by the voters prior to July 1, 1978. Voter-approved obligations that impact the residents of the City of Placentia are comprised of debts incurred by the Metropolitan Water District of Southern California, the Placentia-Yorba Linda Unified School District, and the North Orange County Community College District (collectively, the “City of Placentia Voter-Approved Obligations”). The following table describes the City of Placentia’s annual direct and overlapping property tax rates since the year 2003.

### City of Placentia Direct and Overlapping Property Tax Rates Fiscal Years 2003 through 2010

<u>Fiscal Year Ended June 30</u>	<u>Article XIII A Basic Tax Rate</u>	<u>City of Placentia Voter-Approved Obligations</u>	<u>Total Direct and Overlapping Property Tax Rates</u>
2003	1.00%	0.0542%	1.0542%
2004	1.00	0.0360	1.0360
2005	1.00	0.0507	1.0507
2006	1.00	0.0494	1.0494
2007	1.00	0.0457	1.0456
2008	1.00	0.0490	1.0490
2009	1.00	0.0668	1.0668
2010	1.00	0.0825	1.0825

Source: City of Placentia Comprehensive Annual Financial Report for Fiscal Year 2009-10.

## Property Tax Levies, Collections, and Delinquencies

In Orange County, property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and

a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll becomes tax delinquent on June 30. Such property may thereafter be prepaid by payment of the delinquent taxes plus the delinquency penalty, plus a prepayment penalty of one and one-half percent per month to the time of prepayment. If taxes remain unpaid for a period of five years or more, the property is subject to sale by the Orange County Tax Collector.

In Orange County, property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of one and one-half percent per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer, (2) filing a certificate in the office of the Orange County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer, (3) filing a certificate of delinquency for record in the Orange County Recorder's office in order to obtain a lien on certain property of the taxpayer, and (4) seizure and sale of personal property, improvements, or possessory interests belonging or assessed to the taxpayer.

Orange County has adopted the Teeter Plan pursuant to Sections 4701 through 4717 of the California Revenue and Taxation Code (the "Teeter Plan"). The Teeter Plan permit counties to use a method of apportioning taxes whereby all local agencies, including cities, receive from such counties 100% of their respective share of the amount of secured ad valorem taxes levied, without regard to actual collections of the taxes levied. So long as the Teeter Plan is continued within the Orange County, the local agencies within Orange County (including the City of Placentia) are, in effect, guaranteed the full amount of their respective share of the amount of secured *ad valorem* property taxes levied.

The following table details the City of Placentia's property tax levies and collections for the last five fiscal years.

**City of Placentia  
Property Tax Levies and Collections  
Fiscal Years 2006 through 2010**

<b>Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year <sup>(1)</sup></b>	<b>Collected Within the Fiscal Year of Levy</b>	
		<b>Amount</b>	<b>Percent of Levy</b>
2006	\$10,509,134	\$10,273,977	97.76%
2007	12,096,749	12,038,615	99.52
2008	13,053,161	12,753,432	97.70
2009	14,171,276	14,099,708	99.49
2010	13,659,309	12,718,318	93.11

(1) Amounts include City of Placentia property taxes, redevelopment tax increment, and in-lieu vehicle license fees.  
Source: City of Placentia Comprehensive Annual Financial Report for Fiscal Year 2009-10.

## Assessed Property Values

The following table details the assessed value of the secured and unsecured real property within the City of Placentia since fiscal year 2001.

### City of Placentia Assessed Value of Taxable Property Fiscal Years 2001 through 2010

Year Ended <u>June 30</u>	Assessed Value of Secured <u>Real Property</u>	Assessed Value of Public Utility <u>Property</u>	Assessed Value of Unsecured <u>Real Property</u>	<u>Total Assessed Value</u>
2001	\$2,667,945	\$3,284	\$131,891	\$2,803,120
2002	2,886,544	3,320	127,502	3,017,366
2003	3,117,311	3,135	140,622	3,261,068
2004	3,356,745	2,939	139,573	3,499,257
2005	3,649,241	2,900	139,925	3,792,066
2006	4,025,669	2,927	160,990	4,189,586
2007	4,475,589	2,838	150,559	4,628,986
2008	4,820,355	381	170,439	4,991,175
2009	4,693,057	465	140,530	4,834,052
2010	4,794,903	390	172,357	4,967,650

Source: City of Placentia Comprehensive Annual Financial Report for Fiscal Year 2009-10.

## Principal Taxpayers

The following table lists the top ten property taxpayers in the City of Placentia as of June 30, 2010.

### City of Placentia Top Ten Property Taxpayers

<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>
OC of SD Holdings LLC	\$83,296,000	1.68%
Placentia 422	50,948,000	1.03
Villa Tierra Apartments LLC	33,489,000	0.67
Donahue Schriber Realty Group	24,406,000	0.49
Inland Western Placentia LLC	24,067,000	0.48
Placentia-Linda Hospital Inc.	23,373,000	0.47
Reef Imperial Rose Inc.	21,190,000	0.43
Reality Associates Fund VIII LP	19,768,000	0.40
Western Oak Tree Court Partners LP	14,592,000	0.29
Bradford Terrace Placentia Apartments	<u>14,312,000</u>	<u>0.29</u>
<b>Total</b>	<b>\$309,441,000</b>	<b>6.23%</b>

Source: City of Placentia Comprehensive Annual Financial Report for Fiscal Year 2009-10.

## Outstanding Debt

The City of Placentia uses a variety of tax increment, revenue, and lease indebtedness to finance various capital acquisitions. The outstanding balances for indebtedness during the last six fiscal years are set forth in the following table.

**City of Placentia  
Outstanding Debt  
Fiscal Years 2005 through 2010  
(Amounts expressed in thousands, except Per Capita)**

Fiscal Year Ended	Governmental Activities			Business-Type Activities	Total Primary Government	Percent of Assessed Valuation	Per Capita
	Redevelopment Tax Allocation	Capital Leases	Certificates of Participation	Capital Leases			
June 30	Bonds						
2005	\$7,420	\$808	\$19,965	\$53	\$28,246	0.745%	\$561.29
2006	7,295	471	19,002	18	26,786	0.639	522.80
2007	7,170	208	11,038	--	18,416	0.398	356.92
2008	7,040	111	9,950	--	17,101	0.343	330.60
2009	17,946	15	8,782	--	26,743	0.553	514.96
2010	17,839	--	7,534	--	25,373	0.511	485.10

Source: City of Placentia Comprehensive Annual Financial Report for Fiscal Year 2009-10.

## Taxable Retail Sales

Consumer spending in calendar year 2009 resulted in \$384,349,000 in taxable sales in the City of Placentia, which is approximately 15.8% below calendar year 2008.

The following table describes the total taxable sales in the City of Placentia for calendar years 2003 through 2009.

**City of Placentia  
Taxable Retail Sales  
Calendar Years 2003 through 2009  
(000s omitted)**

<u>Year</u>	<u>Retail Stores</u>	<u>Total Outlets</u>
2003	\$348,471	\$490,962
2004	353,359	488,908
2005	388,761	518,753
2006	377,304	522,928
2007	351,137	483,054
2008	311,056	456,705
2009	251,795	384,349

Source: California State Board of Equalization.

The following table describes the taxable sales in the City of Placentia for each type of business for calendar year 2009.

**City of Placentia  
Taxable Retail Sales for Each Type of Business  
Calendar Year 2009  
(000s omitted)**

	<u>2009</u>
Motor Vehicle and Parts Dealers	\$ 45,820
Home Furnishings and Appliance Stores	16,413
Building Materials and Garden Equipment and Supplies	5,079
Food and Beverage Stores	18,875
Gasoline Stations	47,242
Clothing and Clothing Accessories Stores	13,308
General Merchandise Stores	5,132
Food Services and Drinking Places	59,689
Other Retail Group	<u>40,237</u>
<b>Total Retail and Food Services</b>	<b>\$251,795</b>
All Other Outlets	<u>132,554</u>
<b>Total All Outlets <sup>(1)</sup></b>	<b>\$384,349</b>

(1) Totals may not add due to rounding.  
Source: California State Board of Equalization.

**Building Activity**

The following table summarizes building activity valuations in the City of Placentia during the fiscal years 2004 through 2010.

**City of Placentia  
Building Activity Valuations  
Fiscal Years 2004 through 2010  
(000s omitted)**

<u>Fiscal Year</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Residential Valuation	\$61,000	\$22,000	\$25,000	\$12,000	\$15,000	\$15,100	\$ 7,682
Commercial Valuation	<u>3,900</u>	<u>4,600</u>	<u>1,600</u>	<u>7,700</u>	<u>3,900</u>	<u>4,400</u>	<u>3,631</u>
<b>Total Valuation</b>	<b>\$64,900</b>	<b>\$26,600</b>	<b>\$26,600</b>	<b>\$19,700</b>	<b>\$18,900</b>	<b>\$19,500</b>	<b>\$11,313</b>

Source: City of Placentia.

## APPENDIX C

### PROPOSED FORM OF SPECIAL COUNSEL OPINION

[Date of Delivery]

Participants identified  
in the Trust Agreement

California Communities  
Gas Tax Revenue Certificates of Participation,  
Series 2011A (Gas Tax Accelerated Street Improvement Program)  
(Final Opinion)

Ladies and Gentlemen:

We have acted as special counsel to the City of Placentia (the "Participant") in connection with the execution and delivery of California Communities Gas Tax Revenue Certificates of Participation, Series 2011A (Gas Tax Accelerated Street Improvement Program), evidencing principal in the aggregate amount of \$\_\_\_\_\_ (the "Certificates"). In such connection, we have reviewed the Installment Sale Agreement, dated as of April 1, 2011 (the "Installment Sale Agreement"), between the Participant and the California Statewide Communities Development Authority (the "Authority"), the Trust Agreement, dated as of April 1, 2011 (the "Trust Agreement"), among the Authority, the Participant and Wells Fargo Bank, National Association, as trustee (the "Trustee"), the Tax Certificate of the Participant, dated the date hereof (the "Tax Certificate"), opinions of counsel to the Participant, the Authority, the Trustee and others, certificates of the Participant, the Authority, the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Installment Sale Agreement and the Trust Agreement.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions, including a default judgment rendered on April 12, 2010, by the Superior Court of the State of California for the County of Orange in the action entitled *City of Placentia v. All Persons Interested in the Matter, etc.*, Case No. \_\_\_\_\_, and cover certain matters not directly addressed by such authorities. 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 in connection with any such actions, events or matters. Our engagement with respect to the Certificates has concluded with their execution and delivery, 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, any parties other than the Participant. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the first paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Installment Sale Agreement, the Trust Agreement and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Installment Sale Payments evidenced by the Certificates to be included in gross income for federal income tax purposes.

In addition, we call attention to the fact that the rights and obligations under the Certificates, the Installment Sale Agreement, the Trust Agreement and the Tax Certificate and their enforceability may be

subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against public entities such as the Participant in the State of California. We express no opinion with respect to the enforceability of any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the real or personal property described in the Installment Sale Agreement or the accuracy or sufficiency of the description contained therein of any such property. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Certificates and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Installment Sale Agreement and the Trust Agreement have been duly executed and delivered by, and constitute the valid and binding obligations of, the Participant.

2. The obligation of the Participant to pay the Installment Sale Payments, and the interest thereon, and other payments required to be made by it under the Installment Sale Agreement is a special obligation of said Participant payable, in the manner provided in the Installment Sale Agreement, solely from Revenues and other funds provided for in the Installment Sale Agreement lawfully available therefor.

3. Assuming due authorization, execution and delivery of the Trust Agreement and the Certificates by the Trustee, the Certificates are entitled to the benefits of the Trust Agreement.

4. Interest on the Installment Sale Payments paid by the Participant under the Installment Sale Agreement and received by the registered owners of the Certificates is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. Such interest is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that it is included in adjusted current earnings when calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the accrual or receipt of such interest or the ownership or disposition of the Certificates.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

## APPENDIX D

### FORM OF LOCAL AGENCY CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by and between the City of Placentia (the "Reporting Local Agency"), and Wells Fargo Bank, National Association, in its capacity as dissemination agent (the "Dissemination Agent"), in connection with the execution and delivery of the California Communities Gas Tax Revenue Certificates of Participation, Series 2011A, in an aggregate principal amount of \$ \_\_\_\_\_ (the "Certificates"). The Certificates are being executed and delivered Wells Fargo Bank, National Association, as trustee (the "Trustee"), pursuant to the provisions of that certain Trust Agreement, dated as of April 1, 2011 (the "Trust Agreement"), by and among the Authority, the Trustee, and the Reporting Local Agency, in order to provide funds to finance the acquisition, construction, and improvement of certain public improvements within the jurisdiction of the Reporting Local Agency. The Reporting Local Agency and the Dissemination Agent hereby certify, covenant, and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the parties hereto for the benefit of the holders and beneficial owners of the Certificates and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) promulgated under the Securities and Exchange Act of 1934.

Section 2. Definitions. In addition to the definitions set forth in the Trust Agreement and in the 2011 Installment Sale Agreement, dated as of April 1, 2011 (the "2011 Installment Sale Agreement"), by and between the California Statewide Communities Development Authority (the "Authority") and the Reporting Local Agency, which apply to any capitalized terms used in this Disclosure Agreement, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" shall mean any Annual Report provided by the Reporting Local Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"*Annual Report Date*" shall mean the date in each year that is nine (9) months after the end of the Reporting Local Agency's fiscal year, the end of which, as of the date of this Disclosure Agreement, is June 30.

"*Dissemination Agent*" shall mean, initially, Wells Fargo Bank, National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent that is so designated in writing by the Reporting Local Agency and has filed with the then-current Dissemination Agent a written acceptance of such designation.

"*Listed Events*" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"*MSRB*" shall mean the Municipal Securities Rulemaking Board.

"*Official Statement*" means the Official Statement dated \_\_\_\_\_, 2011, relating to the Certificates.

"*Participating Underwriter*" shall mean E. J. De La Rosa & Co., Inc., the original underwriter of the Certificates required to comply with the Rule in connection with offering of the Certificates.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

Section 3. Provision of Annual Reports.

(a) The Reporting Local Agency shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2012, provide to MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 15 calendar days prior to said date, the Reporting Local Agency shall provide its Annual Report to the Dissemination Agent, if such Dissemination Agent is a different entity than the Reporting Local Agency. The Annual Report must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as is prescribed by MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that any audited financial statements of the Reporting Local Agency may be submitted separately from the balance of the Annual Report, and not later than the date required above for the filings of the Annual Report. If the Reporting Local Agency’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The Reporting Local Agency shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished hereunder. The Dissemination Agent may conclusively rely upon such certification of the Reporting Local Agency and shall have no duty or obligation to review such Annual Report.

(b) If the Reporting Local Agency is unable to provide to MSRB an Annual Report by the date required in subsection (a), the Reporting Local Agency shall send to MSRB a notice in substantially the form attached as Exhibit A. Such notice must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as prescribed by MSRB.

(c) The Dissemination Agent shall:

1. provide any Annual Report received by it to MSRB by the date required in subsection (a);
2. file a report with the Reporting Local Agency and the Trustee (if the Dissemination Agent is other than the Trustee) certifying that the Annual Report has been provided to MSRB pursuant to this Disclosure Agreement and stating the date it was provided; and
3. take any other actions mutually agreed upon between the Dissemination Agent and the Reporting Local Agency.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements of the Reporting Local Agency, which include information regarding the funds and accounts of the Reporting Local Agency, if any, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If such audited financial statements are not available at the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report

shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) The following information with respect to the Reporting Local Agency and the Certificates for the fiscal year to which the Annual Report relates, which information may be provided by its inclusion in the audited financial statements of the Reporting Local Agency for such fiscal year described in subsection (a) above:

1. Principal amount of the Certificates outstanding (including principal amount and years of maturity of Certificates, if any, called for prepayment in advance of maturity) and any bonds or certificates of participation issued or executed and delivered, as applicable, to refund the same.
2. Balance in the funds and accounts established under the Trust Agreement or the 2011 Installment Sale Agreement.
3. If the amount on deposit in the Reserve Subaccount applicable to the Reporting Local Agency held in the Reserve Fund is not equal to the applicable Reserve Fund Requirement, the amount of the delinquency or surplus, as applicable.
4. A description of the status of construction of the Reporting Local Agency's Project, including (i) a description of any land use entitlements acquired or amended with respect to any portion of the Project during the period covered by the Annual Report, and (ii) any previously undisclosed legislative, administrative, or judicial challenges to the development of the Project, if material.
5. Any material changes to the Reporting Local Agency's expectations with regard to the anticipated or projected Gas Tax Revenues, as disclosed in the Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Reporting Local Agency or related public entities, that are available to the public on MSRB's Internet Web site or filed with the SEC. If the document included by reference is a final official statement, it must be available from MSRB. The Reporting Local Agency shall clearly identify each such other document so included by reference.

#### Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Reporting Local Agency shall give, or cause to be given, not in excess of ten business days after the occurrence of any of the following events, notice of the occurrence of such event with respect to the Certificates:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of any credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

7. Modifications to rights of security holders, if material.

8. Certificate calls, if material, and tender offers.

9. Defeasances.

10. Release, substitution, or sale of property securing repayments of the securities, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership, or similar event of the Reporting Local Agency [this Listed Event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Reporting Local Agency in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Reporting Local Agency, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Reporting Local Agency].

13. Consummation of a merger, consolidation, or acquisition involving the Reporting Local Agency or the sale of all or substantially all of the assets of the Reporting Local Agency, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Upon and after the occurrence of a Listed Event listed under subsection (a)(2), (a)(7), (a)(8), (a)(10), (a)(13), or (a)(14) above, the Reporting Local Agency shall as soon as possible determine if such event would be material under applicable federal securities laws. If the Reporting Local Agency determines that knowledge of the occurrence of such Listed Event would be material under applicable federal securities laws, the Reporting Local Agency shall file a notice of such occurrence with MSRB, with a copy to the Trustee and the Participating Underwriter, within ten business days after the occurrence of such Listed Event. Such notice must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as prescribed by MSRB.

(c) Within ten business days after the occurrence of any Listed Event (other than a Listed Event listed under subsection (a)(2), (a)(7), (a)(8), (a)(10), (a)(13), or (a)(14) above), the Reporting Local Agency shall file a notice of such occurrence with MSRB, with a copy to the Trustee and the Participating Underwriter. Such notice must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as prescribed by MSRB.

Section 6. Termination of Reporting Obligation. The obligations of the Reporting Local Agency and the Dissemination Agent specified in this Disclosure Agreement shall terminate upon the legal defeasance, prior prepayment, or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the Reporting Local Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 7. Dissemination Agent. The Reporting Local Agency may from time to time appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Reporting Local Agency shall act as Dissemination Agent. The initial Dissemination Agent shall be Wells Fargo Bank, National Association.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Reporting Local Agency may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to annual or event information to be provided hereunder, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Reporting Local Agency or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel have complied with the requirements of the Rule at the time of the primary offering of the Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by holders of the Certificates in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of holders, or (ii) does not, in the opinion of the Reporting Local Agency or nationally recognized bond counsel, materially impair the interest of Certificates owners.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the annual financial information containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Reporting Local Agency to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to MSRB.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Reporting Local Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that

which is required by this Disclosure Agreement. If the Reporting Local Agency chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Reporting Local Agency shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Reporting Local Agency to comply with any provisions of this Disclosure Agreement any Participating Underwriter or any holder or beneficial owner of the Certificates, or the Trustee on behalf of the holders of the Certificates, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Reporting Local Agency to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Reporting Local Agency to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Reporting Local Agency agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities that it may incur arising out of or in the exercise or performance of its duties as described hereunder, if any, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Reporting Local Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates. The Dissemination Agent shall not be responsible in any manner for the format or content of any notice or Annual Report prepared by the Reporting Local Agency pursuant to this Disclosure Agreement. The Reporting Local Agency shall pay the reasonable fees and expenses of the Dissemination Agent for its duties as described hereunder.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Reporting Local Agency, the Dissemination Agent, the Trustee, the Participating Underwriter and holders and beneficial owners from time to time of the Certificates, and shall create no rights in any other person or entity.

[Remainder of Page Intentionally Left Blank]

Section 13. Counterparts. This Disclosure Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Date: [Closing Date]

CITY OF PLACENTIA

By: \_\_\_\_\_  
Authorized Signatory

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Signatory

EXHIBIT A TO CONTINUING DISCLOSURE AGREEMENT

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: City of Placentia

Name of Certificates: California Communities Gas Tax Revenue  
Certificates of Participation, Series 2011A

Date of Execution and Delivery: [Closing Date]

NOTICE IS HEREBY GIVEN that the City of Placentia, California (the "Reporting Local Agency") has not provided an Annual Report with respect to the above-named Certificates as required by the Continuing Disclosure Agreement, dated [Closing Date]. The Reporting Local Agency anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

CITY OF PLACENTIA

By: \_\_\_\_\_  
Authorized Signatory

**APPENDIX E**

**SPECIMEN CERTIFICATE INSURANCE POLICY**

§ \_\_\_\_\_  
CALIFORNIA COMMUNITIES  
GAS TAX REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2011A  
(GAS TAX ACCELERATED STREET IMPROVEMENT PROGRAM)

\_\_\_\_\_, 2011

CERTIFICATE PURCHASE AGREEMENT

California Local Agencies  
As listed in Exhibit A hereto

California Statewide Communities Development Authority  
1100 K Street, Suite 101  
Sacramento, California 95814

Ladies and Gentlemen:

E. J. De La Rosa & Co., Inc. (the “**Underwriter**”), offers to enter into this Certificate of Purchase Agreement (this “**Purchase Contract**”) with the local agencies identified in Exhibit A hereto (severally and not jointly) (each, a “**Local Agency**” and, collectively, the “**Local Agencies**”) and the California Statewide Communities Development Authority (the “**Authority**”) with regard to the California Communities Gas Tax Revenue Certificates of Participation, Series 2011A (Gas Tax Accelerated Street Improvement Program) (the “**Certificates**”), which Purchase Contract, upon the acceptance hereof by the Local Agencies and the Authority, will be binding upon the Authority, the Local Agencies, and the Underwriter. This offer is made subject to the written acceptance of this Purchase Contract by the Authority and the Local Agencies and the delivery of such acceptance to the Underwriter at or prior to 11:59 p.m., California time, on the date hereof, and, if it is not so accepted, such offer may be withdrawn by the Underwriter upon written notice to the Local Agencies and the Authority by the Underwriter at any time before its acceptance. The Authority is acting as sponsor of the California Communities’ Gas Tax Accelerated Street Improvement Program (the “**Program**”) and, pursuant to the 2011 Installment Sale Agreements (as defined herein), will appoint the Local Agencies agents with respect to certain aspects of such Local Agencies’ participation in the Program. For all purposes under this Purchase Contract, each Local Agency shall be, and shall be deemed to be, acting severally and not jointly with any other Local Agency.

1. Upon the terms and conditions and upon the basis of the representations, warranties, and agreements hereinafter set forth, the Underwriter hereby agrees to purchase, and the Local Agencies and the Authority hereby agree to sell to the Underwriter for such purpose, all (but not less than all) of the \$ \_\_\_\_\_ aggregate principal amount of the Certificates, which evidence and represent a proportionate and undivided interest in the Installment Sale Payments of each of the Local Agencies made pursuant to its respective 2011 Installment Sale Agreement, dated as of \_\_\_\_\_ 1, 2011 (each, a “**2011 Installment Sale Agreement**” and, collectively, the “**2011 Installment Sale Agreements**”), by and between the applicable Local Agency and the Authority. The purchase price of the Certificates shall be \$ \_\_\_\_\_ (representing the par amount of the Certificates, [less/plus] a net original issue

[discount/premium] of \$\_\_\_\_\_, less an Underwriter's discount of \$\_\_\_\_\_); it being acknowledged that the Underwriter will on the Closing Date, on behalf of the Local Agencies, **[TO BE CONFIRMED:]** wire the \$\_\_\_\_\_ aggregate premium for the Certificate Insurance Policy to the Certificate Insurer (each as hereinafter defined) directly, and deliver net proceeds to the Trustee in the amount of \$\_\_\_\_\_. The Preliminary Official Statement with respect to the Certificates, dated \_\_\_\_\_, 2011 (the "**Preliminary Official Statement**"), as amended to conform to the terms of this Purchase Contract, and dated the date hereof, and with such changes and amendments as are mutually agreed to by the Authority, the Local Agencies, and the Underwriter, including the cover page, the appendices, and all information incorporated therein by reference, is herein collectively referred to as the "**Official Statement**." The Authority represents that it has deemed the sections of the Preliminary Official Statement entitled "THE AUTHORITY" and "NO LITIGATION – The Authority" to be final as of the date of Preliminary Official Statement, pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "**Rule**"), and has delivered, or will deliver, a certificate to the Underwriter substantially in the form of Exhibit C-1 attached hereto. Each Local Agency represents that it has deemed the Preliminary Official Statement to be final as of its date, except for (a) information regarding the Authority, the Certificate Insurer, and the Certificate Insurance Policy, (b) information relating to any other Local Agency, and (c) the omission of the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, dates and amounts of mandatory sinking fund payments, delivery dates, ratings, and identity of the purchasers and any other terms of the Certificates relating to such matters and any other information permitted to be omitted by the Rule, and has delivered, or will deliver, a certificate to the Underwriter substantially in the form of Exhibit C-2 attached hereto.

2. The Certificates shall mature on the dates and in the amounts, and shall evidence interest payable at the rates, set forth in Exhibit B hereto and as further described in the Official Statement and shall be executed and delivered under and pursuant to the Trust Agreement, dated as of \_\_\_\_\_ 1, 2011 (the "**Trust Agreement**"), by and among the Authority, the Local Agencies, and Wells Fargo Bank, National Association (the "**Trustee**"). **[TO BE CONFIRMED:]** Concurrently with the execution and delivery of the Certificates, \_\_\_\_\_ (the "**Certificate Insurer**") has agreed to deliver to the Trustee a [bond insurance policy] (the "**Certificate Insurance Policy**"). The Certificate Insurance Policy will guaranty the scheduled payments when due of the principal and interest with respect to the Certificates. Capitalized terms used herein without definition shall have the meanings given to such terms in the Trust Agreement.

3. The Underwriter shall make a bona fide public offering of all the Certificates at not in excess of the respective initial public offering prices to be set forth on the cover page of the Official Statement. The Underwriter reserves the right to change such initial offering prices as the Underwriter shall deem necessary in connection with the marketing of the Certificates and to offer and sell the Certificates to certain dealers (including dealers depositing such Certificates into investment trusts) and others at prices lower than the initial offering prices set forth on the cover page of the Official Statement. The Underwriter also reserves the right to (i) overallot or effect transactions that stabilize or maintain the market prices of the Certificates at levels above those which might otherwise prevail in the open market and (ii) discontinue such stabilizing, if

commenced, at any time. "Public offering" shall include an offering to a representative number of institutional investors or registered investment companies, regardless of the number of such investors to which the Certificates are sold.

4. The Authority and each of the Local Agencies hereby authorizes, or has previously authorized, the use by the Underwriter of (i) the Trust Agreement, (ii) the 2011 Installment Sale Agreements, (iii) each respective Continuing Disclosure Agreement, dated as of the Closing Date (each, a "**Local Agency Continuing Disclosure Agreement**" and, collectively, the "**Local Agency Continuing Disclosure Agreements**"), by and between the applicable Local Agency and the Trustee, as dissemination agent, and (iv) each of the Preliminary Official Statement and the Official Statement, and any supplements or amendments thereto, and the information contained in each of such documents, in connection with the public offering and sale of the Certificates.

The Authority will deliver to the Underwriter, within seven (7) business days after the date of this Purchase Contract and in sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, copies of the Official Statement in final form (including all documents incorporated by reference therein) and any amendment or supplement thereto in such quantities as the Underwriter may reasonably request in order to comply with the obligations of the Underwriter pursuant to the Rule and the rules of the Municipal Securities Rulemaking Board. As soon as practicable following receipt thereof from the Authority, the Underwriter shall deliver the Official Statement to the Municipal Securities Rulemaking Board.

5. At 8:00 a.m., Los Angeles time, on \_\_\_\_\_, 2011, or at such other time or on such other business day as shall have been mutually agreed upon by the Authority, the Local Agencies, and the Underwriter (the "Closing Date"), the Authority will cause the Trustee to execute and deliver to the Underwriter at the office of or otherwise in care of The Depository Trust Company ("**DTC**") in New York, New York, or at such other place as the Authority and the Underwriter may mutually agree upon, the Certificates in fully-registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Certificates by wire transfer payable in immediately available funds to or upon the order of the Authority at such place in Los Angeles, California, or New York, New York, as shall have been mutually agreed upon by the Authority and the Underwriter. Such delivery of and payment for the Certificates is referred to herein as the "**Closing**." The Certificates shall be made available for inspection by DTC at least one business day before the Closing.

6. The Authority represents, warrants, and covenants to the Underwriter that:

(A) The Authority is a joint powers authority under Article 1 of Chapter 5 of Division 7 of Title 1 of the California Government Code duly organized and validly existing under and by virtue of the Constitution and the laws of the State of California (the "**State**").

(B) The Authority has the legal right and power to execute and deliver, and to perform its obligations under, the Trust Agreement, the 2011 Installment Sale

Agreements, and this Purchase Contract (collectively, the “**Authority Documents**”). The Authority has duly authorized the execution and delivery of the Certificates and the execution and delivery of, and performance of its obligations under, the Authority Documents and, as of the date hereof, such authorizations are in full force and effect and have not been amended, modified, or rescinded. When executed and delivered by the respective parties thereto, the Authority Documents will constitute legal, valid, and binding obligations of the Authority in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws and the application of equitable principles relating to or affecting creditors’ rights generally. The Authority has complied, and will at the Closing be in compliance in all respects, with its obligations under the Authority Documents.

(C) The Certificates will be paid from Installment Sale Payments pursuant to the respective 2011 Installment Sale Agreements, which payments have been duly and validly authorized pursuant to applicable law.

(D) The Certificates will be executed and delivered in accordance with the Trust Agreement and will conform in all material respects to the descriptions thereof contained in the Official Statement. The Trust Agreement creates a valid pledge of, first lien upon, and security interest in, the pledged Installment Sale Payments.

(E) The information in the sections of the Official Statement entitled “THE AUTHORITY” and “NO LITIGATION – The Authority” is true and correct in all material respects, and such information does not contain any misstatement of any material fact and does not omit any statement necessary to make the statements, in the light of the circumstances in which such statements were made, not misleading.

(F) The Authority covenants with the Underwriter that for twenty-five (25) days after the Closing Date (the “**Delivery Period**”), if any event occurs that might or would cause the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall notify the Underwriter thereof, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will cooperate with the Underwriter in the preparation of an amendment or supplement to the Official Statement, at the expense of the Local Agencies, in a form and in a manner approved by the Underwriter.

(G) The Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale, or distribution of the Certificates.

(H) If the Official Statement is supplemented or amended, the Official Statement, as so supplemented or amended, as of the date of such supplement or

amendment, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(I) The Authority is not in breach of or in default under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, consent, or other agreement to which the Authority is a party, and no event has occurred and is continuing that, with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any of the foregoing.

(J) The authorization, execution, and delivery by the Authority of the Authority Documents, and compliance by the Authority with the provisions thereof, do not and will not conflict with or constitute a breach of or default by the Authority under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, consent, or other agreement to which it is bound or by which its properties may be affected, nor will any such execution, delivery, adoption, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument, except as provided by the Authority Documents.

(K) No authorization, consent, or approval of, or filing or registration with, any Governmental Authority (as defined below) or court is, or under existing requirements of law will be, necessary for the valid execution and delivery of, or performance by the Authority of its obligations under, the Authority Documents, other than any authorization, consent, approval, filing, or registration as may be required under the Blue Sky or securities laws of any state in connection with the offering, sale, execution, or delivery of the Certificates. All authorizations, consents, or approvals of, or filings or registrations with, any Governmental Authority or court necessary for the valid execution and delivery of, and performance by the Authority of its obligations with respect to, the Certificates will have been duly obtained or made prior to the execution and delivery of the Certificates (and disclosed to the Underwriter). As used herein, the term “**Governmental Authority**” refers to any legislative body or governmental official, department, commission, board, bureau, agency, instrumentality, body, or public benefit corporation.

(L) The Authority shall furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request at the expense of the Underwriter and/or the Local Agencies in order (i) to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions, and shall use its best efforts to continue such qualifications in effect so long as required for the distribution of the Certificates; provided, however, that the Authority shall not be required to

execute a general consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(M) To the knowledge of the Authority, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body, pending or threatened (i) in any way questioning the existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affecting, contesting, or seeking to prohibit, restrain, or enjoin the execution and delivery of the Certificates or the execution or delivery of any of the Authority Documents, or the payment or collection of any amounts pledged or to be pledged to pay the principal and interest with respect to the Certificates, or in any way contesting or affecting the validity of the Certificates or the Authority Documents or the consummation of the transactions contemplated thereby or any proceeding of the Authority taken with respect to any of the foregoing, or contesting the exclusion of the portion of the Installment Sale Payments designated as and comprising interest and received by the Owners of the Certificates from taxation or contesting the powers of the Authority and its authority to pledge the Installment Sale Payments; (iii) that may result in any material adverse change relating to the Authority that will materially adversely affect the Authority's ability to apply Installment Sale Payments to pay the Certificates when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(N) Other than in the ordinary course of its business or as contemplated by the Official Statement, between the date of this Purchase Contract and the Closing Date the Authority will not, without the prior written consent of the Underwriter, offer or issue any certificates, bonds, notes, or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Installment Sale Payments.

(O) Any certificate signed by any official or other representative of the Authority and delivered to the Underwriter pursuant to this Purchase Contract shall be deemed a representation and warranty by the Authority to the Underwriter as to the truth of the statements therein made.

7. Each Local Agency represents, warrants, and covenants to the Underwriter and the Authority, solely for itself and not on behalf of any other Local Agency, that:

(A) The Local Agency is a municipal corporation of the State duly organized and validly existing under and by virtue of the Constitution and laws of the State.

(B) The Local Agency has the legal right and power to execute and deliver, and to perform its obligations under, the Trust Agreement, its applicable 2011 Installment Sale Agreement, its applicable Local Agency Continuing Disclosure Agreement, and this Purchase Contract (collectively, with respect to such Local

Agency, the “**Local Agency Documents**”). The Local Agency has duly authorized the execution and delivery of, and the performance of its obligations under, the Local Agency Documents and as of the date hereof such authorizations are in full force and effect and have not been amended, modified, or rescinded. When executed and delivered by the respective parties thereto, the Local Agency Documents will constitute legal, valid, and binding obligations of the Local Agency in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws and the application of equitable principles relating to or affecting creditors’ rights generally. The Local Agency has complied, and will at the Closing be in compliance in all respects, with its obligations under the Local Agency Documents.

(C) The Installment Sale Payments payable under the 2011 Installment Sale Agreement have been duly and validly authorized pursuant to applicable law.

(D) The Certificates will be executed and delivered in accordance with the Trust Agreement and will conform in all material respects to the descriptions thereof contained in the Official Statement. The Trust Agreement creates a valid pledge of, first lien upon, and security interest in, the pledged Installment Sale Payments.

(E) The information in the Official Statement (excluding any information with respect to the Authority, DTC, the book-entry only system, the Certificate Insurer, the Certificate Insurance Policy, and any Local Agencies other than such Local Agency) is true and correct in all material respects, and such information does not contain any misstatement of any material fact and does not omit any statement necessary to make the statements, in the light of the circumstances in which such statements were made, not misleading.

(F) The Local Agency covenants with the Underwriter that, during the Delivery Period, if any event occurs that might or would cause the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Local Agency shall notify the Underwriter thereof, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Local Agency will cooperate with the Underwriter and the Authority in the preparation of an amendment or supplement to the Official Statement, at the expense of the Local Agency or Local Agencies, as applicable, in a form and in a manner approved by the Underwriter.

(G) The Local Agency will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter. The Local Agency will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale, or distribution of the Certificates.

(H) If the Official Statement is supplemented or amended, the Official Statement as so supplemented or amended, as of the date of such supplement or amendment, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(I) The Local Agency is not in breach of or in default under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, consent, or other agreement to which the Local Agency is a party, and no event has occurred and is continuing that, with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any of the foregoing.

(J) The authorization, execution, and delivery by the Local Agency of the Local Agency Documents, and compliance by the Local Agency with the provisions thereof, do not and will not conflict with or constitute a breach of or default by the Local Agency under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, consent, or other agreement to which it is bound or by which its properties may be affected.

(K) No authorization, consent, or approval of, or filing or registration with, any Governmental Authority or court is, or under existing requirements of law will be, necessary for the valid execution and delivery of, or performance by the Local Agency of its obligations under, the Local Agency Documents, other than any authorization, consent, approval, filing, or registration as may be required under the Blue Sky or securities laws of any state in connection with the offering, sale, execution, or delivery of the Certificates.

(L) The Local Agency will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions, and will use their best efforts to continue such qualifications in effect so long as required for the distribution of the Certificates; provided, however, that the Local Agency shall not be required to execute a general consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(M) There is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body, pending or, to the best knowledge of the Local Agency, threatened (i) in any way questioning the existence of the Local Agency or the titles of the officers of the Local Agency to their respective offices; (ii) affecting, contesting, or seeking to prohibit, restrain, or enjoin the execution and delivery of the Certificates or the execution or delivery of any of the Local Agency Documents, or the payment or collection of any amounts pledged or to

be pledged to pay the principal and interest with respect to the Certificates, or in any way contesting or affecting the validity of the Certificates or the Local Agency Documents or the consummation of the transactions contemplated thereby or any proceeding of the Local Agency taken with respect to any of the foregoing, or contesting the exclusion of the portion of the Installment Sale Payments designated as and comprising interest and received by the Owners of the Certificates from taxation or contesting the powers of the Local Agency and its authority to pledge the Installment Sale Payments; (iii) that may result in any material adverse change relating to the Local Agency that will materially adversely affect the Local Agency's ability to pay Installment Sale Payments when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(N) Other than in the ordinary course of its business or as contemplated by the Official Statement, between the date of this Purchase Contract and the Closing Date the Local Agency will not, without the prior written consent of the Underwriter, offer or issue any certificates, bonds, notes, or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Installment Sale Payments.

(O) The financial information regarding the Local Agency contained in the Official Statement fairly present the financial position and results of the operations of the Local Agency as of the dates and for the periods therein set forth, and, to the best of the Local Agency's knowledge, the Local Agency's audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied.

(P) Any certificate signed by any official or other representative of the Local Agency and delivered to the Underwriter pursuant to this Purchase Contract shall be deemed a representation and warranty by the Local Agency to the Underwriter as to the truth of the statements therein made.

(Q) The Local Agency has not failed during the previous five (5) years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement under the Rule.

(R) To the extent permitted by law, the Local Agency agrees to indemnify and hold harmless the Authority and its officers, directors, agents, and employees against any and all losses, claims, damages, liabilities, and expenses arising out of any statement or information in the Preliminary Official Statement or in the Official Statement (other than statements or information specifically related to the Authority, the Program, DTC, the book-entry only system, the Certificate Insurer, the Certificate Insurance Policy, and any Local Agency other than such Local Agency) that is untrue or incorrect in any material respect or that omits to state any material fact that is

necessary to make such statement or information therein not misleading in any material respect.

8. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties, and covenants of the Authority and each of the Local Agencies contained herein and in the Authority Documents and the Local Agency Documents to which each of the Authority or each of the Local Agencies, as applicable, is a party, and the performance by the Authority and by each of the Local Agencies of their respective obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter's obligations under this Purchase Contract are and shall be subject to the following further conditions:

(A) The representations and warranties of the Authority and the Local Agencies contained herein shall be true, complete, and correct in all material respects on the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete, and correct in all material respects at the Closing; the Authority and each of the Local Agencies shall be in compliance with each of the agreements made by it in this Purchase Contract (unless such agreements are waived by the Underwriter); there shall not have occurred an adverse change in the financial position, results of operations, or financial condition of any of the Local Agencies that materially adversely affects the ability of any of the Local Agencies to pay Installment Sale Payments when due or otherwise perform any of its obligations under the Local Agency Documents; and there shall not have occurred an adverse change in the financial position of the Authority that materially adversely affects the ability of the Authority to make payments of principal and interest with respect to the Certificates when due or otherwise perform any of its obligations under the Authority Documents.

(B) At the time of the Closing, the Authority Documents and the Local Agency Documents shall be in full force and effect, and shall not have been amended, modified, or supplemented (except as may be agreed to in writing by the Underwriter); all actions that, in the opinion of Orrick, Herrington & Sutcliffe LLP, Special Counsel to the Local Agencies ("**Special Counsel**"), shall be necessary in connection with the transactions contemplated hereby shall have been duly taken and shall be in full force and effect; and each Local Agency shall perform or shall have performed its obligations required under or specified in the Local Agency Documents to be performed at or prior to the Closing and the Authority shall perform or shall have performed its obligations required under or specified in the Authority Documents to be performed at or prior to the Closing.

(C) At the time of the Closing, the Official Statement (as amended and supplemented) shall be true and correct in all material respects, and shall not omit any statement or information necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(D) Except as disclosed in the Official Statement or in a schedule delivered to the Underwriter at the Closing, no decision, ruling, or finding shall have been entered

by any court or Governmental Authority since the date of this Purchase Contract (and not reversed on appeal or otherwise set aside) that has any of the effects described in Section 8(F) hereof.

(E) (i) No default by any Local Agency or the Authority shall have occurred and be continuing in the payment of the principal of or premium, if any, or interest on any bond, note, or other evidence of indebtedness issued by any Local Agency or the Authority, respectively, and (ii) no bankruptcy, insolvency, or other similar proceeding in respect of any Local Agency or the Authority shall be pending or, to the knowledge of each such Local Agency or the Authority, contemplated.

(F) The Underwriter may terminate this Purchase Contract by written notification to the Authority and the Local Agencies if at any time after the date hereof and prior to the Closing:

(1) legislation shall have been enacted by the United States or the State or shall have been reported out of committee or be pending in committee, or a decision shall have been rendered by a court of the United States or the Tax Court of the United States, or a ruling shall have been made or a regulation, proposed regulation, or a temporary regulation shall have been published in the Federal Register or any other release or announcement shall have been made by the Treasury Department of the United States or the Internal Revenue Service, with respect to Federal or State taxation upon revenues or other income or payments of the general character of the Certificates, which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Certificates; or

(2) the United States shall have become engaged in hostilities that have resulted in a declaration of war or a national emergency or the President of the United States of America shall have committed the armed forces of the United States of America to combat so as to adversely affect the financial markets in the United States of America and that, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Certificates; or

(3) there shall have occurred a general suspension of trading on the New York Stock Exchange, or a general banking moratorium shall have been declared by Federal, California, or New York authorities having jurisdiction and being in force; or

(4) there shall have occurred an adverse change in the financial position, results of operations, or financial condition of any Local Agency that, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Certificates; or

(5) any legislation, ordinance, rule, or regulation shall be introduced in, or be enacted by, any governmental body, department, or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered that, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Certificates; or

(6) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation, or official statement by, or all behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, or sale of obligations of the general character of the Certificates, or the execution, delivery, offering, or sale of the Certificates, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Certificates, or the Certificates, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Trust Agreement needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(7) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, which restrictions materially adversely affect the ability of underwriters to trade obligations of the general character of the Certificates; or

(8) any rating of the Certificates shall have been downgraded, suspended, or withdrawn by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Certificates; or

(9) the commencement of any action, suit, or proceeding described in Section 6(M) or 7(M) that, in the judgment of the Underwriter, materially adversely affects the market price of the Certificates; or

(10) any rating of the Certificate Insurer shall have been downgraded, suspended, or withdrawn by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Certificates; or

(11) any event occurring, or information becoming known, that, in the reasonable judgment of the Underwriter, makes any statement or information contained in the Official Statement, as of its date, untrue in any material adverse respect, or has the effect that the Official Statement, as of its date, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(G) At or prior to the Closing, the Underwriter shall receive the following documents:

(1) the opinion of Special Counsel, dated the Closing Date, in substantially the form included in the Official Statement as Appendix C, addressed to the Local Agencies (and accompanied by reliance letters to the Authority, the Underwriter, the Trustee, and the Certificate Insurer);

(2) a supplemental opinion of Special Counsel, in form and substance satisfactory to the Underwriter, dated the Closing Date, addressed to the Authority and the Underwriter, to the effect that:

(i) the Certificates are not subject to registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; provided that no opinion shall be expressed with respect to the Certificate Insurance Policy; and

(ii) the statements contained in the Official Statement under the captions "INTRODUCTION," "THE CERTIFICATES," "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES," "TAX MATTERS," "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS," and "APPENDIX C – PROPOSED FORM OF SPECIAL COUNSEL OPINION," insofar as such statements expressly summarize certain provisions of the Trust Agreement, the 2011 Installment Sale Agreements, the Certificates, and the opinion of Special Counsel concerning certain federal tax matters relating to the Certificates, are accurate in all material respects;

(3) an opinion of counsel to each Local Agency, in form and substance satisfactory to the Underwriter, dated the Closing Date, addressed to the Authority, the Underwriter, and the Certificate Insurer, to the effect that:

(i) the Local Agency is a municipal corporation duly organized and validly existing under and by virtue of the laws of the State;

(ii) the Local Agency has full legal power and lawful authority to enter into the Local Agency Documents;

(iii) the resolution of the Local Agency approving and authorizing the execution and delivery of the Local Agency Documents and approving the Official Statement (the "**Local Agency Resolution**") was duly adopted at a meeting of the city council or other governing body of the Local Agency that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Local Agency Resolution is in full force and effect and has not been modified, amended, or rescinded as of the Closing Date;

(iv) the Local Agency Documents have been duly authorized, executed, and delivered by the Local Agency and, assuming due authorization, execution, and delivery by the other parties thereto, such documents constitute the legal, valid, and binding agreements of the Local Agency enforceable in accordance with their terms, subject to laws relating to bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles if equitable remedies are sought;

(v) the execution and delivery by the Local Agency of the Local Agency Documents, and compliance by the Local Agency with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute a breach of or default under any law, administrative regulation, court decree, resolution, or agreement to which the Local Agency is subject to or by which it is bound;

(vi) nothing has come to such counsel's attention that would lead such counsel to believe that the Official Statement (excluding therefrom financial information and other statistical data included in the Official Statement, and any information with respect to any Local Agencies other than such Local Agency, the Authority, the Program, DTC, the book-entry only system, the Certificate Insurer, or the Certificate Insurance Policy, as to which no view need be expressed) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(vii) except as otherwise disclosed in the Official Statement, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body, pending or, to the best knowledge of such counsel, threatened (a) in any way questioning the existence of the Local Agency or the titles of the officers of the Local Agency to their respective offices; (b) affecting, contesting, or seeking to prohibit, restrain, or enjoin the execution and delivery of the Certificates or any of the Local Agency Documents, or the payment or collection of any amounts pledged or to be pledged to pay the Installment Payments or the principal and interest with respect to the Certificates, or in any way contesting or affecting the validity of the Certificates or the Local Agency Documents or the consummation of the transactions contemplated thereby or any proceeding of the Local Agency taken with respect to any of the foregoing, or contesting the exclusion of the interest payable with respect to the Certificates from taxation or contesting the powers of the Local Agency and its authority to pledge the Installment Sale Payments; (c) that may result in any material adverse change relating to the Local Agency that will materially adversely affect the Local Agency's ability to pay the Installment Sale Payments when due; or (d) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(viii) no additional authorization, approval, consent, waiver, or any other action by any person, board, or body, public or private, not previously obtained is required as of the Closing Date for the Local Agency to enter into the Local Agency Documents, or to perform its obligations thereunder;

(4) an opinion of Special Counsel, as counsel to the Authority, in form and substance satisfactory to the Underwriter, dated the Closing Date, addressed to the Underwriter and the Certificate Insurer, to the effect that:

(i) the Authority is a joint powers agency organized and existing under the laws of the State of California; and

(ii) the resolution of the Authority approving and authorizing the execution and delivery of the Authority Documents and approving the Official Statement (the “**Authority Resolution**”) was duly adopted at a meeting of the governing body of the Authority. The Authority Resolution is in full force and effect and has not been amended, modified or rescinded;

(5) a letter from Goodwin Procter LLP, Los Angeles, California, counsel to the Underwriter (“**Underwriter’s Counsel**”), dated the Closing Date, addressed to the Underwriter, to the effect that, based upon its participation in the preparation of the Official Statement as Underwriter’s Counsel and without having undertaken to determine independently the fairness, accuracy, or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that, as of the date of the Closing, the Official Statement (excluding therefrom the reports, financial and statistical data and forecasts therein, the information with respect to DTC and the book-entry system, the information with respect to the Certificate Insurer and the Certificate Insurance Policy, and the information included in the Appendices thereto, as to which no view need be expressed) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(6) a certificate of each Local Agency, in form and substance satisfactory to the Underwriter, dated the Closing Date, to the effect that;

(i) the representations, warranties, and covenants of the Local Agency contained in this Purchase Contract are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date and the Local Agency has complied with all of the terms and conditions of the Purchase Contract required to be complied with by the City at or prior to the Closing Date;

(ii) the Local Agency has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date pursuant to the Purchase Contract with respect to the execution and delivery of the Certificates;

(iii) to the best knowledge of the Local Agency, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or threatened against the Local Agency, affecting the existence of the Local Agency or the titles of its officers to their respective offices, or affecting or seeking to prohibit,

restrain, or enjoin the sale, execution, or delivery of the Certificates or contesting or affecting, as to the Local Agency, the validity or enforceability of the Certificates, the Local Agency Documents or contesting the tax exempt status of interest represented by the Certificates, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Local Agency or any authority for the execution and delivery of the Certificates, or in any way contesting or challenging the consummation of the transactions contemplated under the Local Agency Documents, or, except as disclosed in the Official Statement, that might result in a material adverse change in the financial condition of the Local Agency or materially adversely effect the Local Agency's expenditure authority under California Constitution Article XIX and Streets and Highways Code Section 2101 or its rights to receive gas tax apportionment from the Highway Users Tax Fund, nor is there any known basis for any such action, suit, proceeding, inquiry, or investigation, wherein an unfavorable decision, ruling, or finding would materially adversely affect the authorization, execution, delivery, or performance by the Local Agency of the Local Agency Documents or the execution by the Trustee of the Certificates;

(iv) no event affecting the Local Agency has occurred since the date of the Official Statement that has not been disclosed therein or in any supplement or amendment thereto, which event should be in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(v) between the date of the Purchase Contract and the Closing Date, the Local Agency has not offered or issued any bonds, notes, or other obligations for borrowed money, or incurred any material liabilities, other than with the written consent of the Underwriter, nor has there been any adverse change of a material nature in the financial position, results of operations, or condition, financial or otherwise, of the Local Agency;

(7) a certificate of the Authority, in form and substance satisfactory to the Underwriter, dated the Closing Date, to the effect that;

(i) the representations and warranties of the Authority contained in this Purchase Contract are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; and

(ii) there has been no material adverse change in the financial condition or results of operations of the Authority from the date of the Official Statement to the Closing Date;

(8) a certificate, dated the date of the Preliminary Official Statement, from the Authority addressed to the Underwriter, in the form attached hereto as Exhibit C-1 and a certificate, dated the date of the Preliminary Official Statement, from

the each Local Agency addressed to the Underwriter, in the form attached hereto as Exhibit C-2;

(9) an opinion of counsel to the Trustee, dated the Closing Date, addressed to the Underwriter, the Authority, and the Certificate Insurer, to the effect that (i) the Trustee is a national banking association duly organized, validly existing, and in good standing under the laws of the United States of America, (ii) the Trustee is duly eligible and qualified to act as Trustee under the Trust Agreement, (iii) the Trustee has all requisite power, authority, and legal right to execute the Certificates and to execute and deliver the Trust Agreement and the Local Agency Continuing Disclosure Agreements (collectively, the "Trustee Documents"), and to perform its obligations under the Trustee Documents, and has taken all necessary corporate action to authorize the execution and delivery of and the performance of its obligations under the Trustee Documents, (iv) the Trustee has duly executed and delivered the Trustee Documents and, assuming the due authorization, execution, and delivery of the Trustee Documents by the other parties thereto, the Trustee Documents are the legal, valid, and binding agreements of the Trustee enforceable against the Trustee in accordance with their terms, except to the extent enforceability thereof may be subject to (A) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other similar laws affecting creditors' rights and remedies heretofore or hereinafter enacted, and (B) the application of equitable principles and the exercise of judicial discretion in appropriate cases, (v) the Trustee has duly executed the Certificates, (vi) no authorization, approval, consent, or other order of the State or any governmental authority or agency within the State having jurisdiction over the Trustee is required for the valid authorization, execution, and delivery by the Trustee of the Trustee Documents and the performance by the Trustee of the Trustee Documents, (vii) the execution of the Certificates and the execution, delivery, and performance of the Trustee Documents do not now, and will not upon consummation of the transactions contemplated thereby in accordance with the existing terms thereof conflict with, result in a breach of or constitute a default under, any term or provision of the Articles of Association or Bylaws of the Trustee, any existing term or provision of any agreement, contract, instrument, or indenture of any nature whatsoever, known to such counsel, to which the Trustee is a party or by which it is bound; or, to the best of such counsel's knowledge after due inquiry, any existing order, judgment, writ, injunction, or decree of any court or governmental authority having jurisdiction over the Trustee, nor will it conflict with or constitute a breach of or default under any law or administrative regulation to which the Trustee is subject (except that no representation, warranty, or agreement shall be made with respect to any federal or state securities or Blue Sky laws or regulations) or result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee, and (viii) to the best of such counsel's knowledge after due inquiry, there are no actions, proceedings, or investigations pending or threatened against the Trustee before any court, administrative agency, or tribunal (A) asserting the invalidity of the Trustee Documents or the Certificates, (B) seeking to prevent the consummation of any of the transactions contemplated thereby, or (C) that might materially and adversely affect the performance by the Trustee of its obligations under, or the validity or enforceability of the Trustee Documents. For purposes of the foregoing, such counsel need not regard

any actions, proceedings, or investigations “threatened” unless the potential litigants or governmental authority has manifested to a member of the Wells Fargo & Company Law Department having responsibility for litigation matters involving the corporate trust activities of the Trustee present intention to initiate such proceedings;

(10) a certificate, dated the Closing Date, signed by a duly authorized officer of the Trustee, to the effect that (i) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States of America, having the necessary power to enter into, accept, and administer the trusts created under the Trust Agreement and to execute and deliver the Certificates to the Underwriter; (ii) the Trustee Documents have been duly authorized, executed, and delivered by a duly authorized officer of the Trustee, and the execution, delivery, and performance of the Trustee Documents has been duly authorized by all necessary action of the Trustee; (iii) the Trustee Documents constitute the legal, valid, and binding obligations of the Trustee enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting the enforcement of creditors’ rights generally and by the application of equitable principles, if equitable remedies are sought; (iv) the Certificates have been duly executed and delivered by a duly authorized officer of the Trustee; (v) no consent, approval, authorization, or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the execution and delivery of the Trustee Documents or the performance by the Trustee of its duties and obligations under the Trustee Documents; (vi) the execution and delivery by the Trustee of the Trustee Documents and compliance with the terms thereof will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution, or any other agreement or instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order, or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties (except that no representation, warranty, or agreement need be made by such counsel with respect to any federal or State securities or blue sky laws or regulations); (vii) the Trustee’s action in executing and delivering the Trustee Documents will not contravene the articles or bylaws of the Trustee and is in full compliance with, and does not conflict with, any applicable law or governmental regulation currently in effect, and such action does not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound; and (viii) there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court or governmental agency, public board, or body that has been served on the Trustee, or to the best knowledge of the Trustee, threatened against the Trustee which in the reasonable judgment of the Trustee would affect the existence of the Trustee or in any way contesting or affecting the validity or enforceability of the Trustee Documents or contesting the powers of the Trustee or its authority to enter into and perform its obligations thereunder;

(11) certified copies of each Local Agency Resolution, the Authority Resolution, and an incumbency resolution of the Trustee;

(12) copies each of the Authority Documents, the Local Agency Documents, the Trustee Documents, and the Official Statement, duly executed and delivered by the respective parties thereto;

(13) tax certificates of the Authority and of each Local Agency, each in form satisfactory to Special Counsel, signed by an appropriate officer of each of the Authority and each Local Agency;

(14) evidence satisfactory to the Underwriter that the Certificates shall have received the Certificate Insurance Policy by the Certificate Insurer that unconditionally guarantees the timely payments of all debt service with respect to the Certificates;

(15) an opinion of counsel to the Certificate Insurer, in form and substance satisfactory to the Underwriter, Special Counsel, and Underwriter's Counsel, with respect to, among other matters, the Certificate Insurance Policy;

(16) a certificate of the Certificate Insurer, in form and substance satisfactory to the Underwriter, Special Counsel, and Underwriter's Counsel, with respect to, among other matters, the Certificate Insurance Policy;

(17) a no-default certificate of the Certificate Insurer, in form and substance satisfactory to the Underwriter, Special Counsel, and Underwriter's Counsel;

(18) evidence that the underlying rating on the Certificates of "A" by Standard & Poor's Ratings Services is in full force and effect on the Closing Date;

(19) evidence that rating on the Certificates of "\_\_\_" by Standard & Poor's Ratings Services as a result of the Certificate Insurance Policy provided by the Certificate Insurer is in full force and effect on the Closing Date;

(20) copies of the statements with respect to the sale of the Certificates required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855 of the California Government Code;

(21) copy of the default judgment rendered on \_\_\_\_\_, 2010, by the Superior Court of the State of California for the County of Orange in the action entitled *City of Placentia v. All Persons Interested in the Matter, etc.*, Case No. \_\_\_\_\_;

(22) evidence that the federal tax information form 8038-G for the Authority and for each Local Agency, as applicable, has been prepared by Special Counsel for filing; and

(23) such additional legal opinions, certificates, proceedings, instruments, and other documents as the Underwriter, Special Counsel, or Underwriter's Counsel may reasonably request to evidence compliance by the Local Agencies and the Authority with legal requirements, the accuracy, as of the time of Closing, of the Authority and the Local Agencies' representations herein contained, and

the due performance or satisfaction by the Local Agencies and the Authority at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Local Agencies and the Authority.

If any of the Local Agencies or the Authority shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Contract or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and none of the Local Agencies, the Authority, or the Underwriter shall have any further obligation hereunder.

9. The performance by each of the Authority and the respective Local Agencies of its obligations is conditioned upon (i) the performance by the Underwriter of its obligations hereunder and (ii) receipt by the Authority, the Local Agencies, and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the Authority and the Local Agencies.

10. No expenses and costs of the Authority or any Local Agency incident to the performance of the Authority's or any Local Agency's obligations in connection with the authorization, sale, execution, and delivery of the Certificates to the Underwriter, such as the costs of preparation (including word processing, printing, and reproduction), distribution and delivery of the Preliminary Official Statement, the Official Statement, the Authority Documents, or the Local Agency Documents, in reasonable quantities, fees of rating agencies, fees and expenses of any financial advisor to the Authority or any Local Agency, and fees and expenses of Special Counsel, Underwriter's Counsel, or any counsel to any Local Agency, shall be paid by the Underwriter. Except as indicated above, all out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, traveling, and other expenses and the fees and expenses of the Underwriter, excluding the fees and expenses of Underwriter's Counsel, shall be paid by the Underwriter.

11. Any notice or other communication to be given to the Authority under this Purchase Contract may be given by delivering the same in writing to the California Statewide Communities Development Authority, 1100 K Street, Suite 101, Sacramento, California 95814, Attention: Treasurer, or to such other person as the Treasurer may designate in writing; any notice or other communication to be given to any Local Agency under this Purchase Contract may be given by delivering the same in writing to such address and to such person as the applicable Local Agency may designate in writing; and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to E. J. De La Rosa & Co., Inc., 10866 Wilshire Boulevard, Penthouse Suite 1650, Los Angeles, California 90024, Attention: Principal. The approval of the Underwriter when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing signed by the Underwriter and delivered to the Authority.

12. For all purposes of this Purchase Contract, a default shall not be deemed to be continuing if it has been cured, waived, or otherwise remedied. This Purchase Contract shall be governed by and construed in accordance with the laws of the State applicable to contracts made and performed within the State.

13. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

14. This Purchase Contract when accepted by the Authority and the Local Agencies in writing shall constitute the entire agreement among the Local Agencies, the Authority, and the Underwriter and is made solely for the benefit of the Local Agencies, the Authority, and the Underwriter (including the successors or assigns of the Underwriter). No other person shall acquire or have any right hereunder or by virtue hereof.

Very truly yours,

E. J. DE LA ROSA & CO., INC.

By: \_\_\_\_\_  
Principal

The foregoing is hereby agreed to and accepted as of the date first above written:

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

LOCAL AGENCIES LISTED ON EXHIBIT A HERETO

[Authorized Officers of each Local Agency shall execute this Purchase Contract by signing Pricing Confirmation Supplement in Exhibit D-1 hereto.]

**EXHIBIT A**

**\$ \_\_\_\_\_**

**California Communities**

**Gas Tax Revenue Certificates of Participation, Series 2011A  
(Gas Tax Accelerated Street Improvement Program)**

**LOCAL AGENCIES**

City of Placentia

**EXHIBIT B**

\$ \_\_\_\_\_

**California Communities  
Gas Tax Revenue Certificates of Participation, Series 2011A  
(Gas Tax Accelerated Street Improvement Program)**

**SCHEDULE OF TERMS AND PRICES**

<b>Maturity Date (June 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Price</b>	<b>Yield</b>
<b>Serial Certificates:</b>	\$	%	%	%

**Term Certificates:**

**Total**            \$

**EXHIBIT C-1**

**FORM OF 15c2-12 CERTIFICATE**

**CERTIFICATE OF AUTHORITY  
AS TO FINALITY OF PRELIMINARY OFFICIAL STATEMENT**

I hereby certify that I am a member of the commission of the California Statewide Communities Development Authority (the "Authority"), and as such I am authorized to execute this certificate on behalf of the Authority.

I understand that there has been delivered to E. J. De La Rosa & Co., Inc., as underwriter (the "Underwriter") of the California Communities Gas Tax Revenue Certificates of Participation, Series 2011A (Gas Tax Accelerated Street Improvement Program) (the "Certificates"), a Preliminary Official Statement relating to the Certificates, dated \_\_\_\_\_, 2011 (including the cover page, the introduction and all appendices thereto, the "Preliminary Official Statement"), which, as to only the sections thereof entitled "THE AUTHORITY" and "NO LITIGATION – The Authority," the Authority deems to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12"), except for information permitted to be omitted therefrom by Rule 15c2-12.

Dated: \_\_\_\_\_, 2011

CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY

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Member of the Commission

**EXHIBIT C-2**

**“DEEMED FINAL CERTIFICATE”  
FOR  
PRELIMINARY OFFICIAL STATEMENT**

\_\_\_\_\_, 2011

E. J. De La Rosa & Co., Inc.  
10866 Wilshire Boulevard, Penthouse Suite 1650  
Los Angeles, California 90024  
Attention: Principal

Re: California Communities  
Gas Tax Revenue Certificates of Participation, Series 2011A  
(Gas Tax Accelerated Street Improvement Program)

Ladies and Gentlemen:

With respect to the proposed sale of the California Communities Gas Tax Revenue Certificates of Participation, Series 2011A (Gas Tax Accelerated Street Improvement Program) (the “**Certificates**”), the California Statewide Communities Development Authority (the “**Authority**”) has delivered to you a Preliminary Official Statement, dated the date hereof (the “**Preliminary Official Statement**”), \_\_\_\_\_ [NAME OF LOCAL AGENCY], for purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “**Rule**”), deems the Preliminary Official Statement to be final as of its date, except for (a) information regarding Authority, the Program, the Certificate Insurer, and the Certificate Insurance Policy (each as defined in the Preliminary Official Statement) (b) information relating to any other Local Agencies (as defined in the Preliminary Official Statement), and (c) the omission of the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, dates and amounts of mandatory sinking fund payments, delivery dates, ratings, and identity of the purchasers and any other terms of the Certificates relating to such matters and any other information permitted to be omitted by the Rule.

[NAME OF LOCAL AGENCY]

\_\_\_\_\_  
[Name, Title]

**EXHIBIT D-1**

\$ \_\_\_\_\_

**California Communities  
Gas Tax Revenue Certificates of Participation, Series 2011A  
(Gas Tax Accelerated Street Improvement Program)**

**FORM OF PRICING CONFIRMATION SUPPLEMENT**

**CITY OF PLACENTIA**

**PRICING INFORMATION**

Purchase Price Calculation

Proportionate Principal Amount of Certificates: \$  
[Less/Plus]: Net Original Issue [Discount/Premium]  
Less: Underwriter's Discount:  
**Total Purchase Price** \$

Use of Proceeds

Costs of Issuance: \$  
Certificate Insurance Policy:  
Debt Service Reserve Fund  
Net Proceeds:  
**Total Use of Proceeds** \$

**IMPORTANT DATES**

Resolution Date of Local Agency: \_\_\_\_\_, 20\_\_  
Purchase Date: \_\_\_\_\_, 2011  
Closing Date: \_\_\_\_\_, 2011  
Certificate Payment Dates: June 1 of each year, commencing June 1, 20\_\_  
Interest Payment Dates: June 1 and December 1 of each year,  
commencing \_\_\_\_\_ 1, 20\_\_  
Final Maturity Date: June 1, 20\_\_

IN WITNESS WHEREOF, the Purchase Contract is agreed to, and this Pricing Confirmation Supplement appearing as Exhibit D thereto is accepted, all on the Purchase Date set forth above.

**CITY OF PLACENTIA**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT D-2**

**\$ \_\_\_\_\_**  
**California Communities**  
**Gas Tax Revenue Certificates of Participation, Series 2011A**  
**(Gas Tax Accelerated Street Improvement Program)**

**FORM OF PRICING CONFIRMATION SUPPLEMENT**

**CITY OF \_\_\_\_\_**

**PRICING INFORMATION**

Purchase Price Calculation

Proportionate Principal Amount of Certificates: \$  
[Less/Plus]: Net Original Issue [Discount/Premium]  
Less: Underwriter's Discount:  
**Total Purchase Price** \$

Use of Proceeds

Costs of Issuance: \$  
Certificate Insurance Policy:  
Debt Service Reserve Fund  
Net Proceeds:  
**Total Use of Proceeds** \$

**IMPORTANT DATES**

Resolution Date of Local Agency: \_\_\_\_\_, 2011  
Purchase Date: \_\_\_\_\_, 2011  
Closing Date: \_\_\_\_\_, 2011  
Certificate Payment Dates: June 1 of each year, commencing June 1, 20\_\_  
Interest Payment Dates: June 1 and December 1 of each year,  
commencing \_\_\_\_\_ 1, 20\_\_  
Final Maturity Date: June 1, 20\_\_

IN WITNESS WHEREOF, the Purchase Contract is agreed to, and this Pricing Confirmation Supplement appearing as Exhibit D thereto is accepted, all on the Purchase Date set forth above.

**CITY OF \_\_\_\_\_**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Exhibit C

§ \_\_\_\_\_  
CALIFORNIA COMMUNITIES  
GAS TAX REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2011A  
(GAS TAX ACCELERATED STREET IMPROVEMENT PROGRAM)

\_\_\_\_\_, 2011

CERTIFICATE PURCHASE AGREEMENT

California Local Agencies  
As listed in Exhibit A hereto

California Statewide Communities Development Authority  
1100 K Street, Suite 101  
Sacramento, California 95814

Ladies and Gentlemen:

E. J. De La Rosa & Co., Inc. (the “**Underwriter**”), offers to enter into this Certificate of Purchase Agreement (this “**Purchase Contract**”) with the local agencies identified in Exhibit A hereto (severally and not jointly) (each, a “**Local Agency**” and, collectively, the “**Local Agencies**”) and the California Statewide Communities Development Authority (the “**Authority**”) with regard to the California Communities Gas Tax Revenue Certificates of Participation, Series 2011A (Gas Tax Accelerated Street Improvement Program) (the “**Certificates**”), which Purchase Contract, upon the acceptance hereof by the Local Agencies and the Authority, will be binding upon the Authority, the Local Agencies, and the Underwriter. This offer is made subject to the written acceptance of this Purchase Contract by the Authority and the Local Agencies and the delivery of such acceptance to the Underwriter at or prior to 11:59 p.m., California time, on the date hereof, and, if it is not so accepted, such offer may be withdrawn by the Underwriter upon written notice to the Local Agencies and the Authority by the Underwriter at any time before its acceptance. The Authority is acting as sponsor of the California Communities’ Gas Tax Accelerated Street Improvement Program (the “**Program**”) and, pursuant to the 2011 Installment Sale Agreements (as defined herein), will appoint the Local Agencies agents with respect to certain aspects of such Local Agencies’ participation in the Program. For all purposes under this Purchase Contract, each Local Agency shall be, and shall be deemed to be, acting severally and not jointly with any other Local Agency.

1. Upon the terms and conditions and upon the basis of the representations, warranties, and agreements hereinafter set forth, the Underwriter hereby agrees to purchase, and the Local Agencies and the Authority hereby agree to sell to the Underwriter for such purpose, all (but not less than all) of the \$\_\_\_\_\_ aggregate principal amount of the Certificates, which evidence and represent a proportionate and undivided interest in the Installment Sale Payments of each of the Local Agencies made pursuant to its respective 2011 Installment Sale Agreement, dated as of \_\_\_\_\_ 1, 2011 (each, a “**2011 Installment Sale Agreement**” and, collectively, the “**2011 Installment Sale Agreements**”), by and between the applicable Local Agency and the Authority. The purchase price of the Certificates shall be \$\_\_\_\_\_ (representing the par amount of the Certificates, [less/plus] a net original issue

[discount/premium] of \$ \_\_\_\_\_, less an Underwriter's discount of \$ \_\_\_\_\_); it being acknowledged that the Underwriter will on the Closing Date, on behalf of the Local Agencies, **[TO BE CONFIRMED:]** wire the \$ \_\_\_\_\_ aggregate premium for the Certificate Insurance Policy to the Certificate Insurer (each as hereinafter defined) directly, and deliver net proceeds to the Trustee in the amount of \$ \_\_\_\_\_. The Preliminary Official Statement with respect to the Certificates, dated \_\_\_\_\_, 2011 (the "**Preliminary Official Statement**"), as amended to conform to the terms of this Purchase Contract, and dated the date hereof, and with such changes and amendments as are mutually agreed to by the Authority, the Local Agencies, and the Underwriter, including the cover page, the appendices, and all information incorporated therein by reference, is herein collectively referred to as the "**Official Statement**." The Authority represents that it has deemed the sections of the Preliminary Official Statement entitled "THE AUTHORITY" and "NO LITIGATION – The Authority" to be final as of the date of Preliminary Official Statement, pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "**Rule**"), and has delivered, or will deliver, a certificate to the Underwriter substantially in the form of Exhibit C-1 attached hereto. Each Local Agency represents that it has deemed the Preliminary Official Statement to be final as of its date, except for (a) information regarding the Authority, the Certificate Insurer, and the Certificate Insurance Policy, (b) information relating to any other Local Agency, and (c) the omission of the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, dates and amounts of mandatory sinking fund payments, delivery dates, ratings, and identity of the purchasers and any other terms of the Certificates relating to such matters and any other information permitted to be omitted by the Rule, and has delivered, or will deliver, a certificate to the Underwriter substantially in the form of Exhibit C-2 attached hereto.

2. The Certificates shall mature on the dates and in the amounts, and shall evidence interest payable at the rates, set forth in Exhibit B hereto and as further described in the Official Statement and shall be executed and delivered under and pursuant to the Trust Agreement, dated as of \_\_\_\_\_ 1, 2011 (the "**Trust Agreement**"), by and among the Authority, the Local Agencies, and Wells Fargo Bank, National Association (the "**Trustee**"). **[TO BE CONFIRMED:]** Concurrently with the execution and delivery of the Certificates, \_\_\_\_\_ (the "**Certificate Insurer**") has agreed to deliver to the Trustee a [bond insurance policy] (the "**Certificate Insurance Policy**"). The Certificate Insurance Policy will guaranty the scheduled payments when due of the principal and interest with respect to the Certificates. Capitalized terms used herein without definition shall have the meanings given to such terms in the Trust Agreement.

3. The Underwriter shall make a bona fide public offering of all the Certificates at not in excess of the respective initial public offering prices to be set forth on the cover page of the Official Statement. The Underwriter reserves the right to change such initial offering prices as the Underwriter shall deem necessary in connection with the marketing of the Certificates and to offer and sell the Certificates to certain dealers (including dealers depositing such Certificates into investment trusts) and others at prices lower than the initial offering prices set forth on the cover page of the Official Statement. The Underwriter also reserves the right to (i) over allot or effect transactions that stabilize or maintain the market prices of the Certificates at levels above those which might otherwise prevail in the open market and (ii) discontinue such stabilizing, if

commenced, at any time. "Public offering" shall include an offering to a representative number of institutional investors or registered investment companies, regardless of the number of such investors to which the Certificates are sold.

4. The Authority and each of the Local Agencies hereby authorizes, or has previously authorized, the use by the Underwriter of (i) the Trust Agreement, (ii) the 2011 Installment Sale Agreements, (iii) each respective Continuing Disclosure Agreement, dated as of the Closing Date (each, a "**Local Agency Continuing Disclosure Agreement**" and, collectively, the "**Local Agency Continuing Disclosure Agreements**"), by and between the applicable Local Agency and the Trustee, as dissemination agent, and (iv) each of the Preliminary Official Statement and the Official Statement, and any supplements or amendments thereto, and the information contained in each of such documents, in connection with the public offering and sale of the Certificates.

The Authority will deliver to the Underwriter, within seven (7) business days after the date of this Purchase Contract and in sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, copies of the Official Statement in final form (including all documents incorporated by reference therein) and any amendment or supplement thereto in such quantities as the Underwriter may reasonably request in order to comply with the obligations of the Underwriter pursuant to the Rule and the rules of the Municipal Securities Rulemaking Board. As soon as practicable following receipt thereof from the Authority, the Underwriter shall deliver the Official Statement to the Municipal Securities Rulemaking Board.

5. At 8:00 a.m., Los Angeles time, on \_\_\_\_\_, 2011, or at such other time or on such other business day as shall have been mutually agreed upon by the Authority, the Local Agencies, and the Underwriter (the "Closing Date"), the Authority will cause the Trustee to execute and deliver to the Underwriter at the office of or otherwise in care of The Depository Trust Company ("**DTC**") in New York, New York, or at such other place as the Authority and the Underwriter may mutually agree upon, the Certificates in fully-registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Certificates by wire transfer payable in immediately available funds to or upon the order of the Authority at such place in Los Angeles, California, or New York, New York, as shall have been mutually agreed upon by the Authority and the Underwriter. Such delivery of and payment for the Certificates is referred to herein as the "**Closing**." The Certificates shall be made available for inspection by DTC at least one business day before the Closing.

6. The Authority represents, warrants, and covenants to the Underwriter that:

(A) The Authority is a joint powers authority under Article 1 of Chapter 5 of Division 7 of Title 1 of the California Government Code duly organized and validly existing under and by virtue of the Constitution and the laws of the State of California (the "**State**").

(B) The Authority has the legal right and power to execute and deliver, and to perform its obligations under, the Trust Agreement, the 2011 Installment Sale

Agreements, and this Purchase Contract (collectively, the “**Authority Documents**”). The Authority has duly authorized the execution and delivery of the Certificates and the execution and delivery of, and performance of its obligations under, the Authority Documents and, as of the date hereof, such authorizations are in full force and effect and have not been amended, modified, or rescinded. When executed and delivered by the respective parties thereto, the Authority Documents will constitute legal, valid, and binding obligations of the Authority in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws and the application of equitable principles relating to or affecting creditors’ rights generally. The Authority has complied, and will at the Closing be in compliance in all respects, with its obligations under the Authority Documents.

(C) The Certificates will be paid from Installment Sale Payments pursuant to the respective 2011 Installment Sale Agreements, which payments have been duly and validly authorized pursuant to applicable law.

(D) The Certificates will be executed and delivered in accordance with the Trust Agreement and will conform in all material respects to the descriptions thereof contained in the Official Statement. The Trust Agreement creates a valid pledge of, first lien upon, and security interest in, the pledged Installment Sale Payments.

(E) The information in the sections of the Official Statement entitled “THE AUTHORITY” and “NO LITIGATION – The Authority” is true and correct in all material respects, and such information does not contain any misstatement of any material fact and does not omit any statement necessary to make the statements, in the light of the circumstances in which such statements were made, not misleading.

(F) The Authority covenants with the Underwriter that for twenty-five (25) days after the Closing Date (the “**Delivery Period**”), if any event occurs that might or would cause the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall notify the Underwriter thereof, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will cooperate with the Underwriter in the preparation of an amendment or supplement to the Official Statement, at the expense of the Local Agencies, in a form and in a manner approved by the Underwriter.

(G) The Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale, or distribution of the Certificates.

(H) If the Official Statement is supplemented or amended, the Official Statement, as so supplemented or amended, as of the date of such supplement or

amendment, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(I) The Authority is not in breach of or in default under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, consent, or other agreement to which the Authority is a party, and no event has occurred and is continuing that, with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any of the foregoing.

(J) The authorization, execution, and delivery by the Authority of the Authority Documents, and compliance by the Authority with the provisions thereof, do not and will not conflict with or constitute a breach of or default by the Authority under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, consent, or other agreement to which it is bound or by which its properties may be affected, nor will any such execution, delivery, adoption, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument, except as provided by the Authority Documents.

(K) No authorization, consent, or approval of, or filing or registration with, any Governmental Authority (as defined below) or court is, or under existing requirements of law will be, necessary for the valid execution and delivery of, or performance by the Authority of its obligations under, the Authority Documents, other than any authorization, consent, approval, filing, or registration as may be required under the Blue Sky or securities laws of any state in connection with the offering, sale, execution, or delivery of the Certificates. All authorizations, consents, or approvals of, or filings or registrations with, any Governmental Authority or court necessary for the valid execution and delivery of, and performance by the Authority of its obligations with respect to, the Certificates will have been duly obtained or made prior to the execution and delivery of the Certificates (and disclosed to the Underwriter). As used herein, the term “**Governmental Authority**” refers to any legislative body or governmental official, department, commission, board, bureau, agency, instrumentality, body, or public benefit corporation.

(L) The Authority shall furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request at the expense of the Underwriter and/or the Local Agencies in order (i) to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions, and shall use its best efforts to continue such qualifications in effect so long as required for the distribution of the Certificates; provided, however, that the Authority shall not be required to

execute a general consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(M) To the knowledge of the Authority, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body, pending or threatened (i) in any way questioning the existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affecting, contesting, or seeking to prohibit, restrain, or enjoin the execution and delivery of the Certificates or the execution or delivery of any of the Authority Documents, or the payment or collection of any amounts pledged or to be pledged to pay the principal and interest with respect to the Certificates, or in any way contesting or affecting the validity of the Certificates or the Authority Documents or the consummation of the transactions contemplated thereby or any proceeding of the Authority taken with respect to any of the foregoing, or contesting the exclusion of the portion of the Installment Sale Payments designated as and comprising interest and received by the Owners of the Certificates from taxation or contesting the powers of the Authority and its authority to pledge the Installment Sale Payments; (iii) that may result in any material adverse change relating to the Authority that will materially adversely affect the Authority's ability to apply Installment Sale Payments to pay the Certificates when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(N) Other than in the ordinary course of its business or as contemplated by the Official Statement, between the date of this Purchase Contract and the Closing Date the Authority will not, without the prior written consent of the Underwriter, offer or issue any certificates, bonds, notes, or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Installment Sale Payments.

(O) Any certificate signed by any official or other representative of the Authority and delivered to the Underwriter pursuant to this Purchase Contract shall be deemed a representation and warranty by the Authority to the Underwriter as to the truth of the statements therein made.

7. Each Local Agency represents, warrants, and covenants to the Underwriter and the Authority, solely for itself and not on behalf of any other Local Agency, that:

(A) The Local Agency is a municipal corporation of the State duly organized and validly existing under and by virtue of the Constitution and laws of the State.

(B) The Local Agency has the legal right and power to execute and deliver, and to perform its obligations under, the Trust Agreement, its applicable 2011 Installment Sale Agreement, its applicable Local Agency Continuing Disclosure Agreement, and this Purchase Contract (collectively, with respect to such Local

Agency, the “**Local Agency Documents**”). The Local Agency has duly authorized the execution and delivery of, and the performance of its obligations under, the Local Agency Documents and as of the date hereof such authorizations are in full force and effect and have not been amended, modified, or rescinded. When executed and delivered by the respective parties thereto, the Local Agency Documents will constitute legal, valid, and binding obligations of the Local Agency in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws and the application of equitable principles relating to or affecting creditors’ rights generally. The Local Agency has complied, and will at the Closing be in compliance in all respects, with its obligations under the Local Agency Documents.

(C) The Installment Sale Payments payable under the 2011 Installment Sale Agreement have been duly and validly authorized pursuant to applicable law.

(D) The Certificates will be executed and delivered in accordance with the Trust Agreement and will conform in all material respects to the descriptions thereof contained in the Official Statement. The Trust Agreement creates a valid pledge of, first lien upon, and security interest in, the pledged Installment Sale Payments.

(E) The information in the Official Statement (excluding any information with respect to the Authority, DTC, the book-entry only system, the Certificate Insurer, the Certificate Insurance Policy, and any Local Agencies other than such Local Agency) is true and correct in all material respects, and such information does not contain any misstatement of any material fact and does not omit any statement necessary to make the statements, in the light of the circumstances in which such statements were made, not misleading.

(F) The Local Agency covenants with the Underwriter that, during the Delivery Period, if any event occurs that might or would cause the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Local Agency shall notify the Underwriter thereof, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Local Agency will cooperate with the Underwriter and the Authority in the preparation of an amendment or supplement to the Official Statement, at the expense of the Local Agency or Local Agencies, as applicable, in a form and in a manner approved by the Underwriter.

(G) The Local Agency will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter. The Local Agency will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale, or distribution of the Certificates.

(H) If the Official Statement is supplemented or amended, the Official Statement as so supplemented or amended, as of the date of such supplement or amendment, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(I) The Local Agency is not in breach of or in default under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, consent, or other agreement to which the Local Agency is a party, and no event has occurred and is continuing that, with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any of the foregoing.

(J) The authorization, execution, and delivery by the Local Agency of the Local Agency Documents, and compliance by the Local Agency with the provisions thereof, do not and will not conflict with or constitute a breach of or default by the Local Agency under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, consent, or other agreement to which it is bound or by which its properties may be affected.

(K) No authorization, consent, or approval of, or filing or registration with, any Governmental Authority or court is, or under existing requirements of law will be, necessary for the valid execution and delivery of, or performance by the Local Agency of its obligations under, the Local Agency Documents, other than any authorization, consent, approval, filing, or registration as may be required under the Blue Sky or securities laws of any state in connection with the offering, sale, execution, or delivery of the Certificates.

(L) The Local Agency will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions, and will use their best efforts to continue such qualifications in effect so long as required for the distribution of the Certificates; provided, however, that the Local Agency shall not be required to execute a general consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(M) There is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body, pending or, to the best knowledge of the Local Agency, threatened (i) in any way questioning the existence of the Local Agency or the titles of the officers of the Local Agency to their respective offices; (ii) affecting, contesting, or seeking to prohibit, restrain, or enjoin the execution and delivery of the Certificates or the execution or delivery of any of the Local Agency Documents, or the payment or collection of any amounts pledged or to

be pledged to pay the principal and interest with respect to the Certificates, or in any way contesting or affecting the validity of the Certificates or the Local Agency Documents or the consummation of the transactions contemplated thereby or any proceeding of the Local Agency taken with respect to any of the foregoing, or contesting the exclusion of the portion of the Installment Sale Payments designated as and comprising interest and received by the Owners of the Certificates from taxation or contesting the powers of the Local Agency and its authority to pledge the Installment Sale Payments; (iii) that may result in any material adverse change relating to the Local Agency that will materially adversely affect the Local Agency's ability to pay Installment Sale Payments when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(N) Other than in the ordinary course of its business or as contemplated by the Official Statement, between the date of this Purchase Contract and the Closing Date the Local Agency will not, without the prior written consent of the Underwriter, offer or issue any certificates, bonds, notes, or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Installment Sale Payments.

(O) The financial information regarding the Local Agency contained in the Official Statement fairly present the financial position and results of the operations of the Local Agency as of the dates and for the periods therein set forth, and, to the best of the Local Agency's knowledge, the Local Agency's audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied.

(P) Any certificate signed by any official or other representative of the Local Agency and delivered to the Underwriter pursuant to this Purchase Contract shall be deemed a representation and warranty by the Local Agency to the Underwriter as to the truth of the statements therein made.

(Q) The Local Agency has not failed during the previous five (5) years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement under the Rule.

(R) To the extent permitted by law, the Local Agency agrees to indemnify and hold harmless the Authority and its officers, directors, agents, and employees against any and all losses, claims, damages, liabilities, and expenses arising out of any statement or information in the Preliminary Official Statement or in the Official Statement (other than statements or information specifically related to the Authority, the Program, DTC, the book-entry only system, the Certificate Insurer, the Certificate Insurance Policy, and any Local Agency other than such Local Agency) that is untrue or incorrect in any material respect or that omits to state any material fact that is

necessary to make such statement or information therein not misleading in any material respect.

8. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties, and covenants of the Authority and each of the Local Agencies contained herein and in the Authority Documents and the Local Agency Documents to which each of the Authority or each of the Local Agencies, as applicable, is a party, and the performance by the Authority and by each of the Local Agencies of their respective obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter's obligations under this Purchase Contract are and shall be subject to the following further conditions:

(A) The representations and warranties of the Authority and the Local Agencies contained herein shall be true, complete, and correct in all material respects on the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete, and correct in all material respects at the Closing; the Authority and each of the Local Agencies shall be in compliance with each of the agreements made by it in this Purchase Contract (unless such agreements are waived by the Underwriter); there shall not have occurred an adverse change in the financial position, results of operations, or financial condition of any of the Local Agencies that materially adversely affects the ability of any of the Local Agencies to pay Installment Sale Payments when due or otherwise perform any of its obligations under the Local Agency Documents; and there shall not have occurred an adverse change in the financial position of the Authority that materially adversely affects the ability of the Authority to make payments of principal and interest with respect to the Certificates when due or otherwise perform any of its obligations under the Authority Documents.

(B) At the time of the Closing, the Authority Documents and the Local Agency Documents shall be in full force and effect, and shall not have been amended, modified, or supplemented (except as may be agreed to in writing by the Underwriter); all actions that, in the opinion of Orrick, Herrington & Sutcliffe LLP, Special Counsel to the Local Agencies ("**Special Counsel**"), shall be necessary in connection with the transactions contemplated hereby shall have been duly taken and shall be in full force and effect; and each Local Agency shall perform or shall have performed its obligations required under or specified in the Local Agency Documents to be performed at or prior to the Closing and the Authority shall perform or shall have performed its obligations required under or specified in the Authority Documents to be performed at or prior to the Closing.

(C) At the time of the Closing, the Official Statement (as amended and supplemented) shall be true and correct in all material respects, and shall not omit any statement or information necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(D) Except as disclosed in the Official Statement or in a schedule delivered to the Underwriter at the Closing, no decision, ruling, or finding shall have been entered

by any court or Governmental Authority since the date of this Purchase Contract (and not reversed on appeal or otherwise set aside) that has any of the effects described in Section 8(F) hereof.

(E) (i) No default by any Local Agency or the Authority shall have occurred and be continuing in the payment of the principal of or premium, if any, or interest on any bond, note, or other evidence of indebtedness issued by any Local Agency or the Authority, respectively, and (ii) no bankruptcy, insolvency, or other similar proceeding in respect of any Local Agency or the Authority shall be pending or, to the knowledge of each such Local Agency or the Authority, contemplated.

(F) The Underwriter may terminate this Purchase Contract by written notification to the Authority and the Local Agencies if at any time after the date hereof and prior to the Closing:

(1) legislation shall have been enacted by the United States or the State or shall have been reported out of committee or be pending in committee, or a decision shall have been rendered by a court of the United States or the Tax Court of the United States, or a ruling shall have been made or a regulation, proposed regulation, or a temporary regulation shall have been published in the Federal Register or any other release or announcement shall have been made by the Treasury Department of the United States or the Internal Revenue Service, with respect to Federal or State taxation upon revenues or other income or payments of the general character of the Certificates, which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Certificates; or

(2) the United States shall have become engaged in hostilities that have resulted in a declaration of war or a national emergency or the President of the United States of America shall have committed the armed forces of the United States of America to combat so as to adversely affect the financial markets in the United States of America and that, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Certificates; or

(3) there shall have occurred a general suspension of trading on the New York Stock Exchange, or a general banking moratorium shall have been declared by Federal, California, or New York authorities having jurisdiction and being in force; or

(4) there shall have occurred an adverse change in the financial position, results of operations, or financial condition of any Local Agency that, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Certificates; or

(5) any legislation, ordinance, rule, or regulation shall be introduced in, or be enacted by, any governmental body, department, or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered that, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Certificates; or

(6) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation, or official statement by, or all behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, or sale of obligations of the general character of the Certificates, or the execution, delivery, offering, or sale of the Certificates, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Certificates, or the Certificates, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Trust Agreement needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(7) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, which restrictions materially adversely affect the ability of underwriters to trade obligations of the general character of the Certificates; or

(8) any rating of the Certificates shall have been downgraded, suspended, or withdrawn by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Certificates; or

(9) the commencement of any action, suit, or proceeding described in Section 6(M) or 7(M) that, in the judgment of the Underwriter, materially adversely affects the market price of the Certificates; or

(10) any rating of the Certificate Insurer shall have been downgraded, suspended, or withdrawn by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Certificates; or

(11) any event occurring, or information becoming known, that, in the reasonable judgment of the Underwriter, makes any statement or information contained in the Official Statement, as of its date, untrue in any material adverse respect, or has the effect that the Official Statement, as of its date, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(G) At or prior to the Closing, the Underwriter shall receive the following documents:

(1) the opinion of Special Counsel, dated the Closing Date, in substantially the form included in the Official Statement as Appendix C, addressed to the Local Agencies (and accompanied by reliance letters to the Authority, the Underwriter, the Trustee, and the Certificate Insurer);

(2) a supplemental opinion of Special Counsel, in form and substance satisfactory to the Underwriter, dated the Closing Date, addressed to the Authority and the Underwriter, to the effect that:

(i) the Certificates are not subject to registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; provided that no opinion shall be expressed with respect to the Certificate Insurance Policy; and

(ii) the statements contained in the Official Statement under the captions "INTRODUCTION," "THE CERTIFICATES," "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES," "TAX MATTERS," "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS," and "APPENDIX C – PROPOSED FORM OF SPECIAL COUNSEL OPINION," insofar as such statements expressly summarize certain provisions of the Trust Agreement, the 2011 Installment Sale Agreements, the Certificates, and the opinion of Special Counsel concerning certain federal tax matters relating to the Certificates, are accurate in all material respects;

(3) an opinion of counsel to each Local Agency, in form and substance satisfactory to the Underwriter, dated the Closing Date, addressed to the Authority, the Underwriter, and the Certificate Insurer, to the effect that:

(i) the Local Agency is a municipal corporation duly organized and validly existing under and by virtue of the laws of the State;

(ii) the Local Agency has full legal power and lawful authority to enter into the Local Agency Documents;

(iii) the resolution of the Local Agency approving and authorizing the execution and delivery of the Local Agency Documents and approving the Official Statement (the "**Local Agency Resolution**") was duly adopted at a meeting of the city council or other governing body of the Local Agency that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Local Agency Resolution is in full force and effect and has not been modified, amended, or rescinded as of the Closing Date;

(iv) the Local Agency Documents have been duly authorized, executed, and delivered by the Local Agency and, assuming due authorization, execution, and delivery by the other parties thereto, such documents constitute the legal, valid, and binding agreements of the Local Agency enforceable in accordance with their terms, subject to laws relating to bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles if equitable remedies are sought;

(v) the execution and delivery by the Local Agency of the Local Agency Documents, and compliance by the Local Agency with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute a breach of or default under any law, administrative regulation, court decree, resolution, or agreement to which the Local Agency is subject to or by which it is bound;

(vi) nothing has come to such counsel's attention that would lead such counsel to believe that the Official Statement (excluding therefrom financial information and other statistical data included in the Official Statement, and any information with respect to any Local Agencies other than such Local Agency, the Authority, the Program, DTC, the book-entry only system, the Certificate Insurer, or the Certificate Insurance Policy, as to which no view need be expressed) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(vii) except as otherwise disclosed in the Official Statement, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body, pending or, to the best knowledge of such counsel, threatened (a) in any way questioning the existence of the Local Agency or the titles of the officers of the Local Agency to their respective offices; (b) affecting, contesting, or seeking to prohibit, restrain, or enjoin the execution and delivery of the Certificates or any of the Local Agency Documents, or the payment or collection of any amounts pledged or to be pledged to pay the Installment Payments or the principal and interest with respect to the Certificates, or in any way contesting or affecting the validity of the Certificates or the Local Agency Documents or the consummation of the transactions contemplated thereby or any proceeding of the Local Agency taken with respect to any of the foregoing, or contesting the exclusion of the interest payable with respect to the Certificates from taxation or contesting the powers of the Local Agency and its authority to pledge the Installment Sale Payments; (c) that may result in any material adverse change relating to the Local Agency that will materially adversely affect the Local Agency's ability to pay the Installment Sale Payments when due; or (d) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(viii) no additional authorization, approval, consent, waiver, or any other action by any person, board, or body, public or private, not previously obtained is required as of the Closing Date for the Local Agency to enter into the Local Agency Documents, or to perform its obligations thereunder;

(4) an opinion of Special Counsel, as counsel to the Authority, in form and substance satisfactory to the Underwriter, dated the Closing Date, addressed to the Underwriter and the Certificate Insurer, to the effect that:

(i) the Authority is a joint powers agency organized and existing under the laws of the State of California; and

(ii) the resolution of the Authority approving and authorizing the execution and delivery of the Authority Documents and approving the Official Statement (the “**Authority Resolution**”) was duly adopted at a meeting of the governing body of the Authority. The Authority Resolution is in full force and effect and has not been amended, modified or rescinded;

(5) a letter from Goodwin Procter LLP, Los Angeles, California, counsel to the Underwriter (“**Underwriter’s Counsel**”), dated the Closing Date, addressed to the Underwriter, to the effect that, based upon its participation in the preparation of the Official Statement as Underwriter’s Counsel and without having undertaken to determine independently the fairness, accuracy, or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that, as of the date of the Closing, the Official Statement (excluding therefrom the reports, financial and statistical data and forecasts therein, the information with respect to DTC and the book-entry system, the information with respect to the Certificate Insurer and the Certificate Insurance Policy, and the information included in the Appendices thereto, as to which no view need be expressed) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(6) a certificate of each Local Agency, in form and substance satisfactory to the Underwriter, dated the Closing Date, to the effect that;

(i) the representations, warranties, and covenants of the Local Agency contained in this Purchase Contract are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date and the Local Agency has complied with all of the terms and conditions of the Purchase Contract required to be complied with by the City at or prior to the Closing Date;

(ii) the Local Agency has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date pursuant to the Purchase Contract with respect to the execution and delivery of the Certificates;

(iii) to the best knowledge of the Local Agency, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or threatened against the Local Agency, affecting the existence of the Local Agency or the titles of its officers to their respective offices, or affecting or seeking to prohibit,

restrain, or enjoin the sale, execution, or delivery of the Certificates or contesting or affecting, as to the Local Agency, the validity or enforceability of the Certificates, the Local Agency Documents or contesting the tax exempt status of interest represented by the Certificates, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Local Agency or any authority for the execution and delivery of the Certificates, or in any way contesting or challenging the consummation of the transactions contemplated under the Local Agency Documents, or, except as disclosed in the Official Statement, that might result in a material adverse change in the financial condition of the Local Agency or materially adversely effect the Local Agency's expenditure authority under California Constitution Article XIX and Streets and Highways Code Section 2101 or its rights to receive gas tax apportionment from the Highway Users Tax Fund, nor is there any known basis for any such action, suit, proceeding, inquiry, or investigation, wherein an unfavorable decision, ruling, or finding would materially adversely affect the authorization, execution, delivery, or performance by the Local Agency of the Local Agency Documents or the execution by the Trustee of the Certificates;

(iv) no event affecting the Local Agency has occurred since the date of the Official Statement that has not been disclosed therein or in any supplement or amendment thereto, which event should be in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(v) between the date of the Purchase Contract and the Closing Date, the Local Agency has not offered or issued any bonds, notes, or other obligations for borrowed money, or incurred any material liabilities, other than with the written consent of the Underwriter, nor has there been any adverse change of a material nature in the financial position, results of operations, or condition, financial or otherwise, of the Local Agency;

(7) a certificate of the Authority, in form and substance satisfactory to the Underwriter, dated the Closing Date, to the effect that;

(i) the representations and warranties of the Authority contained in this Purchase Contract are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; and

(ii) there has been no material adverse change in the financial condition or results of operations of the Authority from the date of the Official Statement to the Closing Date;

(8) a certificate, dated the date of the Preliminary Official Statement, from the Authority addressed to the Underwriter, in the form attached hereto as Exhibit C-1 and a certificate, dated the date of the Preliminary Official Statement, from

the each Local Agency addressed to the Underwriter, in the form attached hereto as Exhibit C-2;

(9) an opinion of counsel to the Trustee, dated the Closing Date, addressed to the Underwriter, the Authority, and the Certificate Insurer, to the effect that (i) the Trustee is a national banking association duly organized, validly existing, and in good standing under the laws of the United States of America, (ii) the Trustee is duly eligible and qualified to act as Trustee under the Trust Agreement, (iii) the Trustee has all requisite power, authority, and legal right to execute the Certificates and to execute and deliver the Trust Agreement and the Local Agency Continuing Disclosure Agreements (collectively, the "Trustee Documents"), and to perform its obligations under the Trustee Documents, and has taken all necessary corporate action to authorize the execution and delivery of and the performance of its obligations under the Trustee Documents, (iv) the Trustee has duly executed and delivered the Trustee Documents and, assuming the due authorization, execution, and delivery of the Trustee Documents by the other parties thereto, the Trustee Documents are the legal, valid, and binding agreements of the Trustee enforceable against the Trustee in accordance with their terms, except to the extent enforceability thereof may be subject to (A) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other similar laws affecting creditors' rights and remedies heretofore or hereinafter enacted, and (B) the application of equitable principles and the exercise of judicial discretion in appropriate cases, (v) the Trustee has duly executed the Certificates, (vi) no authorization, approval, consent, or other order of the State or any governmental authority or agency within the State having jurisdiction over the Trustee is required for the valid authorization, execution, and delivery by the Trustee of the Trustee Documents and the performance by the Trustee of the Trustee Documents, (vii) the execution of the Certificates and the execution, delivery, and performance of the Trustee Documents do not now, and will not upon consummation of the transactions contemplated thereby in accordance with the existing terms thereof conflict with, result in a breach of or constitute a default under, any term or provision of the Articles of Association or Bylaws of the Trustee, any existing term or provision of any agreement, contract, instrument, or indenture of any nature whatsoever, known to such counsel, to which the Trustee is a party or by which it is bound; or, to the best of such counsel's knowledge after due inquiry, any existing order, judgment, writ, injunction, or decree of any court or governmental authority having jurisdiction over the Trustee, nor will it conflict with or constitute a breach of or default under any law or administrative regulation to which the Trustee is subject (except that no representation, warranty, or agreement shall be made with respect to any federal or state securities or Blue Sky laws or regulations) or result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee, and (viii) to the best of such counsel's knowledge after due inquiry, there are no actions, proceedings, or investigations pending or threatened against the Trustee before any court, administrative agency, or tribunal (A) asserting the invalidity of the Trustee Documents or the Certificates, (B) seeking to prevent the consummation of any of the transactions contemplated thereby, or (C) that might materially and adversely affect the performance by the Trustee of its obligations under, or the validity or enforceability of the Trustee Documents. For purposes of the foregoing, such counsel need not regard

any actions, proceedings, or investigations “threatened” unless the potential litigants or governmental authority has manifested to a member of the Wells Fargo & Company Law Department having responsibility for litigation matters involving the corporate trust activities of the Trustee present intention to initiate such proceedings;

(10) a certificate, dated the Closing Date, signed by a duly authorized officer of the Trustee, to the effect that (i) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States of America, having the necessary power to enter into, accept, and administer the trusts created under the Trust Agreement and to execute and deliver the Certificates to the Underwriter; (ii) the Trustee Documents have been duly authorized, executed, and delivered by a duly authorized officer of the Trustee, and the execution, delivery, and performance of the Trustee Documents has been duly authorized by all necessary action of the Trustee; (iii) the Trustee Documents constitute the legal, valid, and binding obligations of the Trustee enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting the enforcement of creditors’ rights generally and by the application of equitable principles, if equitable remedies are sought; (iv) the Certificates have been duly executed and delivered by a duly authorized officer of the Trustee; (v) no consent, approval, authorization, or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the execution and delivery of the Trustee Documents or the performance by the Trustee of its duties and obligations under the Trustee Documents; (vi) the execution and delivery by the Trustee of the Trustee Documents and compliance with the terms thereof will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution, or any other agreement or instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order, or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties (except that no representation, warranty, or agreement need be made by such counsel with respect to any federal or State securities or blue sky laws or regulations); (vii) the Trustee’s action in executing and delivering the Trustee Documents will not contravene the articles or bylaws of the Trustee and is in full compliance with, and does not conflict with, any applicable law or governmental regulation currently in effect, and such action does not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound; and (viii) there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court or governmental agency, public board, or body that has been served on the Trustee, or to the best knowledge of the Trustee, threatened against the Trustee which in the reasonable judgment of the Trustee would affect the existence of the Trustee or in any way contesting or affecting the validity or enforceability of the Trustee Documents or contesting the powers of the Trustee or its authority to enter into and perform its obligations thereunder;

(11) certified copies of each Local Agency Resolution, the Authority Resolution, and an incumbency resolution of the Trustee;

(12) copies each of the Authority Documents, the Local Agency Documents, the Trustee Documents, and the Official Statement, duly executed and delivered by the respective parties thereto;

(13) tax certificates of the Authority and of each Local Agency, each in form satisfactory to Special Counsel, signed by an appropriate officer of each of the Authority and each Local Agency;

(14) evidence satisfactory to the Underwriter that the Certificates shall have received the Certificate Insurance Policy by the Certificate Insurer that unconditionally guarantees the timely payments of all debt service with respect to the Certificates;

(15) an opinion of counsel to the Certificate Insurer, in form and substance satisfactory to the Underwriter, Special Counsel, and Underwriter's Counsel, with respect to, among other matters, the Certificate Insurance Policy;

(16) a certificate of the Certificate Insurer, in form and substance satisfactory to the Underwriter, Special Counsel, and Underwriter's Counsel, with respect to, among other matters, the Certificate Insurance Policy;

(17) a no-default certificate of the Certificate Insurer, in form and substance satisfactory to the Underwriter, Special Counsel, and Underwriter's Counsel;

(18) evidence that the underlying rating on the Certificates of "A" by Standard & Poor's Ratings Services is in full force and effect on the Closing Date;

(19) evidence that rating on the Certificates of "\_\_\_" by Standard & Poor's Ratings Services as a result of the Certificate Insurance Policy provided by the Certificate Insurer is in full force and effect on the Closing Date;

(20) copies of the statements with respect to the sale of the Certificates required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855 of the California Government Code;

(21) copy of the default judgment rendered on \_\_\_\_\_, 2010, by the Superior Court of the State of California for the County of Orange in the action entitled *City of Placentia v. All Persons Interested in the Matter, etc.*, Case No. \_\_\_\_\_;

(22) evidence that the federal tax information form 8038-G for the Authority and for each Local Agency, as applicable, has been prepared by Special Counsel for filing; and

(23) such additional legal opinions, certificates, proceedings, instruments, and other documents as the Underwriter, Special Counsel, or Underwriter's Counsel may reasonably request to evidence compliance by the Local Agencies and the Authority with legal requirements, the accuracy, as of the time of Closing, of the Authority and the Local Agencies' representations herein contained, and

the due performance or satisfaction by the Local Agencies and the Authority at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Local Agencies and the Authority.

If any of the Local Agencies or the Authority shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Contract or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and none of the Local Agencies, the Authority, or the Underwriter shall have any further obligation hereunder.

9. The performance by each of the Authority and the respective Local Agencies of its obligations is conditioned upon (i) the performance by the Underwriter of its obligations hereunder and (ii) receipt by the Authority, the Local Agencies, and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the Authority and the Local Agencies.

10. No expenses and costs of the Authority or any Local Agency incident to the performance of the Authority's or any Local Agency's obligations in connection with the authorization, sale, execution, and delivery of the Certificates to the Underwriter, such as the costs of preparation (including word processing, printing, and reproduction), distribution and delivery of the Preliminary Official Statement, the Official Statement, the Authority Documents, or the Local Agency Documents, in reasonable quantities, fees of rating agencies, fees and expenses of any financial advisor to the Authority or any Local Agency, and fees and expenses of Special Counsel, Underwriter's Counsel, or any counsel to any Local Agency, shall be paid by the Underwriter. Except as indicated above, all out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, traveling, and other expenses and the fees and expenses of the Underwriter, excluding the fees and expenses of Underwriter's Counsel, shall be paid by the Underwriter.

11. Any notice or other communication to be given to the Authority under this Purchase Contract may be given by delivering the same in writing to the California Statewide Communities Development Authority, 1100 K Street, Suite 101, Sacramento, California 95814, Attention: Treasurer, or to such other person as the Treasurer may designate in writing; any notice or other communication to be given to any Local Agency under this Purchase Contract may be given by delivering the same in writing to such address and to such person as the applicable Local Agency may designate in writing; and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to E. J. De La Rosa & Co., Inc., 10866 Wilshire Boulevard, Penthouse Suite 1650, Los Angeles, California 90024, Attention: Principal. The approval of the Underwriter when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing signed by the Underwriter and delivered to the Authority.

12. For all purposes of this Purchase Contract, a default shall not be deemed to be continuing if it has been cured, waived, or otherwise remedied. This Purchase Contract shall be governed by and construed in accordance with the laws of the State applicable to contracts made and performed within the State.

13. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

14. This Purchase Contract when accepted by the Authority and the Local Agencies in writing shall constitute the entire agreement among the Local Agencies, the Authority, and the Underwriter and is made solely for the benefit of the Local Agencies, the Authority, and the Underwriter (including the successors or assigns of the Underwriter). No other person shall acquire or have any right hereunder or by virtue hereof.

Very truly yours,

E. J. DE LA ROSA & CO., INC.

By: \_\_\_\_\_  
Principal

The foregoing is hereby agreed to and accepted as of the date first above written:

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LOCAL AGENCIES LISTED ON EXHIBIT A HERETO

[Authorized Officers of each Local Agency shall execute this Purchase Contract by signing Pricing Confirmation Supplement in Exhibit D-1 hereto.]

**EXHIBIT A**

**\$ \_\_\_\_\_**

**California Communities**

**Gas Tax Revenue Certificates of Participation, Series 2011A  
(Gas Tax Accelerated Street Improvement Program)**

**LOCAL AGENCIES**

City of Placentia

**EXHIBIT B**

**\$ \_\_\_\_\_**  
**California Communities**  
**Gas Tax Revenue Certificates of Participation, Series 2011A**  
**(Gas Tax Accelerated Street Improvement Program)**

**SCHEDULE OF TERMS AND PRICES**

<b>Maturity Date (June 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Price</b>	<b>Yield</b>
<b>Serial Certificates:</b>	\$	%	%	%

**Term Certificates:**

**Total**      **\$**

**EXHIBIT C-1**

**FORM OF 15c2-12 CERTIFICATE**

**CERTIFICATE OF AUTHORITY  
AS TO FINALITY OF PRELIMINARY OFFICIAL STATEMENT**

I hereby certify that I am a member of the commission of the California Statewide Communities Development Authority (the "Authority"), and as such I am authorized to execute this certificate on behalf of the Authority.

I understand that there has been delivered to E. J. De La Rosa & Co., Inc., as underwriter (the "Underwriter") of the California Communities Gas Tax Revenue Certificates of Participation, Series 2011A (Gas Tax Accelerated Street Improvement Program) (the "Certificates"), a Preliminary Official Statement relating to the Certificates, dated \_\_\_\_\_, 2011 (including the cover page, the introduction and all appendices thereto, the "Preliminary Official Statement"), which, as to only the sections thereof entitled "THE AUTHORITY" and "NO LITIGATION – The Authority," the Authority deems to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12"), except for information permitted to be omitted therefrom by Rule 15c2-12.

Dated: \_\_\_\_\_, 2011

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**

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Member of the Commission

**EXHIBIT C-2**

**“DEEMED FINAL CERTIFICATE”  
FOR  
PRELIMINARY OFFICIAL STATEMENT**

\_\_\_\_\_, 2011

E. J. De La Rosa & Co., Inc.  
10866 Wilshire Boulevard, Penthouse Suite 1650  
Los Angeles, California 90024  
Attention: Principal

Re: California Communities  
Gas Tax Revenue Certificates of Participation, Series 2011A  
(Gas Tax Accelerated Street Improvement Program)

Ladies and Gentlemen:

With respect to the proposed sale of the California Communities Gas Tax Revenue Certificates of Participation, Series 2011A (Gas Tax Accelerated Street Improvement Program) (the “**Certificates**”), the California Statewide Communities Development Authority (the “**Authority**”) has delivered to you a Preliminary Official Statement, dated the date hereof (the “**Preliminary Official Statement**”), \_\_\_\_\_ [NAME OF LOCAL AGENCY], for purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “**Rule**”), deems the Preliminary Official Statement to be final as of its date, except for (a) information regarding Authority, the Program, the Certificate Insurer, and the Certificate Insurance Policy (each as defined in the Preliminary Official Statement) (b) information relating to any other Local Agencies (as defined in the Preliminary Official Statement), and (c) the omission of the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, dates and amounts of mandatory sinking fund payments, delivery dates, ratings, and identity of the purchasers and any other terms of the Certificates relating to such matters and any other information permitted to be omitted by the Rule.

[NAME OF LOCAL AGENCY]

---

[Name, Title]

**EXHIBIT D-1**

**\$ \_\_\_\_\_**  
**California Communities**  
**Gas Tax Revenue Certificates of Participation, Series 2011A**  
**(Gas Tax Accelerated Street Improvement Program)**

**FORM OF PRICING CONFIRMATION SUPPLEMENT**

**CITY OF PLACENTIA**

**PRICING INFORMATION**

Purchase Price Calculation

Proportionate Principal Amount of Certificates: \$  
[Less/Plus]: Net Original Issue [Discount/Premium]  
Less: Underwriter's Discount:  
**Total Purchase Price** \$

Use of Proceeds

Costs of Issuance: \$  
Certificate Insurance Policy:  
Debt Service Reserve Fund  
Net Proceeds:  
**Total Use of Proceeds** \$

**IMPORTANT DATES**

Resolution Date of Local Agency: \_\_\_\_\_, 20\_\_  
Purchase Date: \_\_\_\_\_, 2011  
Closing Date: \_\_\_\_\_, 2011  
Certificate Payment Dates: June 1 of each year, commencing June 1, 20\_\_  
Interest Payment Dates: June 1 and December 1 of each year,  
commencing \_\_\_\_\_ 1, 20\_\_  
Final Maturity Date: June 1, 20\_\_

IN WITNESS WHEREOF, the Purchase Contract is agreed to, and this Pricing Confirmation Supplement appearing as Exhibit D thereto is accepted, all on the Purchase Date set forth above.

**CITY OF PLACENTIA**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT D-2**

\$ \_\_\_\_\_

**California Communities  
Gas Tax Revenue Certificates of Participation, Series 2011A  
(Gas Tax Accelerated Street Improvement Program)**

**FORM OF PRICING CONFIRMATION SUPPLEMENT**

**CITY OF \_\_\_\_\_**

**PRICING INFORMATION**

**Purchase Price Calculation**

Proportionate Principal Amount of Certificates: \$  
[Less/Plus]: Net Original Issue [Discount/Premium]  
Less: Underwriter's Discount:  
**Total Purchase Price** \$

**Use of Proceeds**

Costs of Issuance: \$  
Certificate Insurance Policy:  
Debt Service Reserve Fund  
Net Proceeds:  
**Total Use of Proceeds** \$

**IMPORTANT DATES**

Resolution Date of Local Agency: \_\_\_\_\_, 2011  
Purchase Date: \_\_\_\_\_, 2011  
Closing Date: \_\_\_\_\_, 2011  
Certificate Payment Dates: June 1 of each year, commencing June 1, 20\_\_  
Interest Payment Dates: June 1 and December 1 of each year,  
commencing \_\_\_\_\_ 1, 20\_\_  
Final Maturity Date: June 1, 20\_\_

IN WITNESS WHEREOF, the Purchase Contract is agreed to, and this Pricing Confirmation Supplement appearing as Exhibit D thereto is accepted, all on the Purchase Date set forth above.

**CITY OF \_\_\_\_\_**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



# Placentia City Council

## AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: CITY ATTORNEY

DATE: APRIL 19, 2011

SUBJECT: REACTIVATION OF THE INDUSTRIAL/COMMERCIAL DEVELOPMENT  
AUTHORITY

FINANCIAL  
IMPACT: N/A

### INTRODUCTION:

Pursuant to the provisions of California Government Code § 91500, *et seq.*, the City Council, in 1982, enacted Chapter 3.06 of the Placentia Municipal Code establishing the Industrial Commercial Development Authority ("ICDA"). In order to provide financial flexibility to the operations of the City and Redevelopment Agency, and to ensure proper functioning of the ICDA, it is appropriate, at this time to reactivate the ICDA.

### RECOMMENDATION:

That the City Council, acting as the Board of Directors of the ICDA, adopt Resolution No. ICDA-2011-\_\_\_\_, **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL/COMMERCIAL DEVELOPMENT AUTHORITY OF THE CITY OF PLACENTIA ADOPTING BY-LAWS, SETTING MEETING DATES AND DESIGNATING COUNSEL TO THE AUTHORITY.**

### DISCUSSION:

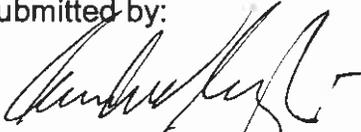
In light of the Governor's proposal to eliminate redevelopment agencies throughout the State, staff began to explore various options to not only protect local tax increment from being taken by the State, but to also serve as a potential successor agency to carry out many of the functions the existing redevelopment agency performs today. After researching various options, staff discovered that Chapter 3.06 of the Placentia Municipal Code, which was enacted in 1982, provides for the creation of an Industrial Commercial Development Authority (ICDA) in accordance with the provisions of California Government Code § 91500, *et seq.* The primary purpose of the ICDA is to provide an alternative means to promote and enhance economic development and increase opportunities for employment within the City. The ICDA has many of the same powers as the Redevelopment Agency including the authority to purchase, transfer and sell property, borrow money or issue bonds to cover the cost of projects, services and/or the acquisition of property, and to enter into contracts necessary to carry out its function. Unlike the Redevelopment Agency, the benefits available under the ICDA are not limited to designated

"project areas" and may enable private enterprise to capitalize on effective methods to upgrade and expand business opportunities.

The records of the Authority indicate that it has not conducted meetings or engaged in Authority business since approximately 1985. The proposed Resolution adopts by-laws, which are required by law, and sets the meeting date and time of the ICDA Board of Directors. The proposed meeting dates are consistent with that of the City Council.

While the future of redevelopment agencies is still unclear, staff believes that the adoption of formal meeting dates and by-laws is a prudent course of action in that this action will facilitate making the salutary benefits of the ICDA available to the City should it become necessary.

Submitted by:



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Andrew V. Arczynski,  
City Attorney

Reviewed and approved:



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Troy L. Butzlaff, ICMA-CM  
City Administrator

Attachment: Resolution ICDA R-2011-\_\_\_\_\_

RESOLUTION NO. ICDA-R-2011-

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL/COMMERCIAL DEVELOPMENT AUTHORITY OF THE CITY OF PLACENTIA ADOPTING BY-LAWS, SETTING MEETING DATES AND DESIGNATING COUNSEL TO THE AUTHORITY.

**A. Recitals.**

(i) The City of Placentia heretofore has adopted Chapter 3.06 of the Placentia Municipal Code, establishing the Industrial/Commercial Development Authority ("Authority") in accordance with the provisions of California Government Code § 91500, et seq.

(ii) The Board of Directors desires to establish meeting dates, adopt By-Laws for the functioning of the Authority and to designate counsel to the Authority.

(iii) All legal prerequisites to the adoption of this Resolution have occurred.

**B. Resolution.**

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE INDUSTRIAL/COMMERCIAL DEVELOPMENT AUTHORITY OF THE CITY OF PLACENTIA DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

1. In all respects as set forth in the Recitals, Part A., of this Resolution.

2. The By-Laws of the Authority shall be as set forth in Exhibit "A" attached hereto and by this reference incorporated herein.

3. Meetings of the Authority shall take place on the first and third Tuesday of each month commencing at 7:00 p.m. or as soon thereafter as the meeting may be called to order.

4. Additional meetings of the Authority shall be called as determined to be necessary by the Executive Director in accordance with the provisions of the Ralph M. Brown Act, California Government Code § 54950, et seq.

5. General Counsel to the Authority shall be the City Attorney of the City of Placentia.

PASSED AND ADOPTED this 19<sup>th</sup> day of April, 2011.

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SCOTT W. NELSON, Chairman

ATTEST:

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PATRICK J. MELIA, Secretary

I, Patrick J. Melia, Secretary of the Industrial/Commercial Development Authority of the City of Placentia, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the Board of Directors of the Industrial/Commercial Development Authority of the City of Placentia, held on the 19<sup>th</sup> day of April, 2011, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

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PATRICK J. MELIA,  
Secretary

APPROVED AS TO FORM:

---

ANDREW V. ARCZYNSKI,  
General Counsel

**BY-LAWS**  
**INDUSTRIAL/COMMERCIAL DEVELOPMENT AUTHORITY**  
**OF THE CITY OF PLACENTIA**

**ARTICLE I - Authority.**

1.01. Name of Authority. The name of the Authority shall be:

INDUSTRIAL/COMMERCIAL DEVELOPMENT AUTHORITY  
  
OF THE  
  
CITY OF PLACENTIA

1.02. Nature of Authority. The Authority is a public body, organized and existing under the California Industrial Development Financing Act (California Government Code § 91500, *et seq.*).

1.03. Objectives and Purposes. The objectives and purposes of the Authority are set forth in the Industrial Development Financing Act.

1.04. Members. The powers of the Authority shall be vested in the Members thereof in office.

1.05. Term of Office of Members. The Members shall hold office as Members of the Authority as long as they hold office as Members of the City Council.

1.06. Seal of Authority. The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority and the year of its organization.

1.07. Office of Authority. The offices of the Authority shall be at such location in the City, as the Members may from time to time designate by resolution.

**ARTICLE II - OFFICERS**

2.01. Officers. At a regular meeting, the Members shall appoint:

- (a) Chairman
- (b) Vice-Chairman

- (c) Secretary
- (d) Treasurer
- (e) Executive Director

The Chairman and Vice-Chairman shall be the Mayor and Mayor Pro Tem, respectively. The Executive Director shall be the City Administrator of the City. The Secretary shall be the City Clerk. The Treasurer shall be the elected City Treasurer of the City.

2.02. Term of Office of Chairman and Vice-Chairman. The Chairman and Vice-Chairman shall serve the term for Mayor and Mayor Pro Tem respectively.

2.03. Disqualification of Member. A Member shall not be Secretary, Treasurer or Executive Officer, except as a temporary appointee.

2.04. Other Officer and Employees. At any meeting, the Members may appoint or employ and prescribe the authority and duties of other officers, employees, attorneys, engineers and contract consultants necessary or convenient for the business of the Authority, each of whom shall serve at the pleasure of the Members.

2.05. Duties of Chairman. The Chairman shall:

- (a) Preside at all meetings of the Authority.
- (b) Submit to the Members such recommendations and information as may be appropriate concerning the business and policies of the Authority.
- (c) Except as otherwise provided by resolution, sign all resolutions, contracts, deeds and other instruments made by the Authority.
- (d) Perform other duties imposed by the Members or provided in the By-Laws.

2.06. Duties of Vice-Chairman. The Vice-Chairman shall:

- (a) Perform all duties of the Chairman in the absence or due to the disability of the Chairman.

(b) Perform such other duties imposed by the Members or provided in the By-Laws.

2.07. Duties of Secretary. The Secretary shall:

(a) Keep the seal and all records of the Authority.

(b) Keep a journal of the proceedings of the Members and record all votes therein.

(c) Attest to and affix the seal upon documents authorized by the Members.

(d) Certify any documents authorized and/or approved by the Members.

(e) Perform such other duties imposed by the Members or provided in the By-Laws.

2.08. Duties of Treasurer. The Treasurer shall:

(a) Install and maintain a system of auditing and accounting to completely and at all times show the financial condition of the Authority.

(b) Upon request of the Members, render an account of the transactions and financial condition of the Authority.

(c) Keep all funds of the Authority on deposit or invested in the name of the Authority in such a manner as may be designated by the Members.

(d) Sign all orders and checks and pay and disburse such moneys as may be directed by the Members.

(e) Perform such other duties imposed by the Members or provided in the By-Laws.

2.09. Executive Director. The Executive Director shall have general supervision over the administration of the business and affairs of the Authority, subject to the direction of the Members.

2.10. Compensation of Secretary, Treasurer and Executive Officer. The compensation of the Secretary, Treasurer and Executive Officer, if any, shall be determined by the Members; provided that a temporary appointee selected from the Members shall serve without compensation other than the payment of necessary expenses.

2.11. Term of Secretary, Treasurer and Executive Director. The Secretary shall serve the term of the elected City Clerk. The Treasurer shall serve the term of the elected City Treasurer. The Executive Director shall serve at the pleasure of the Members.

2.12. Bonds. The Secretary, Treasurer, Executive Officer and other employees or assistants of the Authority required so to do by the Members shall each give a bond to the Authority conditioned for the faithful performance of duties.

2.13. Vacancies. If the office of Chairman and Vice-Chairman or Secretary shall become vacant, the Members shall elect a successor at the next regular meeting or as soon thereafter as practicable.

### **ARTICLE III - MEETINGS**

3.01. Regular Meetings. The time and place of regular meetings shall be established by resolution of the Members.

3.02. Special Meetings. The manner of calling special meetings shall be as provided by the Ralph M. Brown Act, California Government Code § 54950, *et seq.*

3.03. Quorum. A majority of the Members shall constitute a quorum for the purpose of conducting business of the Authority and for all other purposes except as otherwise provided by law or By-Laws. Less than a quorum may adjourn from time to time until a quorum is obtained. When a quorum is in attendance, and except as otherwise provide by law or the By-Laws, action may be taken by the Authority upon a vote of a majority of the Members present.

3.04. Action by Members. The Members shall act only by motion or resolution.

3.05. Vote on Official Acts. Except as otherwise provided by law or the By-Laws, no motion or resolution shall be passed or become effective without the affirmative vote of a majority of the members present.

3.06. Payment of Money. All motions or resolutions for the payment of money shall be adopted or made only at regular meetings and shall require the affirmative vote of at least three (3) members.

3.07. Record of Vote. Except where action is taken by a unanimous vote of all Members present and voting, the ayes, noes, absences and abstentions shall be taken upon the passage of all motions and resolutions and entered upon the minutes of the meeting.

3.08. Signatures on Resolutions. All resolutions shall be signed by the Chairman and attested by the Secretary.

3.09. Order of Business. At the regular meeting of the Members, the order of business shall be:

- (a) Roll-Call.
- (b) Oral Communications
- (c) Reading and approval of the minutes of the previous meeting.
- (d) Consent Calendar.
- (e) Public Hearings.
- (f) Non-public Hearing Agenda Items.
- (g) Reports of Authority Members.
- (h) Adjournment.

3.10. Ralph M. Brown Act. All meetings of the Authority shall be subject to the Ralph M. Brown Act (California Government Code § 54950).

#### ARTICLE IV - CONFLICTS OF INTEREST

4.01. Authority to Bind Authority. No member, officer, agent or employer of the Authority, without prior authorization by a vote of the Members, shall have any power or authority to bind the Authority by any contract, to pledge its credits, or to render it liable for any purpose in any amount.

4.02. Payment of Money, Notes or Other Indebtedness. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of or payable to the Authority shall be signed or endorsed by such person or persons and in such a manner as from time to time shall be determined by the members.

4.03. Conflict of Interest; Disclosure. No Authority or City officer or employee who in the course of his duties is required to participate in the formulation of or to approve plans or policies for the redevelopment of a project area shall acquire any interest in any property included within a project of the Authority. If any such officer or employee owns or has any direct or indirect financial interest in such property, he or she shall immediately make a written disclosure of it to the Members which shall be entered on the minutes.

This section shall not prohibit any such officer or employee from acquiring an interest in property within the project for the purpose of participating as an owner or reentering into business provided that such officer or employee has owned a substantially equal interest as that being acquired for the three years immediately preceding the selection of the project.

4.04. Purchase or Lease of Property for Residential Use; Disclosure. Notwithstanding any other provisions of law, an officer, employee, consultant, or agent of the Authority or City, for personal residential use, may purchase or lease property within a project after the Authority has certified that the improvements to be constructed or the work to be done on the property to be purchased or leased have been completed, or has certified that no improvements need to be constructed or that no work needs to be done on that property. The officer or employee

shall immediately make a written disclosure to the Members, which disclosure shall be entered on the minutes of the Authority. Any such officer shall thereafter be disqualified from voting on any matters directly affecting such a purchase, lease, or residency. Failure to so disclose constitutes misconduct in office.

4.05. Political Reform Act. The Authority shall be subject to the Political Reform Act of 1974 (commencing with § 81000 of the Government Code).

#### ARTICLE V - AMENDMENTS

5.01 Amendments to By-Laws. The By-Laws of the Authority shall be amended only with the approval of at least a majority of the Members at a regular or a special meeting, but no such amendment shall be adopted unless at least two (2) days written notice thereof has been previously given to all of the Members of the Authority.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary