



SPECIAL AND URGENT NOTICE ELIMINATING IN-PERSON PUBLIC PARTICIPATION AT CITY OF STANTON CITY COUNCIL MEETING

MEETING DATE: March 24, 2020 / Joint Regular Meeting

These are unprecedented times. The President, Governor, and the City of Stanton have declared a State of Emergency as a result of the threat of COVID-19 (aka the "Coronavirus"). The Governor also issued Executive Order N-25-20 that directs Californians to follow public health directives including cancelling all large gatherings. Governor Newsom also issued Executive Order N-29-20 which lifts the strict adherence to the Brown Act regarding teleconferencing requirements and allows local legislative bodies to hold their meetings without complying with the normal requirements of in-person public participation.

The health and well-being of our residents is the top priority for the City of Stanton and you are urged to take all appropriate health safety precautions. To that end, out of an abundance of caution members of the public wishing to participate will be able to do so telephonically.

In order to join the meeting via telephone please follow the steps below:

1. Dial the following phone number +1 (224) 501-3412.
2. Dial in the following access code 897-507-669 to be connected to the meeting.

In order to join the meeting from your computer, tablet or smart phone please select and follow the link below:

- <https://global.gotomeeting.com/join/897507669>

***ANY MEMBER OF THE PUBLIC WISHING TO PROVIDE PUBLIC COMMENT FOR THE ITEMS ON THE AGENDA MAY DO SO AS FOLLOWS:**

E-Mail your comments to pvazquez@ci.stanton.ca.us no later than 6:30 p.m. before the meeting (*Tuesday, March 24, 2020*). Please identify the Agenda item you wish to address in your comments. Your comments will be read into the record.

The Stanton City Council and staff thank you for your continued patience and corporation during these unprecedented times. Should you have any questions related to participation in the City Council Meeting, please contact the City Clerk's Office at (714) 890-4245.

Thank you.



AGENDA

**CITY COUNCIL/SUCCESSOR AGENCY/STANTON HOUSING AUTHORITY
JOINT REGULAR MEETING**

**STANTON CITY HALL, 7800 KATELLA AVENUE, STANTON, CA
TUESDAY, MARCH 24, 2020 - 6:30 P.M.**

SAFETY ALERT – NOTICE REGARDING COVID-19

SPECIAL AND URGENT NOTICE ELIMINATING IN-PERSON PUBLIC PARTICIPATION AT CITY OF STANTON CITY COUNCIL MEETING

**Information on public
participation provided in Special
and Urgent Notice (Top Page).**

In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (714) 890-4245. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

The City Council agenda and supporting documentation is made available for public review and inspection during normal business hours in the Office of the City Clerk, 7800 Katella Avenue, Stanton California 90680 immediately following distribution of the agenda packet to a majority of the City Council. Packet delivery typically takes place on Thursday afternoons prior to the regularly scheduled meeting on Tuesday. The agenda packet is also available for review and inspection on the city's website at www.ci.stanton.ca.us, at the public counter at City Hall in the public access binder, and at the Stanton Library (information desk) 7850 Katella Avenue, Stanton, California 90680.

1. CLOSED SESSION (6:00 PM)

- 2. ROLL CALL** Council Member Ramirez
Council Member Taylor
Council Member Van
Mayor Pro Tem Warren
Mayor Shawver

3. PUBLIC COMMENT ON CLOSED SESSION ITEMS

Closed Session may convene to consider matters of purchase / sale of real property (G.C. §54956.8), pending litigation (G.C. §54956.9(a)), potential litigation (G.C. §54956.9(b)) or personnel items (G.C. §54957.6). Records not available for public inspection.

4. CLOSED SESSION

4A. THREAT TO PUBLIC SERVICES OR FACILITIES

Consultation with: City Manager/Director of Emergency Services

4B. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code Section 54956.9 (d) (2)

Number of Potential Cases: 1

4C. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

(Pursuant to Government Code Section 54957.6)

Title: City Manager

4D. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION
Initiation of litigation pursuant to Government Code Section 54956.9 (d) (4)

Number of Potential Cases: 1

5. CALL TO ORDER / SUCCESSOR AGENCY / STANTON HOUSING AUTHORITY MEETING

6. ROLL CALL Agency / Authority Member Ramirez
Agency / Authority Member Taylor
Agency / Authority Member Van
Vice Chairperson Warren
Chairman Shawver

7. PLEDGE OF ALLEGIANCE

8. SPECIAL PRESENTATIONS AND AWARDS None.

9. CONSENT CALENDAR

All items on the Consent Calendar may be acted on simultaneously, unless a Council/Board Member requests separate discussion and/or action.

CONSENT CALENDAR

9A. MOTION TO APPROVE THE READING BY TITLE OF ALL ORDINANCES AND RESOLUTIONS. SAID ORDINANCES AND RESOLUTIONS THAT APPEAR ON THE PUBLIC AGENDA SHALL BE READ BY TITLE ONLY AND FURTHER READING WAIVED

RECOMMENDED ACTION:

City Council/Agency Board/Authority Board waive reading of Ordinances and Resolutions.

9B. APPROVAL OF WARRANTS

City Council approve demand warrants dated March 5, 2020 and March 12, 2020, in the amount of \$2,583,692.43.

9C. APPROVAL OF MINUTES

1. City Council approve Minutes of Special Meeting – March 10, 2020; and
2. City Council/Agency/Authority Board approve Minutes of Regular Joint Meeting – March 10, 2020.

9D. FEBRUARY 2020 GENERAL FUND REVENUE AND EXPENDITURE REPORT

The monthly General Fund Revenue and Expenditure Report as of February 2020 has been provided to the City Manager in accordance with Stanton Municipal Code Section 2.20.080 (D)1 and is being provided to City Council.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the General Fund Revenue and Expenditure Report as of February 2020.

9E. FEBRUARY 2020 INVESTMENT REPORT

The Investment Report as of February 29, 2020 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of February 2020.

9F. FEBRUARY 2020 INVESTMENT REPORT (SUCCESSOR AGENCY)

The Investment Report as of February 29, 2020, has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

1. Successor Agency find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of February 2020.

9G. RESOLUTION AMENDING THE POSITION CLASSIFICATION MANUAL

The attached Resolution makes changes to the Position Classification Manual by adding the job classification of Planning Technician.

RECOMMENDED ACTION:

1. City Council declare that this project is exempt from the California Environmental Quality Act ("CEQA") under Section 15378(b)(2) – continuing administrative or maintenance activities, such as purchases for supplies, personnel-related actions, general policy or procedure making; and
2. Adopt Resolution No. 2020-02 amending the Position Classification Manual, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, AMENDING THE POSITION CLASSIFICATION MANUAL."

9H. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA APPROVING SUBDIVISION TRACT MAP NO. 18153

The subdivision tract map for the development of two hundred and eight (208) single family condominium units, private streets, and private park area for the property located at The Village Center Drive (12631-12811 Beach Blvd.) has been submitted for final certification and recordation.

RECOMMENDED ACTION:

1. City Council declare this project categorically exempt under the California Environmental Quality Act, Class 32, and Section 15332; and
2. Adopt Resolution No. 2020-03 approving final Tract Map No. 18153, entitled:

“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING SUBDIVISION TRACT MAP NO. 18153 FOR THE PROPERTY LOCATED AT 12631-12811 BEACH BOULEVARD”; and

3. Find that the recordation of Tract Map No. 18153 will not be in violation of any of the provisions of Section 66474, 66474.1, and 66474.2 of the Subdivision Map Act; and
4. Find that the proposed subdivision, together with the provisions for its design and improvement, is consistent with the general plan required by Article 5 (commencing with Section 65300) of Chapter 3 of Division 1 of the Government Code, or any specific plan adopted pursuant to Article 8 (commencing with Section 65450) of Chapter 3 of Division 1 of the Government Code; and
5. Direct the City Clerk to endorse on the face of the map of Tract Map No. 18153, the certificate which embodies the approval of said map, and submit the map to the County Recorder of Orange County for recording.

9I. ADOPT RESOLUTION RATIFYING PROCLAMATION NO. 2020-01 DECLARING THE EXISTENCE OF A LOCAL EMERGENCY

A novel coronavirus, COVID-19, causes infectious disease and was first detected in Wuhan City, Hubei Province, China in December 2019 and has since been confirmed in countries throughout the world. The Governor on March 12, 2020 issued Executive Order N-25-20, ordering, inter alia, that all residents are to heed the orders and guidance of state and local public health officials. On March 13, 2020, the President of the United States issued a proclamation declaring the COVID-19 outbreak in the United States as a national emergency, beginning March 1, 2020.

RECOMMENDED ACTION:

Staff recommends that the City Council adopt Resolution No. 2020-04 ratifying Proclamation No. 2020-01, declaring the existence of a local emergency in order to enhance the City's emergency preparedness and overall readiness in as proactive a manner as possible, entitled:

“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, RATIFYING PROCLAMATION NO. 2020-01 DECLARING THE EXISTENCE OF A LOCAL EMERGENCY.”

9J. AUTHORIZE REFINANCING OF 2010 TAX ALLOCATION BONDS (SUCCESSOR AGENCY)

This report summarizes the opportunity of the Successor Agency to refinance outstanding bonds of the former Redevelopment Agency. Staff recommends the Successor Agency adopt the attached resolution authorizing the refinancing.

RECOMMENDED ACTION:

1. Successor Agency declare that the project is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
2. Adopt Resolution No. SA 2020-01 to authorize refinancing of 2010 Tax Allocation Bonds issued by the former Redevelopment Agency and related actions, entitled:

"A RESOLUTION OF THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE DISSOLVED STANTON REDEVELOPMENT AGENCY, APPROVING THE EXECUTION AND DELIVERY OF A THIRD SUPPLEMENT TO INDENTURE OF TRUST RELATING THERETO, REQUESTING OVERSIGHT BOARD APPROVAL OF THE ISSUANCE OF THE REFUNDING BONDS, REQUESTING CERTAIN DETERMINATIONS BY THE OVERSIGHT BOARD, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO."

END OF CONSENT CALENDAR

- | | |
|--------------------------------|--------------|
| 10. PUBLIC HEARINGS | None. |
| 11. UNFINISHED BUSINESS | None. |
| 12. NEW BUSINESS | None. |

13. ORAL COMMUNICATIONS - PUBLIC

At this time members of the public may address the City Council/Successor Agency/Stanton Housing Authority regarding any items within the subject matter jurisdiction of the City Council/Successor Agency/Stanton Housing Authority, provided that NO action may be taken on non-agenda items.

- Members of the public wishing to address the Council/Agency/Authority during Oral Communications-Public or on a particular item are requested to fill out a REQUEST TO SPEAK form and submit it to the City Clerk. Request to speak forms must be turned in prior to Oral Communications-Public.
- When the Mayor/Chairman calls you to the microphone, please state your Name, slowly and clearly, for the record. A speaker's comments shall be limited to a three (3) minute aggregate time period on Oral Communications and Agenda Items. Speakers are then to return to their seats and no further comments will be permitted.
- Remarks from those seated or standing in the back of chambers will not be permitted. All those wishing to speak including Council/Agency/Authority and Staff need to be recognized by the Mayor/Chairman before speaking.

14. WRITTEN COMMUNICATIONS None.

15. MAYOR/CHAIRMAN COUNCIL/AGENCY/AUTHORITY INITIATED BUSINESS

15A. COMMITTEE REPORTS/ COUNCIL/AGENCY/AUTHORITY ANNOUNCEMENTS

At this time Council/Agency/Authority Members may report on items not specifically described on the agenda which are of interest to the community provided no discussion or action may be taken except to provide staff direction to report back or to place the item on a future agenda.

15B. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE MEETING

At this time Council/Agency/Authority Members may place an item on a future agenda.

15C. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE STUDY SESSION

At this time Council/Agency/Authority Members may place an item on a future study session agenda.

Currently Scheduled: None.

15D. CITY COUNCIL INITIATED ITEM — DISCUSSION REGARDING PARKING RULES AND REGULATIONS FOR APARTMENT COMPLEXES

At the March 10, 2020 City Council meeting, Mayor Pro Tem Warren requested that this item be agendaized for discussion.

RECOMMENDED ACTION:

City Council provide direction to staff.

16. ITEMS FROM CITY ATTORNEY/AGENCY COUNSEL/AUTHORITY COUNSEL

17. ITEMS FROM CITY MANAGER/EXECUTIVE DIRECTOR

17A. ORANGE COUNTY SHERIFF'S DEPARTMENT

At this time the Orange County Sheriff's Department will provide the City Council with an update on their current operations.

18. ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California, the foregoing agenda was posted at the Post Office, Stanton Community Services Center and City Hall, not less than 72 hours prior to the meeting. Dated this 19th day of March, 2020.

s/ Patricia A. Vazquez, City Clerk/Secretary

CITY OF STANTON ACCOUNTS PAYABLE REGISTER

March 5, 2020

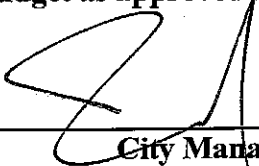
\$2,422,779.40

March 12, 2020

\$160,913.03

\$2,583,692.43

**Demands listed on the attached registers
conform to the City of Stanton Annual
Budget as approved by the City Council.**



City Manager

**Demands listed on the attached
registers are accurate and funds
are available for payment thereof.**



Finance Director

**MINUTES OF THE CITY COUNCIL OF THE CITY OF STANTON
SPECIAL MEETING MARCH 10, 2020**

1. CALL TO ORDER

The meeting was called to order at 5:30 p.m. by Mayor Shawver.

2. PLEDGE OF ALLEGIANCE

Led by Mayor David J. Shawver.

3. ROLL CALL

Present: Council Member Ramirez, Council Member Taylor, Council Member Van,
Mayor Pro Tem Ramirez, and Mayor Shawver.

Absent: None.

Excused: None.

4. CLOSED SESSION

5. PUBLIC COMMENT ON CLOSED SESSION ITEMS None.

6. CLOSED SESSION

The members of the Stanton City Council of the City of Stanton proceeded to closed session at 5:30 p.m. for discussion regarding:

**6A. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code Section 54956.9 (d)
(2)**

Number of Potential Cases: 1

**6B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(Pursuant to Government Code Section 54957.6)**

Title: City Manager

**6C. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION
Initiation of litigation pursuant to Government Code Section 54956.9 (d) (4)**

Number of Potential Cases: 1

DRAFT

7. CALL TO ORDER / SPECIAL CITY COUNCIL MEETING

The meeting was called to order at 6:00 p.m. by Mayor Shawver.

The City Council reconvened in open session at 6:00 p.m.

The City Attorney reported that the Stanton City Council met in closed session from 5:30 to 6:00 p.m.

The City Attorney reported that there was no reportable action.

8. ADJOURNMENT Motion/Second: Shawver/ Motion carried at 6:00 p.m.

MAYOR

ATTEST:

CITY CLERK

DRAFT

MINUTES OF THE CITY COUNCIL / SUCCESSOR AGENCY / HOUSING AUTHORITY OF THE CITY OF STANTON JOINT REGULAR MEETING MARCH 10, 2020

1. CALL TO ORDER / CLOSED SESSION

The City Council / Housing Authority meeting was called to order at 6:00 p.m. by Mayor / Chairman Shawver.

2. ROLL CALL

Present: Council/Authority Member Ramirez, Council/Authority Member Taylor, Council/Authority Member Van, Mayor Pro Tem/Vice Chairperson Warren, and Mayor/Chairman Shawver.

Absent: None.

Excused: None.

3. PUBLIC COMMENT ON CLOSED SESSION ITEMS None.

4. CLOSED SESSION

The members of the Stanton City Council/Stanton Housing Authority of the City of Stanton proceeded to closed session at 6:00 p.m. for discussion regarding:

4A. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION Significant exposure to litigation pursuant to Government Code Section 54956.9 (d) (2)

Number of Potential Cases: 1

4B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Pursuant to Government Code Section 54957.6)

Title: City Manager

4C. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION Initiation of litigation pursuant to Government Code Section 54956.9 (d) (4)

Number of Potential Cases: 1

DRAFT

5. CALL TO ORDER / SUCCESSOR AGENCY / STANTON HOUSING AUTHORITY MEETING

The meetings were called to order at 6:34 p.m. by Chairman Shawver.

The City Attorney reported that the Stanton City Council met in closed session from 6:00 to 6:30 p.m.

The City Attorney reported that there was no reportable action.

6. ROLL CALL

Present: Agency Member Ramirez, Agency Member Taylor, Agency Member Van, Vice Chairperson Warren, and Chairman Shawver.

Absent: None.

Excused: None.

7. PLEDGE OF ALLEGIANCE

Led by Mr. Doug Makino.

8. SPECIAL PRESENTATIONS AND AWARDS None.

9. CONSENT CALENDAR

Mayor Shawver requested to pull Item 9C from the Consent Calendar for separate discussion.

Motion/Second: Ramirez/Warren
Motion unanimously carried by the following vote:

AYES: 5 (Ramirez, Shawver, Taylor, Van, and Warren)

NOES: None

ABSTAIN: None

ABSENT: None

DRAFT

CONSENT CALENDAR

9A. MOTION TO APPROVE THE READING BY TITLE OF ALL ORDINANCES AND RESOLUTIONS. SAID ORDINANCES AND RESOLUTIONS THAT APPEAR ON THE PUBLIC AGENDA SHALL BE READ BY TITLE ONLY AND FURTHER READING WAIVED

The City Council/Agency Board/Authority Board waived reading of Ordinances and Resolutions.

9B. APPROVAL OF WARRANTS

The City Council approved demand warrants dated February 20, 2020 and February 27, 2020, in the amount of \$10,687,486.02.

9C. APPROVAL OF MINUTES

1. The City Council approved Minutes of Special Meeting – February 25, 2020; and
2. The City Council/Agency/Authority Board approved Minutes of Regular Joint Meeting – February 25, 2020.

9D. APPROVAL OF RESOLUTION NO. 2020-01 ADOPTING A LIST OF PROJECTS FOR FISCAL YEAR 2020-21 FUNDED BY SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017

To satisfy the accountability requirements of SB-1 Transportation Funding (2018-2019, Beall); the City must adopt a list of projects to be funded with SB-1 funds for FY 2020/21.

1. The City Council declared that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15378(b)(5) – Organizational or administrative activities of governments that will not result in direct or indirect physical change in the environment; and
2. Approved Resolution No. 2020-01, adopting a list of projects to be funded by SB-1 in FY 2020/21.

DRAFT

9E. ACCEPTANCE OF THE SEWER CONDITION IMPROVEMENT PROJECT BY THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA

The Sewer Condition Improvement Project has been completed in accordance with the plans and specifications. The final construction cost for the project was \$289,238.14. The City Engineer, in his judgment, certifies that the work was satisfactorily completed as of March 10, 2020 and recommends that the City Council accept the completed work performed on this project.

The original construction contract cost for the Sewer Condition Improvement Project was for \$409,136.00. The 10% contingency was not required since change orders approved at staff level did not exceed the contract amount. The amount saved in this project was \$160,811.46.

1. The City Council declared this project categorically exempt under the California Environmental Quality Act, Class 1, and Section 15301c - Existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities; and
2. Accepted the completion of improvements for the Sewer Condition Improvement Project, as certified by the City Engineer, and affixed the date of March 10, 2020 as the date of completion of all work on this project; and
3. Approved the final construction contract amount of \$289,238.14 with Charles King Company; and
4. Directed the City Clerk within ten (10) days from the date of acceptance to file the Notice of Completion with the County Recorder of the County of Orange; and
5. Directed City staff, upon expiration of Directs City staff, upon expiration of the thirty-five (35) days from the filing of the "Notice of Completion," to make the retention payment to Charles King Company in the amount of \$14,461.91.

DRAFT

9F. GENERAL PLAN ANNUAL PROGRESS REPORT FOR CALENDAR YEAR 2019

The attached General Plan Annual Progress Report for Calendar Year 2019 was prepared as required by State Law for City Council review. The City is required to create an annual report on the status and progress in implementing the housing element of its general plan using forms and definitions adopted by the California Department of Housing and Community Development (HCD) on or before April 1 of each year.

1. The City Council declared that the project is exempt from the California Environmental Quality Act ("CEQA") under section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment the activity is not subject to CEQA; and
2. Received and filed General Plan Annual Progress Report, and authorized submittal to the Governor's Office of Planning and Research and the State Housing and Community Development Department.

END OF CONSENT CALENDAR

- | | |
|---|--|
| 10. PUBLIC HEARINGS | None. |
| 11. UNFINISHED BUSINESS | None. |
| 12. NEW BUSINESS | None. |
| 13. ORAL COMMUNICATIONS – PUBLIC | None. |
| 14. WRITTEN COMMUNICATIONS | None. |
| 15. MAYOR/CHAIRMAN/COUNCIL/AGENCY/AUTHORITY INITIATED BUSINESS | |
| 15A. COMMITTEE REPORTS/COUNCIL/AGENCY/AUTHORITY ANNOUNCEMENTS | |
| | <ul style="list-style-type: none">• Mayor Pro Tem Warren reported on COVID-19 and requested that staff monitor upcoming events that could be effected or potentially cancelled.• Council Member Van reported on the upcoming Teen Ambassador Program.• Council Member Taylor reported on a scheduled ride-a-long with the Orange County Vector Control District. |

DRAFT

15B. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE COUNCIL MEETING

- Mayor Pro Tem Warren requested to agendize discussion regarding a review of parking rules and regulations for apartment complexes.

15C. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE STUDY SESSION

None.

16. ITEMS FROM CITY ATTORNEY/AGENCY COUNSEL/AUTHORITY COUNSEL

None.

17. ITEMS FROM CITY MANAGER/EXECUTIVE DIRECTOR

None.

17A. ORANGE COUNTY FIRE AUTHORITY

At this time the Orange County Fire Authority will provide the City Council with an update on their current operations.

- Fire Division Chief Jeff Hoey provided the City Council with an update on their current operations.

18. ADJOURNMENT Motion/Second: Shawver/ Motion carried at 6:40 p.m.

MAYOR/CHAIRMAN

ATTEST:

CITY CLERK/SECRETARY

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and City Council

DATE: March 24, 2020

SUBJECT: FEBRUARY 2020 GENERAL FUND REVENUE AND EXPENDITURE REPORT

REPORT IN BRIEF:

The monthly General Fund Revenue and Expenditure Report as of February 2020 has been provided to the City Manager in accordance with Stanton Municipal Code Section 2.20.080 (D)1 and is being provided to City Council.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the General Fund Revenue and Expenditure Report as of February 2020.

ANALYSIS:

The attached reports summarize the City revenue and expenditure balances for the General Fund as of February 2020. The reports include information for the month of February, on a year-to-date basis, the current fiscal year's budgeted balance and the year-to-date as a percentage of the budget. In addition, for comparison purposes, the year-to-date amount, final amount and a percentage of final for the previous fiscal year is included as well.

FISCAL IMPACT:

Through February 2020, the City is on pace to continue the fiscal year materiality within the projections identified as the beginning balance in the 2019-20 Budget. However, the magnitude of the impact to the City's Fiscal Year 2019-20 Budget from the COVID-19 crisis is unknown at this time. Staff will continue to monitor closely as the crisis continues.

ENVIRONMENTAL IMPACT:

None.

LEGAL REVIEW:

None.

PUBLIC NOTIFICATION:

Through the agenda posting process.

STRATEGIC PLAN OBJECTIVE ADDRESSED

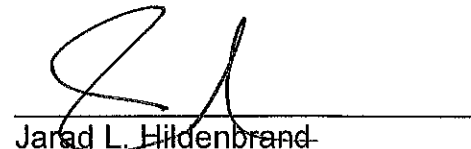
4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:



Michelle Bannigan, CPA
Finance Director

Approved by:



Jared L. Hildenbrand
City Manager

Attachments:

- A. February 2020 General Fund Revenues
- B. February 2020 General Fund Expenditures

CITY OF STANTON
February 2020 General Fund Revenues (67% of year)

	FY 19-20 Actual Activity				%	
	FY 19-20	Activity During	Year To Date	Percent of	FY 18-19	%
	Budget	February	Actual *	Budget	Actual *	Change from Prior Year
TAXES						
Property Tax	\$ 6,213,200	\$ 8,298	\$ 3,246,370	52.25%	\$ 3,085,841	5.20%
Sales and Use Tax	4,385,000	427,419	2,243,507	51.16%	2,144,583	4.61%
Transactions and Use Tax	4,331,000	491,632	2,400,510	55.43%	1,985,254	20.92%
Transient Occupancy Tax	520,000	43,011	254,521	48.95%	258,268	-1.45%
Franchise Fees	1,041,000	-	363,298	34.90%	374,016	-2.87%
Business Licenses	430,000	18,694	323,253	75.18%	354,583	-8.84%
Utility Users Tax	1,870,000	160,858	1,079,350	57.72%	1,172,608	-7.95%
Tax Increment Pass-thru Payment	355,000	-	190,647	53.70%	177,542	7.38%
TAXES-TOTAL	19,145,200	1,149,912	10,101,456	52.76%	9,552,693	5.74%
INTERGOVERNMENTAL						
Mandated Cost Reimbursement	24,000	-	53,598	223.33%	24,114	122.27%
Motor Vehicle In Lieu	-	31,110	31,110	**	18,946	64.20%
Public Safety Augmentation Tax	160,124	-	80,934	50.54%	77,772	4.07%
INTERGOVERNMENTAL-TOTAL	184,124	31,110	165,642	89.96%	120,832	37.08%
CHARGES FOR SERVICES						
Charges for Services	140,000	-	140,000	100.00%	-	100.00%
Indirect Cost Reimbursement	269,210	-	269,210	100.00%	295,031	-8.75%
CHARGES FOR SERVICES-TOTAL	409,210	-	409,210	100.00%	295,031	38.70%
FEES AND PERMITS						
Fees and Permits	1,886,550	82,010	1,936,370	102.64%	1,260,365	53.64%
Development Fees	151,000	4,226	220,078	145.75%	112,118	96.29%
Community Services Fees	70,000	2,801	31,175	44.54%	32,923	-5.31%
FEES AND PERMITS-TOTAL	2,107,550	89,037	2,187,623	103.80%	1,405,406	55.66%
FINES AND FORFEITURES						
General Fines	500	-	437	87.40%	413	5.81%
Motor Vehicle Fines	140,000	-	68,465	48.90%	92,432	-25.93%
Parking Citations	245,000	18,734	152,204	62.12%	138,443	9.94%
DMV Parking Collections	78,400	6,814	52,283	66.69%	44,848	16.58%
Administrative Citation	5,000	410	7,560	151.20%	3,290	129.79%
FINES AND FORFEITURES-TOTAL	468,900	25,958	280,949	59.92%	279,426	0.55%
USE OF MONEY AND PROPERTY						
Investment Earnings	200,000	-	2,607	1.30%	151,339	-98.28%
Rental Income	77,768	10,498	76,513	98.39%	94,363	-18.92%
USE OF MONEY AND PROPERTY-TOTAL	277,768	10,498	79,120	28.48%	245,702	-67.80%
MISCELLANEOUS REVENUE						
Miscellaneous Revenue	23,600	-	163,360	692.20%	192,185	-15.00%
MISCELLANEOUS REVENUE-TOTAL	23,600	-	163,360	692.20%	192,185	-15.00%
TRANSFERS IN						
From Gas Tax Fund	-	-	-	0.00%	260,000	-100.00%
From Protective Services Fund	380,000	-	380,000	100.00%	380,000	0.00%
TRANSFERS IN-TOTAL	380,000	-	380,000	100.00%	640,000	-40.63%
TOTAL REVENUES AND TRANSFERS IN	\$ 22,996,352	\$ 1,306,515	\$ 13,767,360	59.87%	\$ 12,731,277	8.14%

* = Actual data is reported for July through February.

TAXES
February 2020 General Fund Revenues (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18/19 Actual*	% Change From Prior Year
101	General Fund					
430100	Current Year-Secured/Unsecured	\$ 1,113,000	\$ 619,873	55.69%	\$ 616,446	0.56%
430115	Property Tax-Supplemental	25,000	11,178	44.71%	15,817	-29.33%
430120	Property Tax-Other	894,800	439,380	49.10%	385,183	14.07%
430121	Property Tax-In Lieu	4,060,000	2,077,040	51.16%	1,953,432	6.33%
430125	Property Tax-Public Utility	40,000	22,307	55.77%	22,646	-1.50%
430130	Tax Administration Fees	(5,000)	-	0.00%	-	**
430135	Homeowners Tax Relief	5,400	2,764	51.19%	2,934	-5.79%
430140	Property Transfer Tax	80,000	73,829	92.29%	89,381	-17.40%
430200	Sales And Use Tax	4,385,000	2,243,507	51.16%	2,144,583	4.61%
430300	Transient Occupancy Tax	520,000	254,521	48.95%	258,268	-1.45%
430405	Franchise Tax/Cable TV	225,000	99,377	44.17%	129,399	-23.20%
430410	Franchise Tax/Electric	186,000	-	0.00%	-	**
430415	Franchise Tax/Gas	50,000	-	0.00%	-	**
430420	Franchise Tax/Refuse	500,000	263,921	52.78%	244,618	7.89%
430425	Franchise Tax/Water	80,000	-	0.00%	-	**
430500	Business License Tax	200,000	153,140	76.57%	166,891	-8.24%
430505	New/Moved Bus Lic Appl Rev	70,000	34,720	49.60%	36,145	-3.94%
430510	Business Tax Renewal Process	160,000	125,744	78.59%	140,744	-10.66%
430515	SB 1186	-	9,649	**	10,803	-10.68%
430600	Util User Tax/Electricity	960,000	588,738	61.33%	620,602	-5.13%
430605	Util User Tax/Telephone	300,000	145,048	48.35%	192,543	-24.67%
430610	Util User Tax/Gas	200,000	97,954	48.98%	94,483	3.67%
430615	Util User Tax/Water	410,000	247,609	60.39%	264,981	-6.56%
440100	Redevelopment Tax Increment Pass-Through	355,000	190,647	53.70%	177,542	7.38%
101	General Fund	14,814,200	7,700,946	51.98%	7,567,441	1.76%
102	General Fund (Transactions & Use Tax)					
430250	Transactions & Use Tax	4,331,000	2,400,510	55.43%	1,985,254	20.92%
102	General Fund (Transactions & Use Tax)	4,331,000	2,400,510	55.43%	1,985,254	20.92%
TAXES - TOTAL		\$ 19,145,200	\$ 10,101,456	52.76%	\$ 9,552,695	5.74%

* = Actual data is reported for July through February.

INTERGOVERNMENTAL
February 2020 General Fund Revenues (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18/19 Actual*	% Change From Prior Year
101	General Fund					
432135	Mandated Cost Reimbursement	\$ 24,000	\$ 53,598	223.33%	\$ 24,114	122.27%
432150	Motor Vehicle In Lieu	-	31,110	**	18,946	64.20%
432180	Public Safety Augmentation Tax	160,124	80,934	50.54%	77,772	4.07%
INTERGOVERNMENTAL - TOTAL		\$ 184,124	\$ 165,642	89.96%	\$ 120,832	100.00%

* = Actual data is reported for July through February.

CHARGES FOR SERVICES
February 2020 General Fund Revenues (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18/19 Actual*	% Change From Prior Year
101	General Fund					
433100	Charges For Services	\$ 140,000	\$ 140,000	100.00%	\$ -	100.00%
437136	Indirect Cost Reimbursement	269,210	269,210	100.00%	295,031	-8.75%
CHARGES FOR SERVICES - TOTAL		\$ 409,210	\$ 409,210	100.00%	\$ 295,031	100.00%

* = Actual data is reported for July through February.

FEES AND PERMITS
February 2020 General Fund Revenues (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18/19 Actual*	% Change From Prior Year
101	General Fund					
431100	Building Plan Check Fees	\$ 100,000	\$ 159,775	159.78%	\$ 73,614	117.04%
431105	Mechanical Permits	100,000	128,780	128.78%	92,212	39.66%
431110	Building Permits	260,000	496,965	191.14%	308,155	61.27%
431115	Plumbing Permits	35,000	50,925	145.50%	36,775	38.48%
431120	Electrical Permits	45,000	89,172	198.16%	35,913	148.30%
431130	Engineering Plan Check Fees	5,000	9,745	194.90%	4,035	141.51%
431135	Public Works Permits	40,000	39,546	98.87%	54,060	-26.85%
431140	S M I P - Commercial Fees	50	60	120.00%	1,208	-95.03%
431145	S M I P-Residential Permits	200	1,121	560.50%	850	31.88%
431146	SB 1473 Fee	300	227	75.67%	530	-57.17%
431160	Solid Waste Impact Fees	1,150,000	587,411	51.08%	579,384	1.39%
431185	Parking Permits	5,000	46,030	920.60%	3,000	1434.33%
431190	Towing Franchise Fee	20,000	13,410	67.05%	11,070	21.14%
431194	Public Benefit Fee	-	237,300	**	-	100.00%
431195	Other Fees & Permits	31,000	33,778	108.96%	21,579	56.53%
433200	Conditional Use Permit	5,000	10,407	208.14%	9,745	6.79%
433205	Precise Plan Of Design	12,000	27,690	230.75%	9,419	193.98%
433210	Variance	24,000	-	0.00%	-	**
433220	Preliminary Plan Review	18,000	7,500	41.67%	1,875	300.00%
433225	Environmental Services	500	750	150.00%	340	120.59%
433227	Foreclosure Registration	12,000	9,014	75.12%	9,014	0.00%
433230	Zoning Entitlements	-	4,730	**	-	100.00%
433235	Land Divisions	6,000	10,265	171.08%	-	100.00%
433240	Special Event Permits	700	1,080	154.29%	825	30.91%
433245	Sign/Ban'R/Gar Sa/Temp Use Per	6,400	4,705	73.52%	4,395	7.05%
433250	Ministerial Services	7,500	10,440	139.20%	9,970	4.71%
433260	Landscape Plan Check	1,200	975	81.25%	650	50.00%
433266	Massage Establishment License	2,700	1,525	56.48%	3,050	-50.00%
433270	General Plan Maint Surcharge	5,000	11,405	228.10%	4,865	134.43%
433285	Other Developmental Fees	50,000	119,592	239.18%	57,970	106.30%
433305	General Recreation Programs	39,000	19,391	49.72%	22,304	-13.06%
433315	Sports Fields	31,000	11,684	37.69%	10,619	10.03%
433320	Special Event Participant Fee	-	100	**	-	100.00%
437115	Recycling Fees	95,000	42,125	44.34%	37,980	10.91%
FEES AND PERMITS - TOTAL		\$ 2,107,550	\$ 2,187,623	103.80%	\$ 1,405,406	55.66%

* = Actual data is reported for July through February.

FINES AND FORFEITURES
February 2020 General Fund Revenues (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18/19 Actual*	% Change From Prior Year
101	General Fund					
434100	General Fines	\$ 500	\$ 437	87.40%	\$ 413	5.81%
434105	Motor Vehicle Fines	140,000	68,465	48.90%	92,432	-25.93%
434110	Parking Citations	245,000	152,204	62.12%	138,443	9.94%
434115	DMV Parking Collections	78,400	52,283	66.69%	44,848	16.58%
434120	Administrative Citations	5,000	7,560	151.20%	3,290	129.79%
FINES AND FORFEITURES - TOTAL		\$ 468,900	\$ 280,949	59.92%	\$ 279,426	0.55%

* = Actual data is reported for July through February.

USE OF MONEY AND PROPERTY
February 2020 General Fund Revenues (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18/19 Actual*	% Change From Prior Year
101	General Fund					
435100	Interest Earned	\$ 200,000	\$ 1,826	0.91%	\$ 151,018	-98.79%
435105	Interest On Tax Monies	-	781	**	321	143.30%
436115	Property Rental	-	-	**	4	-100.00%
436125	Indoor Facility Rental	42,500	50,307	118.37%	54,935	-8.42%
436126	SCP Building Rental	-	-	**	6,035	-100.00%
436127	Picnic Shelters	15,000	12,875	85.83%	11,470	12.25%
436128	SCP Fields Rental	-	-	**	7,276	-100.00%
436135	Pac Bell Mobile Svcs-Rent	20,268	13,331	65.77%	14,643	-8.96%
USE OF MONEY AND PROPERTY - TOTAL		\$ 277,768	\$ 79,120	28.48%	\$ 245,702	-67.80%

* = Actual data is reported for July through February.

MISCELLANEOUS REVENUE
February 2020 General Fund Revenues (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18/19 Actual*	% Change From Prior Year
101	General Fund					
437100	Sale Of Publications	\$ 100	\$ 276	276.00%	\$ 57	384.21%
437105	Firework Services	1,500	-	0.00%	-	0.00%
437135	Expense Reimbursement	20,000	-	0.00%	726	-100.00%
437195	Other Revenue	2,000	163,084	8154.20%	191,402	-14.80%
MISCELLANEOUS REVENUE - TOTAL		\$ 23,600	\$ 163,360	692.20%	\$ 192,185	-15.00%

* = Actual data is reported for July through February.

TRANSFERS IN
February 2020 General Fund Revenues (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18/19 Actual*	% Change From Prior Year
101	General Fund					
439211	Transfer From Gas Tax Fund	\$ -	\$ -	**	\$ 260,000	-100.00%
439223	Transfer From Protective Services Fund	380,000	380,000	100.00%	380,000	0.00%
MISCELLANEOUS REVENUE - TOTAL		\$ 380,000	\$ 380,000	100.00%	\$ 640,000	-40.63%

* = Actual data is reported for July through February.

City of Stanton
February 2020 General Fund Expenditures (67% of year)

Division No.	Description	FY 19-20 Budget	FY 19/20 Actual Activity			FY 18-19 Actual *	% Change from Prior Year
			Activity During February	Year to Date Actual *	Percent of Budget		
1100	City Council	\$ 115,442	\$ 8,264	\$ 58,770	50.91%	\$ 87,058	-32.49%
1200	City Attorney	260,000	15,785	111,595	42.92%	92,873	20.16%
1300	City Manager	294,435	39,620	205,127	69.67%	196,356	4.47%
1400	City Clerk	283,484	97,258	187,751	66.23%	93,194	101.46%
1410	Personnel/Risk Management	134,619	11,406	110,987	82.45%	133,793	-17.05%
1430	Liability/Risk Management	89,000	-	68,829	77.34%	64,975	5.93%
1510	Information Technology	153,555	7,760	87,534	57.00%	80,428	8.84%
	Administration	1,330,535	180,093	830,593	62.43%	748,677	10.94%
1500	Finance	847,675	87,407	500,991	59.10%	521,282	-3.89%
1600	Non-Dept (includes Transfers)	1,094,746	927,708	1,095,703	100.09%	206,498	430.61%
	Finance	1,942,421	1,015,115	1,596,694	81.20%	727,780	119.39%
2100	Law Enforcement	11,718,308	50,351	6,772,572	57.79%	6,740,585	0.47%
2200	Fire Protection	4,731,059	4,172	2,388,277	50.48%	2,526,076	-5.46%
1520	Emergency Preparedness	4,500	-	-	0.00%	-	0.00%
4300	Parking Control	300,869	41,996	203,495	67.64%	131,068	55.26%
6200	Code Enforcement	494,297	64,920	357,484	72.32%	342,915	4.25%
	Public Safety	17,249,033	161,439	9,721,828	56.36%	9,740,644	-0.19%
3100	Engineering	137,968	14,691	92,629	67.14%	86,481	7.11%
3200	Public Facilities	368,905	37,482	242,062	65.62%	272,051	-11.02%
3400	Parks Maintenance	411,955	34,537	239,114	58.04%	243,265	-1.71%
3500	Street Maintenance	309,485	30,096	193,673	62.58%	192,171	0.78%
3600	Storm Drains	125,000	2,617	78,560	62.85%	24,812	216.62%
6300	Graffiti Abatement	-	5,656	5,656	**	-	100.00%
	Public Works	1,353,313	125,079	851,694	62.93%	818,780	4.02%
4100	Planning	405,423	5,724	186,438	45.99%	192,228	-3.01%
4200	Building Regulation	428,442	10,434	446,001	104.10%	300,387	48.48%
4400	Business Relations	155,470	22,712	35,188	22.63%	62,370	-43.58%
	Community Development	989,335	38,870	667,627	67.48%	554,985	20.30%
5100	Parks and Recreation	585,637	79,380	432,059	73.78%	379,431	13.87%
5200	Community Center	71,456	3,825	49,426	69.17%	20,148	145.31%
5300	Stanton Central Park	208,559	31,568	135,339	64.89%	113,627	19.11%
	Community Services	865,652	114,773	616,824	71.26%	513,206	20.19%
TOTAL EXPENDITURES		\$ 23,730,289	\$ 1,635,369	\$ 14,285,260	60.20%	\$ 13,104,072	9.01%

* = Actual data is reported for July through February.

Administration - Guzman
February 2020 General Fund Expenditures (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18-19 Actual*	% Change From Prior Year
101	General Fund					
1410	Personnel/Risk Management					
501110	Salaries-Regular	\$ 74,195	\$ 47,427	63.92%	\$ 43,985	7.83%
501115	Salaries-Overtime	-	56	**	-	100.00%
502100	Retirement	5,099	3,313	64.97%	3,009	10.10%
502105	Workers Comp Insurance	706	706	100.00%	685	3.07%
502110	Health/Life Insurance	14,588	9,307	63.80%	9,488	-1.91%
502115	Unemployment Insurance	434	273	62.90%	287	-4.88%
502120	Medicare/Fica	1,380	696	50.43%	620	12.26%
602110	Office Expense	1,300	1,125	86.54%	995	13.07%
607100	Membership/Dues	725	725	100.00%	475	52.63%
607115	Training	350	-	0.00%	-	0.00%
608105	Professional Services	10,000	23,365	233.65%	52,832	-55.77%
608125	Advertising/ Business Dev't	2,400	175	7.29%	1,993	-91.22%
609125	Employee/Volunteer Recognition	7,500	7,877	105.03%	7,006	12.43%
612105	Vehicle Replacement Charge	650	650	100.00%	626	3.83%
612115	Liability Insurance Charge	3,739	3,739	100.00%	2,515	48.67%
612125	Employee Benefits	11,553	11,553	100.00%	9,277	24.53%
1410	Personnel/Risk Management Total	134,619	110,987	82.45%	133,793	-17.05%
1430	Liability/Risk Management					
606105	Insurance Premium	89,000	68,829	77.34%	64,975	5.93%
1430	Liability/Risk Management Total	89,000	68,829	77.34%	64,975	5.93%
TOTAL ADMINISTRATION-GUZMAN		\$ 223,619	\$ 179,816	80.41%	\$ 198,768	-9.53%

* = Actual data is reported for July through February.

ATTACHMENT B - Page 3 of 16

Administration - Vasquez February 2020 General Fund Expenditures (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18-19 Actual*	% Change From Prior Year
101	General Fund					
1100	City Council					
501105	Salaries-Elected	52,199	33,140	63.49%	33,944	-2.37%
502120	Medicare/Fica	1,473	480	32.59%	492	-2.44%
602100	Special Dept Expense	9,500	4,185	44.05%	4,559	-8.20%
602110	Office Expense	2,000	284	14.20%	552	-48.55%
607100	Membership/Dues	37,139	16,156	43.50%	36,403	-55.62%
607110	Travel/Conference/Meetings	10,500	1,894	18.04%	6,100	-68.95%
612115	Liability Insurance Charge	2,631	2,631	100.00%	1,887	39.43%
1100	City Council Total	115,442	58,770	50.91%	83,937	-29.98%
1200	City Attorney					
608105	Professional Services	260,000	111,595	42.92%	92,873	20.16%
1200	City Attorney Total	260,000	111,595	42.92%	92,873	20.16%
1300	City Manager					
501110	Salaries-Regular	194,613	122,545	62.97%	73,801	66.05%
501120	Salaries-Part Time	-	-	**	44,494	-100.00%
502100	Retirement	17,558	10,984	62.56%	10,302	6.62%
502105	Workers Comp Insurance	2,511	2,857	113.78%	2,996	-4.64%
502110	Health/Life Insurance	21,768	14,415	66.22%	10,716	34.52%
502115	Unemployment Insurance	608	473	77.80%	97	387.63%
502120	Medicare/Fica	3,071	1,771	57.67%	3,160	-43.96%
602110	Office Expense	930	1,157	124.41%	297	289.56%
607100	Membership/Dues	2,100	400	19.05%	1,800	-77.78%
607110	Travel/Conference/Meetings	3,000	2,249	74.97%	1,364	64.88%
612105	Vehicle Replacement Charge	748	748	100.00%	7,646	-90.22%
612115	Liability Insurance Charge	11,621	11,621	100.00%	8,464	37.30%
612125	Employee Benefits	35,907	35,907	100.00%	31,219	15.02%
1300	City Manager Total	294,435	205,127	69.67%	196,356	4.47%
1400	City Clerk					
501110	Salaries-Regular	83,643	55,468	66.32%	52,379	5.90%
501115	Salaries-Overtime	-	43	**	-	100.00%
502100	Retirement	14,322	9,001	62.85%	8,188	9.93%
502105	Workers Comp Insurance	3,693	3,693	100.00%	3,702	-0.24%
502110	Health/Life Insurance	14,623	9,211	62.99%	9,437	-2.39%
502115	Unemployment Insurance	412	257	62.38%	267	-3.75%
502120	Medicare/Fica	1,259	745	59.17%	703	5.97%
602110	Office Expense	2,500	805	32.20%	568	41.73%
602120	Books/Periodicals	100	58	58.00%	57	1.75%
603105	Equipment Maintenance	4,044	4,044	100.00%	4,044	0.00%
607100	Membership/Dues	350	210	60.00%	330	-36.36%
607110	Travel/Conference/Meetings	530	165	31.13%	-	100.00%
607115	Training	650	-	0.00%	223	-100.00%
608105	Professional Services	6,000	6,345	105.75%	2,381	166.48%
608140	Elections	133,500	79,848	59.81%	(3,081)	-2691.63%
612105	Vehicle Replacement Charge	618	618	100.00%	626	-1.28%
612115	Liability Insurance Charge	4,215	4,215	100.00%	2,852	47.79%
612125	Employee Benefits	13,025	13,025	100.00%	10,518	23.84%
1400	City Clerk Total	283,484	187,751	66.23%	93,194	101.46%

* = Actual data is reported for July through February.

ATTACHMENT B - Page 4 of 16

Administration - Vasquez February 2020 General Fund Expenditures (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18-19 Actual*	% Change From Prior Year
1510	Information Technology					
602113	Social Media	2,500	1,462	58.48%	1,858	-21.31%
602140	Materials & Supplies	4,000	3,076	76.90%	3,203	-3.97%
603105	Equipment Maintenance	43,055	32,084	74.52%	36,184	-11.33%
608145	Information Technology	70,000	38,357	54.80%	26,913	42.52%
701105	Equipment-General	34,000	12,555	36.93%	12,270	100.00%
1510	Information Technology Total	153,555	87,534	57.00%	80,428	8.84%
101	GENERAL FUND TOTAL	\$ 1,106,916	\$ 650,777	58.79%	\$ 546,788	19.02%
102	General Fund (Transactions & Use Tax)					
1100	City Council					
607100	Membership/Dues	-	-	0.00%	3,121	-100.00%
102	TRANSACTIONS AND USE TAX TOTAL	\$ -	\$ -	0.00%	\$ 3,121	-100.00%
	TOTAL ADMINISTRATION-VASQUEZ	\$ 1,106,916	\$ 650,777	58.79%	\$ 549,909	18.34%

* = Actual data is reported for July through February.

Finance-Bannigan
February 2020 General Fund Expenditures (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18-19 Actual*	% Change From Prior Year
101	General Fund					
1500	Finance					
501110	Salaries-Regular	\$ 424,719	\$ 233,450	54.97%	\$ 278,268	-16.11%
501115	Salaries-Overtime	-	292	**	-	100.00%
501120	Salaries-Part Time	55,107	33,252	60.34%	28,231	17.79%
502100	Retirement	54,701	31,127	56.90%	33,001	-5.68%
502105	Workers Comp Insurance	4,713	4,713	100.00%	4,740	-0.57%
502110	Health/Life Insurance	34,695	20,499	59.08%	24,695	-16.99%
502115	Unemployment Insurance	3,342	1,691	50.60%	1,796	-5.85%
502120	Medicare/Fica	6,808	4,110	60.37%	3,792	8.39%
602100	Special Dept Expense	19,000	11,017	57.98%	10,479	5.13%
602110	Office Expense	11,000	4,513	41.03%	5,486	-17.74%
602120	Books/Periodicals	-	35	**	-	100.00%
607100	Membership/Dues	1,512	460	30.42%	1,362	-66.23%
607105	Mileage Reimbursement	200	74	37.00%	9	722.22%
607110	Travel/Conference/Meetings	1,875	1,119	59.68%	1,891	-40.82%
607115	Training	645	1,510	234.11%	470	221.28%
608105	Professional Services	97,880	38,528	39.36%	40,427	-4.70%
608130	Temporary Help	24,800	10,323	41.63%	-	100.00%
612105	Vehicle Replacement Charge	1,300	1,300	100.00%	1,252	3.83%
612115	Liability Insurance Charge	25,032	25,032	100.00%	17,830	40.39%
612125	Employee Benefits	77,346	77,346	100.00%	65,762	17.62%
1500	Finance Total	844,675	500,391	59.24%	519,491	-3.68%
1600	Non-Departmental					
602100	Special Dept Expense	8,746	79,219	905.77%	7,104	1015.13%
602115	Postage Clearing Account	-	894	**	(4,509)	-119.83%
603105	Equipment Maintenance	16,000	15,280	95.50%	9,041	69.01%
604100	Communications	9,000	4,233	47.03%	4,702	-9.97%
607115	Training	4,000	(3,363)	-84.08%	5,995	-156.10%
608105	Professional Services	48,000	28,000	58.33%	14,000	100.00%
608170	Animal Control Services	-	-	-100.00%	126,131	-100.00%
611105	Revenue Sharing-Anaheim/City	33,000	-	0.00%	-	0.00%
790100	Land Acquisition	900,000	895,440	99.49%	-	100.00%
800223	Transfer to Fire Emergency Fnd	-	-	-100.00%	25,000	-100.00%
800250	Transfer to FaCt Grant	76,000	76,000	100.00%	-	100.00%
1600	Non-Departmental Total	1,094,746	1,095,703	100.09%	187,464	484.49%
101	GENERAL FUND TOTAL	\$ 1,939,421	\$ 1,596,094	82.30%	\$ 706,955	125.77%

* = Actual data is reported for July through February.

ATTACHMENT B - Page 6 of 16

Finance-Bannigan February 2020 General Fund Expenditures (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18-19 Actual*	% Change From Prior Year
102	General Fund (Transactions & Use Tax)					
1500	Administrative Services					
608105	Professional Services	3,000	600	20.00%	1,791	-66.50%
1500	Administrative Services Total	3,000	600	20.00%	1,791	-66.50%
1600	Non-Departmental					
608175	Crossing Guard Services	-	-	**	19,034	-100.00%
1600	Non-Departmental Total	-	-	**	19,034	-100.00%
102	TRANSACTIONS AND USE TAX TOTAL	\$ 3,000	\$ 600	20.00%	\$ 20,825	-97.12%
	TOTAL FINANCE	\$ 1,942,421	\$ 1,596,694	82.20%	\$ 727,780	119.39%

* = Actual data is reported for July through February.

Public Safety - Wren
February 2020 General Fund Expenditures (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18-19 Actual*	% Change From Prior Year
101	General Fund					
1520	Emergency Services					
602140	Materials & Supplies	\$ 2,500	\$ -	0.00%	\$ -	0.00%
608100	Contractual Services	2,000	-	0.00%	-	0.00%
1520	Emergency Services	4,500	-	0.00%	-	0.00%
2100	Law Enforcement					
501110	Salaries-Regular	88,155	52,648	59.72%	55,425	-5.01%
501120	Salaries-Part Time	19,881	13,200	66.40%	12,135	8.78%
502100	Retirement	6,100	5,010	82.13%	92,021	-94.56%
502105	Workers Comp Insurance	1,037	1,037	100.00%	1,048	-1.05%
502110	Health/Life Insurance	18,240	10,807	59.25%	11,872	-8.97%
502115	Unemployment Insurance	868	355	40.90%	410	-13.41%
502120	Medicare/Fica	1,758	986	56.09%	953	3.46%
602100	Special Dept Expense	4,500	1,190	26.44%	1,182	0.68%
602110	Office Expense	1,300	285	21.92%	283	0.71%
603110	Building Maintenance	18,500	9,664	52.24%	11,329	-14.70%
604100	Communications	59,841	40,184	67.15%	25,142	59.83%
604105	Utilities	28,000	16,580	59.21%	16,214	2.26%
607100	Membership/Dues	4,772	4,678	98.03%	4,678	0.00%
607105	Mileage Reimbursement	2,400	-	0.00%	426	-100.00%
607110	Travel/Conference/Meetings	3,400	-	0.00%	318	-100.00%
607115	Training	700	-	0.00%	-	0.00%
608160	O.C.S.D. Contract	8,057,576	4,700,288	58.33%	4,701,469	-0.03%
608170	Animal Control Services	177,296	130,922	73.84%	-	0.00%
612115	Liability Insurance Charge	5,445	5,445	100.00%	3,844	41.65%
612125	Employee Benefits	16,823	16,823	100.00%	14,177	18.66%
2100	Law Enforcement Total	8,516,592	5,010,102	58.83%	4,952,926	1.15%
2200	Fire Protection					
502100	Retirement	-	-	0.00%	69,322	-100.00%
608185	O.C.F.A. Contract	3,763,098	1,880,677	49.98%	1,879,692	0.05%
608190	Contractual Ambulance Svcs	5,000	3,715	74.30%	1,993	86.40%
2200	Fire Protection Total	3,768,098	1,884,392	50.01%	1,951,007	-3.41%
4300	Parking Control					
501110	Salaries-Regular	113,928	72,228	63.40%	41,971	72.09%
501120	Salaries-Part Time	45,625	29,316	64.25%	13,217	121.81%
502100	Retirement	14,228	10,280	72.25%	14,933	-31.16%
502105	Workers Comp Insurance	8,381	8,381	100.00%	4,884	71.60%
502110	Health/Life Insurance	13,111	7,879	60.09%	2,802	181.19%
502115	Unemployment Insurance	1,714	966	56.36%	477	102.52%
502120	Medicare/Fica	2,635	1,496	56.77%	820	82.44%
602110	Office Expense	13,500	5,557	41.16%	398	1296.23%
602130	Clothing	1,000	142	14.20%	552	-74.28%
604100	Communications	700	545	77.86%	382	42.67%
608105	Professional Services	20,000	10,121	50.61%	11,530	-12.22%
612105	Vehicle Replacement Charge	4,189	4,189	100.00%	4,119	1.70%
612115	Liability Insurance Charge	8,041	8,041	100.00%	3,490	130.40%
612125	Employee Benefits	24,845	24,845	100.00%	12,871	93.03%
4300	Parking Control Total	271,897	183,986	67.67%	112,446	63.62%

* = Actual data is reported for July through February.

Public Safety - Wren
February 2020 General Fund Expenditures (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18-19 Actual*	% Change From Prior Year
6200	Code Enforcement					
501110	Salaries-Regular	146,427	93,695	63.99%	98,279	-4.66%
502100	Retirement	25,161	15,935	63.33%	19,479	-18.19%
502105	Workers Comp Insurance	7,622	7,677	100.72%	8,122	-5.48%
502110	Health/Life Insurance	18,263	11,610	63.57%	12,145	-4.41%
502115	Unemployment Insurance	831	519	62.45%	560	-7.32%
502120	Medicare/Fica	2,163	1,360	62.88%	1,433	-5.09%
602110	Office Expense	2,500	2,382	95.28%	988	141.09%
602160	Code Enforcement Equipment	1,000	822	82.20%	401	104.99%
603105	Equipment Maintenance	100	-	0.00%	-	0.00%
604100	Communications	800	570	71.25%	411	38.69%
607100	Membership/Dues	425	475	111.76%	371	28.03%
607105	Mileage Reimbursement	100	-	0.00%	-	0.00%
607110	Travel/Conference/Meetings	1,000	467	46.70%	10	4570.00%
607115	Training	1,000	564	56.40%	407	38.57%
608100	Contractual Services	-	2,205	**	-	100.00%
608180	Prosecution/Code Enforcement	50,000	43,581	87.16%	40,837	6.72%
612105	Vehicle Replacement Charge	6,509	6,509	100.00%	6,402	1.67%
612115	Liability Insurance Charge	7,679	7,679	100.00%	5,724	34.15%
612125	Employee Benefits	23,726	23,726	100.00%	21,112	12.38%
6200	Code Enforcement Total	295,306	219,776	74.42%	216,681	1.43%
101	GENERAL FUND TOTAL	\$ 12,856,393	\$ 7,298,256	56.77%	\$ 7,233,060	0.90%
102	General Fund (Transactions & Use Tax)					
2100	Law Enforcement					
501110	Salaries-Regular	36,639	22,288	60.83%	21,272	4.78%
502100	Retirement	2,779	1,738	62.54%	203,344	-99.15%
502105	Workers Comp Insurance	338	338	100.00%	328	3.05%
502110	Health/Life Insurance	295	187	63.39%	1,205	-84.48%
502115	Unemployment Insurance	109	68	62.39%	72	-5.56%
502120	Medicare/Fica	574	343	59.76%	314	9.24%
603125	Vehicle Maintenance	5,000	5,274	105.48%	6,547	-19.44%
608160	Sheriff Contract Services	3,097,617	1,693,158	54.66%	1,538,710	10.04%
608175	Crossing Guard Services	40,530	21,241	52.41%	-	100.00%
612105	Vehicle Replacement Charge	10,284	10,284	100.00%	10,114	1.68%
612115	Liability Insurance Charge	1,846	1,846	100.00%	1,227	50.45%
612125	Employee Benefits	5,705	5,705	100.00%	4,526	26.05%
2100	Law Enforcement Total	3,201,716	1,762,470	55.05%	1,787,659	1.41%
2200	Fire Protection					
501110	Salaries-Regular	7,328	4,458	60.84%	4,383	1.71%
502100	Retirement	556	348	62.59%	200,853	-99.83%
502105	Workers Comp Insurance	68	68	100.00%	66	3.03%
502110	Health/Life Insurance	59	37	62.71%	261	-85.82%
502115	Unemployment Insurance	22	14	63.64%	14	0.00%
502120	Medicare/Fica	115	69	60.00%	64	7.81%
608185	Oc Fire Dept Contract	953,303	497,381	52.17%	368,278	35.06%
612115	Liability Insurance Charge	369	369	100.00%	245	50.61%
612125	Employee Benefits	1,141	1,141	100.00%	905	26.08%
2200	Fire Protection Total	962,961	503,885	52.33%	575,069	-12.38%

* = Actual data is reported for July through February.

ATTACHMENT B - Page 9 of 16

Public Safety - Wren February 2020 General Fund Expenditures (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18-19 Actual*	% Change From Prior Year
4300	Parking Control					
501110	Salaries-Regular	21,984	13,373	60.83%	13,019	2.72%
502100	Retirement	1,667	1,043	62.57%	958	8.87%
502105	Workers Comp Insurance	203	203	100.00%	197	3.05%
502110	Health/Life Insurance	177	112	63.28%	762	-85.30%
502115	Unemployment Insurance	65	41	63.08%	43	-4.65%
502120	Medicare/Fica	345	206	59.71%	192	7.29%
612115	Liability Insurance Charge	1,108	1,108	100.00%	736	50.54%
612125	Employee Benefits	3,423	3,423	100.00%	2,715	26.08%
4300	Parking Control Total	28,972	19,509	67.34%	18,622	4.76%
6200	Code Enforcement					
501110	Salaries-Regular	142,419	88,139	61.89%	83,440	5.63%
502100	Retirement	10,387	6,520	62.77%	5,924	10.06%
502105	Workers Comp Insurance	4,325	4,325	100.00%	4,312	0.30%
502110	Health/Life Insurance	9,704	7,656	78.90%	8,225	-6.92%
502115	Unemployment Insurance	651	409	62.83%	430	-4.88%
502120	Medicare/Fica	2,151	1,305	60.67%	1,221	6.88%
612115	Liability Insurance Charge	7,177	7,177	100.00%	4,838	48.35%
612125	Employee Benefits	22,177	22,177	100.00%	17,844	24.28%
6200	Code Enforcement Total	198,991	137,708	69.20%	126,234	9.09%
102	TRANSACTIONS AND USE TAX TOTAL	\$ 4,392,640	\$ 2,423,572	55.17%	\$ 2,507,584	-3.35%
	TOTAL PUBLIC SAFETY	\$ 17,249,033	\$ 9,721,828	56.36%	\$ 9,740,644	-0.19%

* = Actual data is reported for July through February.

Public Works - Rigg
February 2020 General Fund Expenditures (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18-19 Actual*	% Change From Prior Year
101	General Fund					
3100	Engineering					
501110	Salaries-Regular	\$ 51,918	\$ 32,040	61.71%	\$ 31,364	2.16%
501115	Salaries-Overtime	-	258	**	199	29.65%
502100	Retirement	3,585	2,161	60.28%	2,047	5.57%
502105	Workers Comp Insurance	2,220	2,220	100.00%	2,040	8.82%
502110	Health/Life Insurance	9,480	6,061	63.93%	6,171	-1.78%
502115	Unemployment Insurance	282	177	62.77%	187	-5.35%
502120	Medicare/Fica	779	457	58.66%	446	2.47%
602110	Office Expense	1,000	411	41.10%	510	-19.41%
602140	Materials & Supplies	3,000	1,753	58.43%	1,434	22.25%
607100	Membership/Dues	2,000	-	0.00%	115	-100.00%
607110	Travel/Conference/Meetings	1,200	60	5.00%	395	-84.81%
607115	Training	500	-	0.00%	-	0.00%
608105	Professional Services	6,500	5,930	91.23%	1,740	240.80%
608110	Engineering Services	30,000	20,610	68.70%	25,157	-18.07%
608115	Inspection Services	4,000	-	0.00%	-	0.00%
608120	Plan Checking Services	10,000	8,987	89.87%	5,980	50.28%
612105	Vehicle Replacement Charge	804	804	100.00%	790	1.77%
612115	Liability Insurance Charge	2,616	2,616	100.00%	1,686	55.16%
612125	Employee Benefits	8,084	8,084	100.00%	6,220	29.97%
3100	Engineering Total	137,968	92,629	67.14%	86,481	7.11%
3200	Public Facilities					
501110	Salaries-Regular	42,941	27,715	64.54%	27,024	2.56%
501115	Salaries-Overtime	-	88	**	200	-56.00%
502100	Retirement	3,208	2,045	63.75%	1,877	8.95%
502105	Workers Comp Insurance	7,756	7,756	100.00%	6,969	11.29%
502110	Health/Life Insurance	7,645	5,081	66.46%	4,962	2.40%
502115	Unemployment Insurance	239	178	74.48%	155	14.84%
502120	Medicare/Fica	640	394	61.56%	385	2.34%
602100	Special Dept Expense	1,500	937	62.47%	66	1319.70%
602110	Office Expense	200	77	38.50%	126	-38.89%
602125	Small Tools	-	157	**	2,304	-93.19%
602130	Clothing	3,500	1,838	52.51%	-	100.00%
602135	Safety Equipment	100	69	69.00%	1,367	-94.95%
602140	Materials & Supplies	2,500	1,244	49.76%	-	100.00%
603105	Equipment Maintenance	-	887	**	95,577	-99.07%
603110	Building Maintenance	100,000	62,820	62.82%	-	100.00%
603115	Sprinkler System Maintenance	-	-	**	13,373	-100.00%

* = Actual data is reported for July through February.

Public Works - Rigg
February 2020 General Fund Expenditures (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18-19 Actual*	% Change From Prior Year
604100	Communications	23,000	13,994	60.84%	54,661	-74.40%
604105	Utilities	92,500	58,176	62.89%	-	100.00%
607115	Training	-	-	**	36,827	-100.00%
608100	Contractual Services	52,000	29,388	56.52%	-	100.00%
608130	Temporary Help	-	-	**	14,912	-100.00%
611110	O.C. Sanitation District User Fee	18,000	16,042	89.12%	4,253	277.19%
612105	Vehicle Replacement Charge	4,325	4,325	100.00%	1,496	189.10%
612115	Liability Insurance Charge	2,164	2,164	100.00%	-	100.00%
612120	Workers' Compensation Charge	-	-	**	5,516	-100.00%
612125	Employee Benefits	6,687	6,687	100.00%	-	100.00%
612200	Allocated Costs	-	-	**	272,051	-100.00%
3200	Public Facilities Total	368,905	242,062	65.62%	272,051	-11.02%
3400	Parks Maintenance					
501110	Salaries-Regular	44,784	30,943	69.09%	27,675	11.81%
501115	Salaries-Overtime	-	1,471	**	577	154.94%
501120	Salaries-Part Time	7,558	4,797	63.47%	4,199	14.24%
502100	Retirement	3,464	2,377	68.62%	2,522	-5.75%
502105	Workers Comp Insurance	9,462	9,462	100.00%	10,993	-13.93%
502110	Health/Life Insurance	6,401	4,863	75.97%	5,301	-8.26%
502115	Unemployment Insurance	456	267	58.55%	285	-6.32%
502120	Medicare/Fica	829	539	65.02%	290	85.86%
602100	Special Dept Expense	8,000	4,961	62.01%	5,424	-8.54%
603105	Equipment Maintenance	12,000	4,941	41.18%	1,665	196.76%
604105	Utilities	188,000	91,885	48.88%	100,589	-8.65%
608100	Contractual Services	115,000	66,607	57.92%	68,121	-2.22%
612105	Vehicle Replacement Charge	5,265	5,265	100.00%	5,179	1.66%
612115	Liability Insurance Charge	2,625	2,625	100.00%	2,228	17.82%
612125	Employee Benefits	8,111	8,111	100.00%	8,217	-1.29%
3400	Parks Maintenance Total	411,955	239,114	58.04%	243,265	-1.71%
3500	Street Maintenance					
501110	Salaries-Regular	99,435	64,576	64.94%	61,660	4.73%
501115	Salaries-Overtime	-	3,809	**	1,947	95.63%
501120	Salaries-Part Time	4,723	2,998	63.48%	2,624	14.25%
502100	Retirement	8,683	5,651	65.08%	5,805	-2.65%
502105	Workers Comp Insurance	19,809	19,809	100.00%	19,463	1.78%
502110	Health/Life Insurance	17,006	11,421	67.16%	12,682	-9.94%
502115	Unemployment Insurance	749	483	64.49%	516	-6.40%
502120	Medicare/Fica	1,564	1,013	64.77%	834	21.46%

* = Actual data is reported for July through February.

Public Works - Rigg
February 2020 General Fund Expenditures (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18-19 Actual*	% Change From Prior Year
602100	Special Dept Expense	2,787	-	0.00%	-	0.00%
602125	Small Tools	5,000	-	0.00%	1,989	-100.00%
602140	Materials & Supplies	67,000	20,845	31.11%	24,977	-16.54%
603105	Equipment Maintenance	5,000	-	0.00%	722	-100.00%
608100	Contractual Services	45,000	30,339	67.42%	29,553	2.66%
612105	Vehicle Replacement Charge	11,521	11,521	100.00%	11,331	1.68%
612115	Liability Insurance Charge	5,186	5,186	100.00%	3,854	34.56%
612125	Employee Benefits	16,022	16,022	100.00%	14,214	12.72%
3500	Street Maintenance Total	309,485	193,673	62.58%	192,171	0.78%
3600	Storm Drain Maintenance					
603100	Emergency Maint Services	5,000	-	0.00%	-	0.00%
608155	Storm Water Monitor Program	120,000	78,560	65.47%	24,812	216.62%
3600	Storm Drain Maintenance Total	125,000	78,560	62.85%	24,812	216.62%
6300	Graffiti Abatement					
602140	Materials & Supplies	-	5,656	**	-	100.00%
6300	Graffiti Abatement Total	-	5,656	**	-	100.00%
TOTAL PUBLIC WORKS		\$ 1,353,313	\$ 851,694	62.93%	\$ 818,780	4.02%

* = Actual data is reported for July through February.

Community Development-Stonich
February 2020 General Fund Expenditures (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18-19 Actual*	% Change From Prior Year
101	General Fund					
4100	Planning					
501110	Salaries-Regular	\$ 160,367	\$ 81,286	50.69%	\$ 103,469	-21.44%
501115	Salaries-Overtime	-	92	**	-	100.00%
501120	Salaries-Part Time	13,632	7,127	52.28%	-	100.00%
501125	Salaries-Appointed	9,000	5,746	63.84%	5,296	8.50%
502100	Retirement	22,835	7,669	33.58%	11,279	-32.01%
502105	Workers Comp Insurance	2,167	2,057	94.92%	1,732	18.76%
502110	Health/Life Insurance	21,018	13,050	62.09%	15,614	-16.42%
502115	Unemployment Insurance	1,419	944	66.53%	958	-1.46%
502120	Medicare/Fica	3,655	1,400	38.30%	1,614	-13.26%
602110	Office Expense	1,500	518	34.53%	1,565	-66.90%
602120	Books/Periodicals	800	-	0.00%	352	-100.00%
607100	Membership/Dues	1,600	603	37.69%	1,413	-57.32%
607110	Travel/Conference/Meetings	2,000	166	8.30%	174	-4.60%
607115	Training	1,000	1,250	125.00%	-	100.00%
608100	Contractual Services	4,000	525	13.13%	1,925	-72.73%
608105	Professional Services	70,000	-	0.00%	16,205	-100.00%
608130	Temporary Help	45,405	18,980	41.80%	-	100.00%
612105	Vehicle Replacement Charge	650	650	100.00%	626	3.83%
612115	Liability Insurance Charge	10,850	10,850	100.00%	6,400	69.53%
612125	Employee Benefits	33,525	33,525	100.00%	23,606	42.02%
4100	Planning Total	405,423	186,438	45.99%	192,228	-3.01%
4200	Building Regulation					
501110	Salaries-Regular	50,142	32,253	64.32%	21,001	53.58%
502100	Retirement	3,710	2,296	61.89%	2,464	-6.82%
502105	Workers Comp Insurance	492	547	111.18%	538	1.67%
502110	Health/Life Insurance	8,437	5,711	67.69%	3,086	85.06%
502115	Unemployment Insurance	441	273	61.90%	427	-36.07%
502120	Medicare/Fica	728	467	64.15%	415	12.53%
602110	Office Expense	1,500	780	52.00%	593	31.53%
602120	Books/Periodicals	400	76	19.00%	80	-5.00%
607115	Training	1,000	299	29.90%	-	100.00%
608115	Inspection Services	350,000	391,707	111.92%	261,911	49.56%
612105	Vehicle Replacement Charge	33	33	100.00%	31	6.45%
612115	Liability Insurance Charge	2,826	2,826	100.00%	2,099	34.64%
612125	Employee Benefits	8,733	8,733	100.00%	7,742	12.80%
4200	Building Regulation Total	428,442	446,001	104.10%	300,387	48.48%
101	GENERAL FUND TOTAL	\$ 833,865	\$ 632,439	75.84%	\$ 492,615	28.38%

* = Actual data is reported for July through February.

Community Development-Stonich
February 2020 General Fund Expenditures (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18-19 Actual*	% Change From Prior Year
102	General Fund (Transactions & Use Tax)					
4400	Business Relations					
501110	Salaries-Regular	13,545	2,215	16.35%	23,910	-90.74%
502100	Retirement	6,590	369	5.60%	3,783	-90.25%
502105	Workers Comp Insurance	379	379	100.00%	811	-53.27%
502110	Health/Life Insurance	165	30	18.18%	348	-91.38%
502115	Unemployment Insurance	109	-	0.00%	72	-100.00%
502120	Medicare/Fica	210	86	40.95%	361	-76.18%
602110	Office Expense	1,500	972	64.80%	963	0.93%
602120	Books/Periodicals	400	-	0.00%	-	0.00%
607100	Membership/Dues	4,000	275	6.88%	570	-51.75%
607110	Travel/Conference/Meetings	4,000	1,004	25.10%	130	672.31%
607115	Training	2,000	-	0.00%	-	0.00%
608105	Professional Services	70,000	-	0.00%	6,000	-100.00%
608125	Advertising/ Business Dev't	15,000	8,799	58.66%	10,650	-17.38%
608130	Temporary Help	28,375	11,862	41.80%	-	100.00%
612105	Vehicle Replacement Charge	715	715	100.00%	689	3.77%
612115	Liability Insurance Charge	2,074	2,074	100.00%	3,004	-30.96%
612125	Employee Benefits	6,408	6,408	100.00%	11,079	-42.16%
4400	Business Relations	155,470	35,188	22.63%	62,370	-43.58%
102	TRANSACTIONS AND USE TAX TOTAL	\$ 155,470	\$ 35,188	22.63%	\$ 62,370	-43.58%
	TOTAL COMMUNITY DEVELOPMENT	\$ 989,335	\$ 667,627	67.48%	\$ 554,985	20.30%

* = Actual data is reported for July through February.

Community Service - Bobadilla
February 2020 General Fund Expenditures (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18-19 Actual*	% Change From Prior Year
101	General Fund					
5100	Parks and Recreation					
501110	Salaries-Regular	\$ 318,560	\$ 210,425	66.06%	\$ 151,531	38.87%
501115	Salaries-Overtime	-	120	**	-	100.00%
501120	Salaries-Part Time	22,209	35,661	160.57%	27,284	30.70%
502100	Retirement	28,770	19,297	67.07%	14,569	32.45%
502105	Workers Comp Insurance	4,248	6,360	149.72%	5,268	20.73%
502110	Health/Life Insurance	43,531	26,508	60.89%	23,697	11.86%
502115	Unemployment Insurance	2,713	1,865	68.74%	2,073	-10.03%
502120	Medicare/Fica	5,503	3,540	64.33%	2,577	37.37%
602100	Special Dept Expense	7,727	1,462	18.92%	3,743	-60.94%
602110	Office Expense	3,184	2,107	66.17%	1,965	7.23%
602150	Recreation Brochure Mailing	32,000	20,565	64.27%	19,823	3.74%
603105	Equipment Maintenance	200	-	0.00%	157	-100.00%
603110	Building Maintenance	10,400	3,150	30.29%	3,150	0.00%
605100	Land Lease	3,520	-	0.00%	5,786	-100.00%
606100	Special Event Insurance	-	(194)	**	5,043	-103.85%
607100	Membership/Dues	850	165	19.41%	360	-54.17%
607115	Training	1,500	2,805	187.00%	945	196.83%
608100	Contractual Services	-	-	**	10,838	-100.00%
608105	Professional Services	-	-	**	5,038	-100.00%
608150	Contractual Recreation Progm	20,000	10,509	52.55%	9,394	11.87%
609100	Special Events	6,645	5,651	85.04%	2,320	143.58%
609115	Excursions	900	543	60.33%	200	171.50%
609200	Sr Citizen Program	2,500	517	20.68%	16	3131.25%
612105	Vehicle Replacement Charge	7,857	7,857	100.00%	7,721	1.76%
612115	Liability Insurance Charge	15,360	17,763	115.64%	12,536	41.70%
612125	Employee Benefits	47,460	54,884	115.64%	46,238	18.70%
5100	Parks and Recreation Total	585,637	431,560	73.69%	362,272	19.13%
5200	Community Services Ctr (Beach)					
501120	Salaries-Part Time	10,405	5,955	57.23%	5,701	4.46%
502105	Workers Comp Insurance	538	538	100.00%	536	0.37%
502115	Unemployment Insurance	282	62	21.99%	64	-3.13%
502120	Medicare/Fica	244	90	36.89%	86	4.65%
602100	Special Dept Expense	2,820	1,604	56.88%	1,590	0.88%
602110	Office Expense	2,000	771	38.55%	888	-13.18%
603105	Equipment Maintenance	200	58	29.00%	162	-64.20%
603110	Building Maintenance	42,200	33,023	78.25%	3,972	731.39%
604105	Utilities	10,200	4,758	46.65%	5,068	-6.12%
612105	Vehicle Replacement Charge	423	423	100.00%	407	3.93%
612115	Liability Insurance Charge	524	524	100.00%	357	46.78%
612125	Employee Benefits	1,620	1,620	100.00%	1,317	23.01%
5200	Community Services Ctr (Beach)	71,456	49,426	69.17%	20,148	145.31%
5300	Stanton Central Park					

* = Actual data is reported for July through February.

Community Service - Bobadilla
February 2020 General Fund Expenditures (67% of year)

Acct. No.	Description	FY 19-20 Budget	FY 19-20 Actual*	% of Budget	FY 18-19 Actual*	% Change From Prior Year
501110	Salaries-Regular	41,500	24,479	58.99%	-	100.00%
501120	Salaries-Part Time	113,654	66,479	58.49%	76,881	-13.53%
502100	Retirement	-	1,710	**	-	100.00%
502105	Workers Comp Insurance	7,107	7,107	100.00%	7,724	-7.99%
502110	Health/Life Insurance	-	3,322	**	-	100.00%
502115	Unemployment Insurance	3,038	1,068	35.15%	915	16.72%
502120	Medicare/Fica	2,991	1,385	46.31%	1,152	20.23%
602100	Special Dept Expense	4,000	1,001	25.03%	479	108.98%
602110	Office Expense	2,000	86	4.30%	-	100.00%
604105	Utilities	6,000	433	7.22%	2,679	100.00%
612115	Liability Insurance Charge	6,912	6,912	100.00%	5,076	36.17%
612125	Employee Benefits	21,357	21,357	100.00%	18,721	14.08%
5300	Stanton Central Park	208,559	135,339	64.89%	113,627	19.11%
101	GENERAL FUND TOTAL	\$ 865,652	\$ 616,325	71.20%	\$ 496,047	24.25%
102	General Fund (Transactions & Use Tax)					
5100	Parks and Recreation					
501120	Salaries-Part Time	-	492	**	10,663	-95.39%
502105	Workers Comp Insurance	-	-	**	1,460	-100.00%
502115	Unemployment Insurance	-	-	**	499	-100.00%
502120	Medicare/Fica	-	7	**	155	-95.48%
612115	Liability Insurance Charge	-	-	**	935	-100.00%
612125	Employee Benefits	-	-	**	3,448	-100.00%
5100	Parks and Recreation	-	499	**	17,159	-97.09%
102	TRANSACTIONS AND USE TAX TOTAL	\$ -	\$ 499	**	\$ 17,159	-97.09%
	TOTAL COMMUNITY SERVICES	\$ 865,652	\$ 616,824	71.26%	\$ 513,206	20.19%

* = Actual data is reported for July through February.

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and City Council

DATE: March 24, 2020

SUBJECT: FEBRUARY 2020 INVESTMENT REPORT

REPORT IN BRIEF:

The Investment Report as of February 29, 2020 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of February 2020.

BACKGROUND:

The attached reports summarize the City investments and deposit balances as of February 2020. The City's cash and investment balances by fund type are presented in Attachment A. A summary of the City's investments and deposits is included as Attachment B. The details of the City's investments are shown in Attachment C.

ANALYSIS:

The City's investments in the State Treasurer's Local Agency Investment Fund (LAIF) and in PFM's California Asset Management Program (CAMP) continue to be available on demand. The effective yield on LAIF for the month of February 2020 was 1.91%. All City investments have safekeeping with Bank of the West. The City's investments are shown on Attachment C and have a weighted investment yield of 2.26%. Including LAIF, the City's Section 115 trust account with Public Agency Retirement Services (PARS), and the City's deposit in the Bank of the West money market account, the weighted investment yield of the portfolio is 2.53%, which is above the benchmark LAIF return of 1.91%.

The weighted average maturity of the City's investments on February 29, 2020, is 888 days (or 2.4 years). Including LAIF and a money market account, it is 428 days. LAIF's average maturity on February 29, 2020, was approximately 216 days.

With a weighted average maturity of 2.4 years, the City is well within the investment policy restriction of 3.5 years.

FISCAL IMPACT:

All deposits and investments have been made in accordance with the City's 2019-20 Investment Policy. The portfolio will allow the City to meet its expenditure requirements for the next six months. Staff remains confident that the investment portfolio is currently positioned to remain secure and sufficiently liquid.

The City Treasurer controls a \$40.8 million portfolio, with \$19.6 million in investments with safekeeping with Bank of the West.

ENVIRONMENTAL IMPACT:

None.

LEGAL REVIEW:

None.

PUBLIC NOTIFICATION:

Through the agenda posting process.

STRATEGIC PLAN OBJECTIVE ADDRESSED

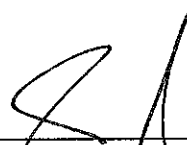
4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:



Michelle Bannigan, CPA
Finance Director

Approved by:



Jarad L. Hildenbrand
City Manager

Attachments:

- A. Cash and Investment Balances by Fund
- B. Investments and Deposits
- C. Investment Detail

CITY OF STANTON
CASH AND INVESTMENTS REPORT
MONTH ENDED FEBRUARY 29, 2020

Fund/ Account No.	Fund/Account Name	Beginning Balance	Increases	Decreases	Ending Balance
101-various	General Fund	\$ 14,070,763.42	\$ 2,614,569.06	\$ (3,028,973.65)	\$ 13,656,358.83
102-111101	General Fund (Transactions & Use Tax)	4,432,117.73	491,629.650	(42,144.09)	4,881,603.29
211-111101	Gas Tax Fund	213,631.14	-	(51,893.15)	161,737.99
215-111101	Road Maintenance and Rehabilitation act (RMRA) Fund	71,776.92	61,486.96	(22,224.87)	111,039.01
220-111101	Measure M Fund	(154,429.04)	-	-	(154,429.04)
222-111101	Community Development Block Grant (CDBG) Fund	250,945.03	-	-	250,945.03
223-111101	Protective Services Fund	(125,890.78)	-	-	(125,890.78)
224-111101	Lighting Maintenance 1919 Act Fund	97,188.97	254.48	-	97,443.45
225-111101	Lighting/Median Maintenance 1972 Act Fund	1,245,408.07	-	(98,075.02)	1,147,333.05
226-111101	Air Quality Improvement Fund	179,284.84	-	-	179,284.84
240-111101	Supplemental Law Enforcement Grant Fund (Fiscal Year 2016/17)	34,822.16	-	-	34,822.16
242-111101	Supplemental Law Enforcement Grant Fund (current)	358,297.50	1,654.14	-	359,951.64
250-111101	Families and Communities Together (FaCT) Grant Fund	(8,293.48)	24,473.22	(26,407.08)	(10,227.34)
251-111101	Senior Transportation Fund	(17,403.31)	945.00	(3,058.64)	(19,516.95)
255-111101	CalGRIP Grant Fund (Fiscal Year 2014/15)	37,520.01	-	-	37,520.01
261-111101	Street Impact Fees Fund	142,056.22	456.00	-	142,512.22
262-111101	Traffic Signal Impact Fees Fund	31,769.71	102.00	-	31,871.71
263-111101	Community Center Impact Fees Fund	99,099.73	295.00	-	99,394.73
264-111101	Police Services Impact Fees Fund	89,693.66	267.00	-	89,960.66
271-111101	Public Safety Task Force Fund	251,497.78	-	(5,630.53)	245,867.25
280-111101	Stanton Central Park Maintenance Fund	(5,590.23)	-	(4,894.00)	(10,484.23)
285-111101	Stanton Housing Authority Fund	2,543,003.73	10,053,148.90	(9,317,198.98)	3,278,953.65
305-111101	Capital Projects Fund	412,809.70	-	-	412,809.70
310-111101	Park and Recreation Facilities Fund	1,611,406.18	5,690.00	-	1,617,096.18
501-111101	Sewer Maintenance Fund	4,296,705.86	5,170.50	(165,405.27)	4,136,471.09
602-111101	Workers' Compensation Fund	498,100.57	-	-	498,100.57
603-111101	Liability Risk Management Fund	184,707.26	-	-	184,707.26
604-111101	Employee Benefits Fund	343,859.60	-	(4,531.90)	339,327.70
605-111101	Fleet Maintenance Fund	478,215.83	-	(3,734.67)	474,481.16
801-111101	City Trust Fund	392,947.23	9,615.05	(32,032.11)	370,530.17
901-111101	North Orange County Public Safety Task Force (NOCPSF) Trust Fund	901,710.90	72,816.58	(179,107.46)	795,420.02
901-111965	North Orange County Public Safety Task Force Trust Fund	703,539.96	-	-	703,539.96
	Total Cash-Pooled⁽¹⁾	\$ 33,661,272.87	\$ 13,342,573.54	\$ (12,985,311.42)	\$ 34,018,534.99

CITY OF STANTON
CASH AND INVESTMENTS REPORT
MONTH ENDED FEBRUARY 29, 2020

Fund/ Account No.	Fund/Account Name	Beginning Balance	Increases	Decreases	Ending Balance
	<u>CASH-NON-POOLED</u>				
101-111404	Cash with Fiscal Agent (PARS) ⁽²⁾	\$ 3,941,200.99	\$ -	\$ (131,738.08)	\$ 3,809,462.91
285-111111	Housing Authority Local Agency Investment Fund (LAIF)	13,042,809.76	-	(10,000,000.00)	3,042,809.76
801-111107	City Trust Fund-Website Account	8,972.00	3,430.00	-	12,402.00
	Total Cash-Non-Pooled	\$ 16,992,982.75	\$ 3,430.00	\$ (10,131,738.08)	\$ 6,864,674.67
	TOTAL CASH AND INVESTMENTS	\$ 50,654,255.62	\$ 13,346,003.54	\$ (23,117,049.50)	\$ 40,883,209.66

Note:

⁽¹⁾ - Pooled cash includes: petty cash on hand, the City's various Bank of the West bank and safekeeping accounts, the City's Local Agency Investment Fund (LAIF) account, and the California Asset Management Program (CAMP) account.

⁽²⁾ - This is the City's irrevocable post-employment benefits trust account that can only be used to fund the City's pension and post-employment benefits programs.

CITY OF STANTON, CA
INVESTMENTS AND DEPOSITS
February 29, 2020

Investment Type	Issuer	Date of Maturity	Interest Rate	Cost ²	% of Total	Market Value	Market Value Source
LAIF and BOW General Acct - City	State of California/ BOW	On Demand	1.91%	\$ 13,055,584	32.03%	\$ 13,055,584	LAIF
State Pool (LAIF) - HA Portion	State of California	On Demand	1.91%	3,042,810	7.47%	3,042,810	LAIF
Investments ²	Various	Various	Various	19,611,284	48.11%	19,895,929	Bank of the West
California Asset Management Plan	PFM Asset Management	On Demand	1.75%	1,240,680	3.04%	1,240,680	PFM
Money Market Account ³	Public Agency Retirement Services	On Demand	6.76%	3,809,463	9.35%	3,809,463	PARS
Subtotal - Investments				40,759,821	100.00%	41,044,466	
Imprest Accts & Petty Cash	Bank of the West	On Demand	N/A	123,389		123,389	Bank of the West
Subtotal - Deposits				123,389		123,389	

Total Cash Investments and Deposits ⁴

\$ 40,883,210

\$ 41,167,855

428 **2.53%**
Weighted Average Maturity (days) Weighted Average Yield

¹ Par Value amount represents entire LAIF and CAMP balances, including City, Successor Agency and Housing Authority portions.

² Cost amount includes \$11,398 adjustment made to City's books at 6/30/19 to adjust portfolio to market value, per GASB 31.

³ These funds are in an irrevocable trust and can only be used to fund pension and other post employment benefits.

⁴ Weighted average maturity and yield calculations include LAIF, CAMP and Investments.

Notes:

The City's portfolio is in compliance with the City's Investment Policy.

The portfolio will allow the City to meet its expenditure requirements for the next six months.

**CITY OF STANTON
INVESTMENTS
FEBRUARY 29, 2020**

Investment Type/ Broker	Institution	CUSIP Number	Purchase Yield	Coupon Rate	Purchase Price	Settlement/ Date Purchased	Date of Maturity	Next Call Date (NC=noncallable)	Par Value	Purchase Amount	Current Market Value	Percent of Portfolio	Maximum Percent
U.S. Government Agency Securities:													
FFQB	Stifel, Nicolaus & Company, Inc.	3133EKT3	2.24%	2.23%	99.95	7/19/2019	7/6/2024	NC	1,000,000	999,500	1,003,120		
FAMCA	Canella & Co., Inc	31422BJE1	2.26%	2.26%	100.00	7/24/2019	7/24/2020	7/24/2020	500,000	501,180	500,920		
FAMCA	Canella & Co., Inc	31422BJE1	2.00%	2.00%	100.24	8/21/2019	7/24/2020	7/24/2020	500,000	501,180	500,920		
FHLMC	Multi-Bank Securities, Inc.	3134GT2S1	2.01%	2.00%	99.95	8/23/2019	8/19/2024	NC	500,000	499,750	500,860		
												6.13%	100%
		</											

ATTACHMENT C - Page 1 of 2

**CITY OF STANTON
INVESTMENTS
FEBRUARY 28, 2020**

Investment Type/ Broker	Institution	CUSIP Number	Purchase Yield	Coupon Rate	Purchase Price	Settlement/ Date Purchased	Date of Maturity	Next Call Date (NC=noncallable)	Par Value	Purchase Amount	Current Market Value	Percent of Portfolio	Maximum Percent
Stifel, Nicolaus & Company, Inc.	Bank of New England	09426KBE7	2.65%	2.85%	100.00	5/23/2019	5/23/2024	NC	249,000	249,000	259,890		
Cantella & Co., Inc.	McGregor TX	32112UDAG	2.20%	2.30%	100.47	7/12/2019	6/28/2024	NC	249,000	250,170	258,955		
Multi-Bank Securities, Inc.	ErieBank USA	29273TKA7	2.35%	2.35%	100.00	7/22/2019	7/22/2024	NC	247,000	247,000	247,768		
Stifel, Nicolaus & Company, Inc.	Evansville Teachers FCU	295547AV1	2.25%	2.25%	100.00	7/22/2019	7/22/2024	NC	249,000	249,000	255,708		
Stifel, Nicolaus & Company, Inc.	First National Bank of America	32110YMY8	2.20%	2.20%	100.00	7/22/2019	7/22/2024	2/22/2022	249,000	249,000	246,892		
Cantella & Co., Inc.	SunTrust Bank	88789VZG5	2.30%	2.30%	100.00	7/24/2019	7/24/2024	NC	248,000	248,000	248,263		
Stifel, Nicolaus & Company, Inc.	First Tier Bank	33768L AJ7	1.95%	1.95%	100.00	8/23/2019	8/23/2024	NC	249,000	249,000	252,523		
Multi-Bank Securities, Inc.	Raymond James Bank NA	75472RAE1	2.03%	2.00%	100.00	8/23/2019	8/23/2024	NC	247,000	247,000	251,024		
Multi-Bank Securities, Inc.	Washington Federal Bank	938828BN9	1.95%	1.95%	100.00	8/28/2019	8/28/2024	NC	249,000	249,000	252,821		
Stifel, Nicolaus & Company, Inc.	First United Bank and Trust	33742CAM9	2.10%	2.10%	100.00	8/30/2019	8/30/2024	2/28/2020	249,000	249,000	248,107		
Total Negotiable Certificates of Deposit										\$ 11,771,000	\$ 11,769,647	\$ 12,014,730	28.86%
Subtotal Investments										\$ 19,551,000	\$ 19,595,866	\$ 19,895,928	
Prior Year Adjustment GASB 31										\$ -	\$ 11,388	\$ -	
Investments Held With Bank of the West										\$ 19,551,000	\$ 19,611,284	\$ 19,895,928	
State Treasurer's Pool										\$ 8,958,204	\$ 13,055,584	\$ 13,055,584	100%
State Treasurer's Pool										3,042,810	3,042,810	3,042,810	100%
PFM										1,240,580	1,240,580	1,240,580	100%
Money Market Acct										3,809,463	3,809,463	3,809,463	26%
Total Money Market, LAIF and Investments										\$ 36,602,157	\$ 40,755,821	\$ 41,044,456	100.00%

2.25%
Weighted
Average
Yield

388
days
WAM

1.95%
Weighted
Average
Yield

31/12/2020
31/12/2020
2/1/2021
3/1/2021

2.53%
Weighted
Average
Yield

428
days
WAM

Local Agency Investment Fund (LAIF) - City Portion
Local Agency Investment Fund (LAIF) - HA Portion
California Asset Management Program (CAMP)
Public Agency Retirement Services (PARS)-Section 115 Trust

Total Money Market, LAIF and Investments

CITY OF STANTON

REPORT TO THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

TO: Honorable Chair and Members of the Successor Agency

DATE: March 24, 2020

SUBJECT: FEBRUARY 2020 INVESTMENT REPORT (SUCCESSOR AGENCY)

REPORT IN BRIEF:

The Investment Report as of February 29, 2020, has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

1. Successor Agency find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of February 2020.

BACKGROUND:

The attached reports summarize the Successor Agency investments and deposit balances as of February 2020. The Agency's cash and investment balances by fund are presented in Attachment A. The Agency's investments and deposits are included as Attachment B.

ANALYSIS:

The Agency's share of the City's investment in the State Treasurer's Local Agency Investment Fund (LAIF) continues to be available on demand. The effective yield on LAIF for the month of February 2020 was 1.91%.

The Agency's investments are shown on Attachment B and have a weighted investment yield of 1.32%, which is below the benchmark LAIF return of 1.91%, as the portfolio is almost completely liquid and has significant funds held in custodial accounts accruing very little interest.

With a completely liquid portfolio, the weighted average maturity of the Agency's investments at February 29, 2020, is 1 day. LAIF's average maturity at February 29, 2020, is approximately 216 days.

FISCAL IMPACT:

All deposits and investments have been made in accordance with the City's 2019-20 Investment Policy.

The portfolio will allow the Agency to meet its expenditure requirements for the next six months.

ENVIRONMENTAL IMPACT:

None

LEGAL REVIEW:

None.

PUBLIC NOTIFICATION:

Through the agenda posting process.

STRATEGIC PLAN OBJECTIVE ADDRESSED:


4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:



Michelle Bannigan, CPA
Finance Director

Approved by:



Jarad L. Hildenbrand
City Manager

Attachments:

- A. Cash and Investment Balances by Fund
- B. Investments and Deposits

**SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY
CASH AND INVESTMENTS REPORT
MONTH ENDED FEBRUARY 29, 2020**

Fund/ Account No.	Fund/Account Name	Beginning Balance	Increases	Decreases	Ending Balance
CASH-POOLED					
712-111101	Redevelopment Obligation Retirement Fund	\$ 4,080,995.38	\$ -	\$ -	\$ 4,080,995.38
731-111101	Administration Fund	(648,319.97)	-	(7,159.34)	(655,479.31)
	Total Cash-Pooled ⁽¹⁾	\$ 3,432,675.41	\$ -	(7,159.34)	\$ 3,425,516.07
CASH-RESTRICTED (with Fiscal Agent)					
712-111412	2010 Tax Allocation Bonds	\$ 1,804,387.33	\$ 20,983.74	\$ (667,459.38)	\$ 1,157,911.69
712-111423	2016 Tax Allocation Bonds, Series A and B	2,138,199.75	605.67	(1,314,762.51)	824,042.91
712-111425	2016 Tax Allocation Bonds, Series C and D	3,040,930.94	714.68	(1,805,225.00)	1,236,420.62
	Total Cash-Restricted (with Fiscal Agent)	\$ 6,983,518.02	\$ 22,304.09	(3,787,446.89)	\$ 3,218,375.22
	TOTAL CASH AND INVESTMENTS	\$ 10,416,193.43	\$ 22,304.09	(3,794,606.23)	\$ 6,643,891.29

Note:

⁽¹⁾ - Includes: Bank of the West checking account and City's Local Agency Investment Fund (LAIF)

**SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY
INVESTMENTS AND DEPOSITS
February 29, 2020**

Investment Type	Institution	Issuer/ Broker	Date of Maturity	Interest Rate	Cost	Market Value	MV Source
LAIF and BOW General Acct	State of California/ BOW	State of California	On Demand	1.91%	\$ 3,425,516	\$ 3,425,516	LAIF

Total Cash Investments and Deposits

\$ 3,425,516 | \$ 3,425,516

1 1.32%
Weighted Average Yield
Maturity (days)

Bond Funds Held by Trustees:

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
2010 Tax Allocation Bonds (Tax-Exempt)									
Principal:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$ 17	\$ 17	\$ 17	US Bank
Interest:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	14,355	14,355	14,355	US Bank
Special Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	21	21	21	US Bank
Reserve Account:									
Cash Equivalent	LAIF	US Bank	99LAD09V08	On Demand	1.91%	1,141,576	1,141,576	1,143,519	US Bank

Total 2010 Tax Allocation Bonds (Tax-Exempt)

\$ 1,155,969 \$ 1,157,912

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
2016 Series A and B									
Debt Service:									
Cash Equivalents	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$ 824,005	\$ 824,005	\$ 824,005	US Bank
Principal:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	28	28	28	US Bank
Interest:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	9	9	9	US Bank

Total 2016 Series A and B

\$ 824,042 \$ 824,042

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
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CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and City Council

DATE: March 24, 2020

SUBJECT: RESOLUTION AMENDING THE POSITION CLASSIFICATION MANUAL

REPORT IN BRIEF:

The attached Resolution makes changes to the Position Classification Manual by adding the job classification of Planning Technician.

RECOMMENDED ACTION

That City Council:

1. Declare that this project is exempt from the California Environmental Quality Act ("CEQA") under Section 15378(b)(2) – continuing administrative or maintenance activities, such as purchases for supplies, personnel-related actions, general policy or procedure making.
2. Adopt Resolution No. 2020-02 amending the Position Classification Manual.

ANALYSIS AND JUSTIFICATION:

Currently the Community Development Department has a full-time Planner, full-time Planning Specialist and a part-time Intern in the Planning Division. The counter hours to assist the public with planning related matters are Monday through Thursday, 1 p.m. to 5 p.m. In order to provide excellent customer service and ensure the expeditious processing of projects, the Division needs to expand the public counter hours of operation to include morning hours of 8 a.m. to noon.

Staff evaluated the current staffing level of the planning division and recommends eliminating the currently funded part-time Intern position and adding a new full-time entry-level Planning Technician position. The purpose of the Planning Technician position will be to perform a variety of routine activities in the field of current planning, with the primary responsibility of providing assistance to the general public on planning, zoning and environmental requirements. This new position will support additional counter hours of operation and amplify customer service. Further, the Planning

Technician position will add support to existing staff for project processing and provide consistency and continuity for planning projects.

The resolution amending the Position Classification can be found as Attachment 1. The adjustments to the Position Classification Manual can be found as Exhibit A. The job description for the new classifications can be found as Exhibit B.

FISCAL IMPACT:

The impact for FY2019/20 from eliminating the part-time funded Intern position and establishing a full-time Planning Technician is approximately \$11,700.

ENVIRONMENTAL IMPACT:

In accordance with the requirements of the CEQA, this project has been determined to be exempt under Section 15378(b)(2).

STRATEGIC PLAN OBJECTIVE ADDRESSED:

6. Maintain and Promote a Responsive, High Quality and Transparent Government.

PUBLIC NOTIFICATION:

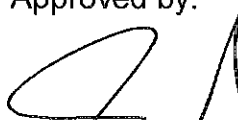
Through the normal agenda process.

Prepared by:



Cynthia Guzman
HR/Risk Management Analyst

Approved by:



Jarad L. Hildenbrand
City Manager

Attachments:

1. Resolution No. 2020-02

Attachment: A

RESOLUTION NO. 2020-02

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, AMENDING THE POSITION CLASSIFICATION MANUAL

WHEREAS, Chapter 2.44.02 of the Stanton Municipal Code requires the establishment of a Position Classification Plan; and

WHEREAS, Resolution No. 87-15 adopted that Position Classification Plan as a Position Classification Manual; and

WHEREAS, Resolution No. 2019-48 included the most recent revisions to the Position Classification Manual; and

WHEREAS, there is a need to change that plan by adding or deleting job classifications, and or changing certain elements of job classifications; and

WHEREAS, those changes are detailed in Exhibit "A" of this Resolution.

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

1. The changes as detailed in Exhibit "A" are incorporated into the Position Classification Manual.
2. The position descriptions included as Exhibit "B" to this Resolution are hereby adopted.
3. All parts of the Position Classification Manual not changed by Exhibits "A" and "B" shall remain effective.

ADOPTED, SIGNED AND APPROVED this 24th day of March, 2020.

DAVID J. SHAWVER, MAYOR

APPROVED AS TO FORM:

MATTHEW E. RICHARDSON, CITY ATTORNEY

ATTEST:

I, Patricia Vazquez, City Clerk of the City of Stanton, California DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2020-02 has been duly signed by the Mayor and attested by the City Clerk, all at a regular meeting of the Stanton City Council, held on March 24, 2020, and that the same was adopted, signed and approved by the following vote to wit:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

PATRICIA VAZQUEZ, CITY CLERK

EXHIBIT "A"

Pursuant to Resolution 2020-02, the following position classification and associated salary range is added or modified in the Position Classification Manual:

<u>POSITION – NEW CLASSIFICATION</u>	<u>SALARY RANGE</u>
Insert: Planning Technician	12

EXHIBIT "B"

CITY OF STANTON

Job Title: **Planning Technician**

Department: Community Development

Salary Range: 12

Reports to: Community & Economic
Development Director

SUMMARY DESCRIPTION

The Planning Technician is an entry level, paraprofessional class in the Community Development Department with duties related to a wide variety of support tasks for professional planning staff. The purpose of this position is to perform a variety of routine activities in the field of current planning, with the primary responsibility of providing assistance to the general public on planning, zoning, and environmental requirements. This position also assists in the review of development and land use applications for zoning compliance; completes technical assessments and prepares written project analyses; provides staff assistance to the professional planners and the Community and Economic Development Director, other departments, and the public in areas of expertise; and performs related work as required.

ESSENTIAL FUNCTIONS AND RESPONSIBILITIES

The following duties are normal for this position. These are not to be construed as exclusive or all inclusive. Other duties may be required and assigned.

- Provides customer service at the public counter related to planning, zoning, and environmental requirements.
- Responds to a variety of inquiries in person, via telephone and in writing, as appropriate.
- Reviews, processes and issues ministerial permits.
- Researches, analyzes, and makes recommendations for compliance with zoning and applicable laws and regulations for project proposals.
- Assists in the preparation of agendas, prepares staff reports for routine entitlement projects and attends and assists at a variety of meetings.
- Examines project plans to determine compliance with applicable regulations.
- Prepares public notices for public hearings and assembles informational materials for public meetings.
- Conducts site inspections to assess project site status and to ensure project compliance with approved plans.
- Inputs data and maintains manual and computerized records and files.
- Performs duties including typing, filing, copying documents, and record keeping.

- Operates a personal computer and uses applicable software.

Additional Tasks and Responsibilities:

- Perform other related duties as assigned.
-

KNOWLEDGE REQUIRED

- Basic principles and practices of urban and regional planning and zoning.
 - Basic building construction terminology.
 - Basic arithmetic/statistical mathematics and its application to planning work.
 - English usage, spelling, grammar and punctuation.
 - Research and reporting methods, techniques, and procedures.
 - Pertinent Federal, State, and local laws, codes and regulations.
 - Principles of business letter writing.
 - Principles and procedures of record keeping.
 - Techniques for providing a high level of customer service by effectively dealing with the public, vendors, contractors, and City staff.
 - Modern office methods, practices, procedures, and equipment including computer hardware and software necessary for graphic presentation, mapping, and database management.
 - Safe driving principles and practices.
-

ABILITIES/SKILLS

- Operate modern office equipment including computer equipment.
- Interpret planning and zoning codes to the general public; identify and respond to issues and concerns of the public.
- Read and interpret building plans, specifications, and codes.
- Conduct routine research projects, evaluate alternatives, and make sound recommendation.
- Perform mathematical and planning computations with precision.
- Interpret and apply Federal, State, and local laws, codes, and regulations including administrative and departmental policies and procedures.
- Handle multiple concurrent projects and manage priorities and tasks.
- Establish and maintain a variety of filing, record-keeping, and tracking systems.
- Respond to requests and inquiries for information regarding Community Development Department services and activities and related policies and procedures.
- Exercise good judgment, flexibility, creativity, and sensitivity in response to changing situations and needs.
- Communicate clearly and concisely, both orally and in writing.

- Establish, maintain and foster positive and harmonious working relationships with those contacted in the course of work.
-

EXPERIENCE/TRAINING/EDUCATION

Any combination equivalent to experience and training that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:

- One year of experience in a public or private planning agency performing technical planning tasks.
 - Equivalent to a Bachelor's degree from an accredited college or university with major course work in planning, architecture, public administration, environmental studies, or a related field.
-

LICENSE/CERTIFICATE

- Possession of, or ability to obtain, an appropriate, valid California driver's license.
-

PHYSICAL ACTIVITIES AND REQUIREMENTS

- Ability to work in a standard office environment requiring prolonged sitting, standing, walking, reaching, twisting, turning, kneeling, bending, squatting, crouching and stooping in the performance of daily activities.
 - Occasional pushing, pulling, dragging and lifting office items weighing 25 lbs.
 - Movements frequently and regularly require using the wrists, hands and fingers to operate computers and office equipment.
 - Willingness to work variable hours including weekends and/or holidays.
 - Ability to hear and convey detailed or important instructions or information verbally and accurately.
 - Average visual acuity to prepare and read documents.
 - Ability to communicate with both the public and co-workers in a clear and concise manner.
 - Ability to travel to different sites and locations.
 - May be exposed to outdoor conditions.
 - Adapt to standard office sounds generated by office equipment as well as standard noise levels resulting from communication with co-workers and the general public.
-

The City of Stanton is an Equal Opportunity Employer. In compliance with the Americans with Disabilities Act, the City will provide reasonable accommodations to qualified individuals with disabilities and encourages both prospective and current employees to discuss potential accommodations with the employee.

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and City Council

DATE: March 24, 2020

SUBJECT: **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA APPROVING SUBDIVISION TRACT MAP NO. 18153.**

REPORT IN BRIEF:

The subdivision tract map for the development of two hundred and eight (208) single family condominium units, private streets, and private park area for the property located at The Village Center Drive (12631-12811 Beach Blvd.) has been submitted for final certification and recordation.

RECOMMENDED ACTION:

That the City Council:

1. That the City Council declares this project categorically exempt under the California Environmental Quality Act, Class 32, and Section 15332; and
2. Adopt Resolution No. 2020-03 (Attachment A) approving final Tract Map No. 18153; and
3. Find that the recordation of Tract Map No. 18153 will not be in violation of any of the provisions of Section 66474, 66474.1, and 66474.2 of the Subdivision Map Act; and
4. Find that the proposed subdivision, together with the provisions for its design and improvement, is consistent with the general plan required by Article 5 (commencing with Section 65300) of Chapter 3 of Division 1 of the Government Code, or any specific plan adopted pursuant to Article 8 (commencing with Section 65450) of Chapter 3 of Division 1 of the Government Code; and
5. Direct the City Clerk to endorse on the face of the map of Tract Map No. 18153, the certificate which embodies the approval of said map, and submit the map to the County Recorder of Orange County for recording.

BACKGROUND:

On June 12, 2018 the Planning Commission of the City of Stanton adopted Precise Plan of Development (PPD-790), for development of 208 condominium units, with private and common open space amenities located at The Village Center site (12631-12811 Beach Blvd.).

ANALYSIS AND JUSTIFICATION:

Recording of final tract map is required per Section 66426 of the Subdivision Map Act. The City Engineer has reviewed the subdivision Tract Map No. 18153 and all associated documentation, and is satisfied that the final tract map substantially complies with the Precise Plan of Development (PPD-790).

Orange County Public Facilities and Resources Department (PF&RD), has also reviewed and approved the said subdivision Tract Map No. 18153, and has certified to the technical correctness and its compliance with the provisions of the Subdivision Map Act.

FISCAL IMPACT:

None.

ENVIRONMENTAL IMPACT:

In accordance with the requirements of the California Environmental Quality Act (CEQA), this project has been determined to be categorically exempt under Section 15332, Class 32 (In-Fill Development).

PUBLIC NOTIFICATION:

Public notification provided through the regular agenda process.

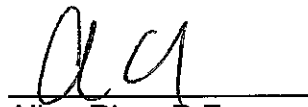
LEGAL REVIEW:

None.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

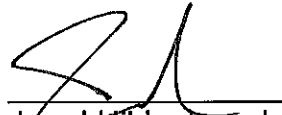
5 - Provide a high quality of life.

Prepared by:



Allan Rigg, P.E
Director of Public Works/ City Engineer

Approved by:



Jarad Hildenbrand
City Manager

Attachments:

- A. Resolution No. 2020-03
- B. Final Tract Map No. 18153

Attachment: A

RESOLUTION NO. 2020-03

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, APPROVING SUBDIVISION TRACT MAP NO. 18153 FOR THE PROPERTY LOCATED AT 12631-12811 BEACH BOULEVARD.

WHEREAS, on June 12, 2018, Resolution No. 2018-25 of the Planning Commission of the City of Stanton was adopted which approved Precise Plan of Development (PPD-790) for the development of 208 condominium units located at The Village Center site 12631-12811 Beach Boulevard; and

WHEREAS, all necessary documentation associated with this subdivision have been reviewed by the City Engineer; and

WHEREAS, the final map is substantially in compliance with the previously approved Precise Plan of Development (PPD-790); and

WHEREAS, the City Council has made the finding that none of the conditions for mandatory denial exist relative to the proposed subdivision, in accordance with Section 66474, 66474.1 and 66474.2 of the Subdivision Map Act; and

WHEREAS, the City Council finds that the proposed subdivision, together with the provisions for its design and improvement, is consistent with the general plan required by Article 5 (commencing with Section 65300) of Chapter 3 of Division 1 of the Government Code, or any specific plan adopted pursuant to Article 8 (commencing with Section) 65450) of Chapter 3 of Division 1 of the Government Code; and

WHEREAS, the City Council finds that final Tract Map No. 18131 satisfies the provisions of the Subdivision Map Act, Stanton Municipal Code and the Conditions of Approval,

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Stanton, California, hereby approves final Tract Map No. 18153.

ADOPTED, SIGNED AND APPROVED this 24th day of March 2020.

DAVID J. SHAWVER, MAYOR

APPROVED AS TO FORM:

MAL RICHARDSON, CITY ATTORNEY

ATTEST:

I, Patricia Vazquez, City Clerk of the City of Stanton, California DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2020-03 has been duly signed by the Mayor and attested by the City Clerk, all at a regular meeting of the Stanton City Council, held on March 24, 2020, and that the same was adopted, signed and approved by the following vote to wit:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

PATRICIA VAZQUEZ, CITY CLERK

SHEET 1 OF 4 SHEETS

FINAL UNIT OF VESTING TENTATIVE TRACT NO. 18153
7 NUMBERED LOTS & 10 LETTERED
LOTS (A-J)
AREA= 4.056 ACRES (GROSS)
DATE OF SURVEY: APRIL, 2018

TRACT NO. 18153

IN THE CITY OF STANTON, COUNTY OF ORANGE, STATE OF CALIFORNIA

BEING A SUBDIVISION OF THE DESIGNATED REMAINDER PARCEL OF TRACT NO. 19010, AS FILED IN BOOK 984 PAGES
39 THROUGH 46, INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY
FOR CONDOMINIUM PURPOSES

CHARLES J. MOORE, L.S. 9106

APRIL, 2018

ACCEPTED AND FILED AT THE
REQUEST OF

FIRST AMERICAN TITLE COMPANY

DATE

TIME FEE \$

INSTRUMENT NO.

BOOK PAGE

HUGH NGUYEN
COUNTY CLERK - RECORDER

BY DEPUTY

OWNERSHIP CERTIFICATE

WE, THE UNDERSIGNED, BEING ALL PARTIES HAVING ANY RECORD TITLE INTEREST IN THE
LAND COVERED BY THIS MAP, DO HEREBY CONSENT TO THE PREPARATION AND
RECORDATION OF SAID MAP, AS SHOWN WITHIN THE DISTINCTIVE BORDER LINE.

WE HEREBY DEDICATE TO THE CITY OF STANTON:

1. AN EASEMENT FOR EMERGENCY VEHICLE AND PUBLIC SERVICE VEHICLE INGRESS
AND EGRESS PURPOSES, AS SHOWN ON SAID MAP.
2. AN EASEMENT FOR STORM DRAIN PURPOSES, AS SHOWN ON SAID MAP.

BROOKFIELD VILLAGE WAY LLC,
A DELAWARE LIMITED LIABILITY COMPANY

BY: BY:

NAME: NAME:

TITLE: TITLE:

NOTARY ACKNOWLEDGEMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY
OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT
THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
COUNTY OF) SS

ON BEFORE ME, 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:

SIGNATURE MY PRINCIPAL PLACE OF BUSINESS IS
IN COUNTY.
MY COMMISSION EXPIRES
(NAME PRINTED)

NOTARY ACKNOWLEDGEMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY
OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT
THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
COUNTY OF) SS

ON BEFORE ME, 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:

SIGNATURE MY PRINCIPAL PLACE OF BUSINESS IS
IN COUNTY.
MY COMMISSION EXPIRES
(NAME PRINTED)

SIGNATURE OMISSIONS

PURSUANT TO THE PROVISIONS OF SECTION 66436 (c)(3)(A) OF THE SUBDIVISION MAP ACT,
THE FOLLOWING SIGNATURES HAVE BEEN OMITTED:

SOUTHERN CALIFORNIA WATER COMPANY, SUCCEEDED BY GOLDEN STATE WATER COMPANY,
HOLDER OF AN EASEMENT FOR WATER PIPELINES AND APPURTENANCES, RECORDED JULY 16,
1985 AS INST. NO. 85-260809 O.R.

GENERAL TELEPHONE COMPANY OF CALIFORNIA, SUCCEEDED BY FRONTIER COMMUNICATIONS,
HOLDER OF AN EASEMENT FOR UNDERGROUND CONDUITS AND APPURTENANCES, RECORDED
JULY 23, 1985 AS INST. NO. 85-270525 O.R.

GOLDEN STATE WATER COMPANY, HOLDER OF AN EASEMENT FOR WATER PIPELINES AND
APPURTENANCES, RECORDED MAY 1, 2019, AS INST. NO. 2019000143721 O.R.

SOUTHERN CALIFORNIA GAS COMPANY, HOLDER OF AN EASEMENT FOR UNDERGROUND GAS
PIPELINES AND CONDUITS, RECORDED NOVEMBER 25, 2019 AS INST. NO. 2019000490928 O.R.

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD
SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND
LOCAL ORDINANCE AT THE REQUEST OF BROOKFIELD VILLAGE WAY LLC IN APRIL, 2018. I
HEREBY STATE THAT ALL MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE
POSITIONS INDICATED, OR THAT THEY WILL BE SET IN SUCH POSITIONS WITHIN 90 DAYS
AFTER ACCEPTANCE OF IMPROVEMENTS; AND THAT SAID MONUMENTS ARE SUFFICIENT TO
ENABLE THE SURVEY TO BE RETRACED. I HEREBY STATE THAT THIS FINAL MAP
SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP.

CHARLES J. MOORE, L.S. 9106
EXPIRATION DATE: 9/30/20

DATE



CITY ENGINEER'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP AND HAVE FOUND IT TO BE
SUBSTANTIALLY IN CONFORMANCE WITH THE TENTATIVE MAP, AS FILED WITH, AMENDED
AND APPROVED BY THE CITY PLANNING COMMISSION; THAT ALL PROVISIONS OF THE
SUBDIVISION MAP ACT AND CITY SUBDIVISION REGULATIONS HAVE BEEN COMPLIED WITH.

DATED THIS DAY OF , 20

HAROLD ALLAN RIGG
CITY ENGINEER OF STANTON
R.C.E. NO. 49632
EXPIRATION DATE: 9/30/20

COUNTY SURVEYOR'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP AND HAVE FOUND THAT ALL MAPPING
PROVISIONS OF THE SUBDIVISION MAP ACT HAVE BEEN COMPLIED WITH AND I AM SATISFIED
SAID MAP IS TECHNICALLY CORRECT.

DATED THIS DAY OF , 20

KEVIN R. HILLS, COUNTY SURVEYOR
L.S. 6617

BY: LILY M. N. SANDBERG, DEPUTY COUNTY SURVEYOR
P.L.S. 8402

CITY CLERK'S CERTIFICATE

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS
CITY OF STANTON)

I HEREBY CERTIFY THAT THIS MAP WAS PRESENTED FOR APPROVAL TO THE CITY COUNCIL
OF THE CITY OF STANTON AT A REGULAR MEETING THEREOF HELD ON THE
DAY OF , 20, AND THAT THEREUPON SAID COUNCIL
DID, BY AN ORDER DULY PASSED AND ENTERED, APPROVE SAID MAP.
AND DID ACCEPT ON BEHALF OF THE CITY OF STANTON:

1. AN EASEMENT FOR EMERGENCY VEHICLE AND PUBLIC SERVICE VEHICLE INGRESS
AND EGRESS PURPOSES AS DEDICATED.
2. AN EASEMENT FOR STORM DRAIN PURPOSES AS DEDICATED.

AND DID ALSO APPROVE SUBJECT MAP PURSUANT TO THE PROVISIONS OF SECTION
66436 (c)(3)(A) OF THE SUBDIVISION MAP ACT.

DATED THIS DAY OF , 20

PATRICIA A. VAZQUEZ
CITY CLERK OF THE CITY OF STANTON

COUNTY TREASURER-TAX COLLECTOR'S CERTIFICATE

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS

I HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF MY OFFICE THERE ARE NO
LIENS AGAINST THE LAND COVERED BY THIS MAP OR ANY PART THEREOF FOR UNPAID
STATE, COUNTY, MUNICIPAL OR LOCAL TAXES OR SPECIAL ASSESSMENTS COLLECTED AS
TAXES, EXCEPT TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES NOT YET
PAYABLE.

AND DO ALSO CERTIFY TO THE RECORDER OF ORANGE COUNTY THAT THE PROVISIONS OF
THE SUBDIVISION MAP ACT HAVE BEEN COMPLIED WITH REGARDING DEPOSITS TO SECURE
THE PAYMENT OF TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES ON THE LAND
COVERED BY THIS MAP.

DATED THIS DAY OF , 20

SHARI L. FREIDENRICH BY: TREASURER-TAX COLLECTOR
COUNTY TREASURER-TAX COLLECTOR

BOUNDARY ESTABLISHMENT MAP

THE BEARINGS SHOWN HEREON ARE BASED ON THE GRID BEARING OF NORTH 02°27'25" EAST BETWEEN O.C.S. HORIZONTAL CONTROL STATION GPS NO. 3893 AND GPS NO. 3632 PER RECORDS ON FILE IN THE OFFICE OF THE ORANGE COUNTY SURVEYOR.

COORDINATES SHOWN HEREON ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM (CCS83) ZONE VI, 1983 NAD. (2007.00 EPOCH O.C.S. GPS ADJUSTMENT).

ALL DISTANCES SHOWN ARE GROUND, UNLESS OTHERWISE NOTED. TO OBTAIN GRID DISTANCES, MULTIPLY GROUND DISTANCES BY 0.99998658. (THIS COMBINED FACTOR IS PROJECT SPECIFIC)

R1 - LLA 82-01, INST. NO. 82-293228 O.R.
R2 - TRACT NO. 19010, MM 984/39-46
R3 - TRACT NO. 10601, MM 475/48-50
R4 - TRACT NO. 11773, MM 505/32-38
R5 - TRACT NO. 16432, MM 849/45-47
[1 - RECORD AND MEASURED DATA PER R2

LINE TABLE (THIS SHEET ONLY)		
NO.	BEARING	DISTANCE
L1	N89°33'29"W	[68.00"]
L2	N89°33'31"W	68.00"
L3	N89°33'31"W	[8.75"]
L4	N00°26'29"E	[16.25"]
L5	N89°29'28"W	[21.67"]
L6	N00°30'32"E	[19.00"]
L7	N00°30'32"E	[3.64"]

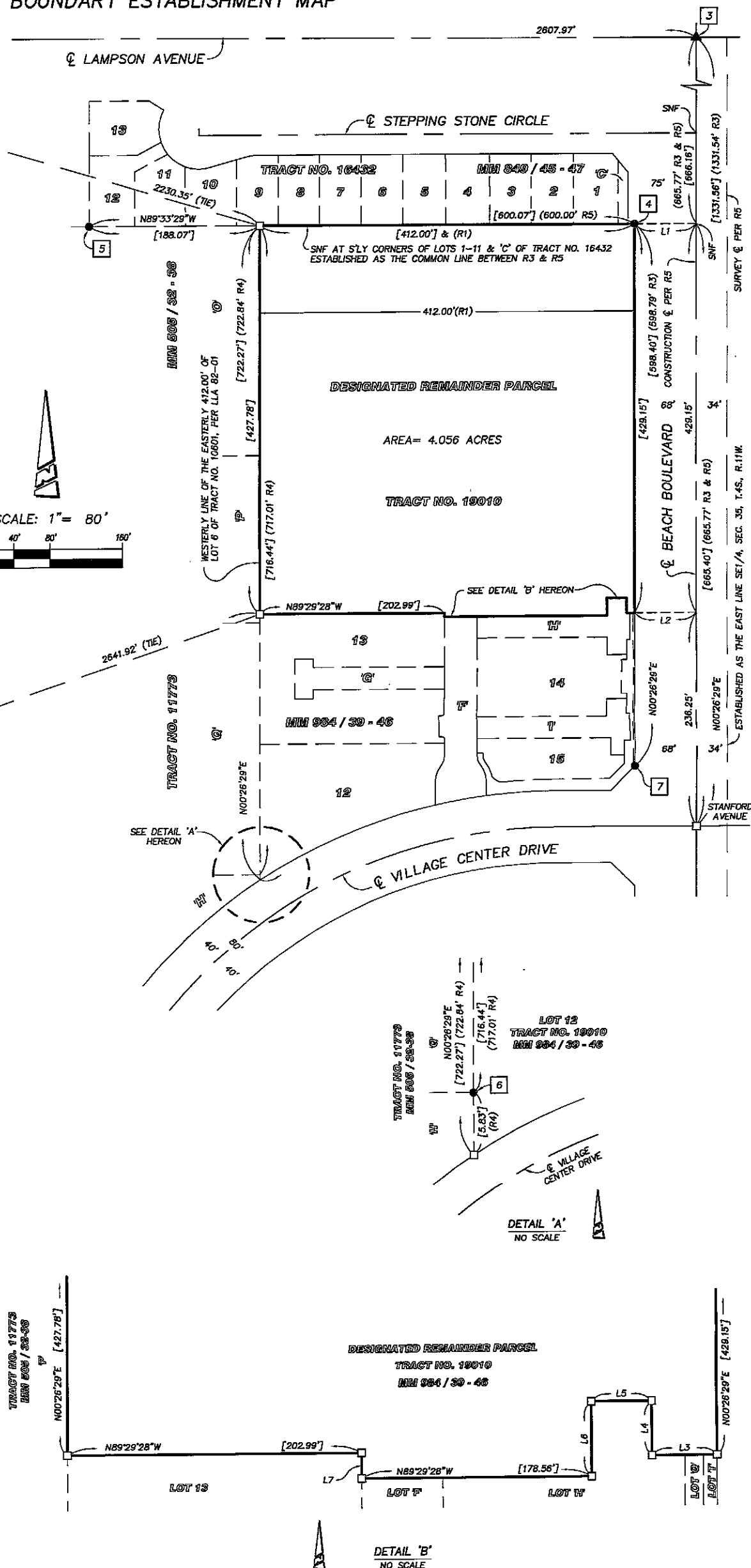
SCALE: 1" = 80'

1" IRON PIPE TAGGED "LS 9106" OR SPIKE AND WASHER STAMPED "LS 9106" OR LEAD, TACK, & TAG "LS 9106" TO BE SET AT ALL LOT CORNERS.

ALL MONUMENTS TO BE SET WITHIN 90 DAYS AFTER ACCEPTANCE OF IMPROVEMENTS.

SNF - SEARCHED, NOTHING FOUND.

- INDICATES 2" IRON PIPE OR 1" IRON PIPE TAGGED "LS 9106" OR SPIKE AND WASHER STAMPED "LS 9106" OR LEAD, TACK, & TAG "LS 9106" TO BE SET PER TRACT NO. 19010, MM 954/39-46.
 - INDICATES MONUMENT FOUND AS NOTED.
 - ▲ INDICATES FOUND O.C.S. HORIZONTAL CONTROL STATION MONUMENT PER RECORDS ON FILE IN THE OFFICE OF THE ORANGE COUNTY SURVEYOR.
- 1 - O.C.S. GPS# 3893
FOUND GEAR SPIKE FLUSH IN A.C. PAVEMENT PER CORNER RECORD 2012-3460, ACCEPTED AS @ INT. AND SW COR., SE 1/4, SEC. 35, T.4S., R.11W., S.B.M. PER R3.
CC583 ZONE VI (2007.00 EPOCH ADJ.)
NORTHING: 2229636.42 EASTING: 6029460.77
 - 2 - O.C.S. GPS# 3832
FOUND HEX BAR DN. 0.8" IN MONUMENT WELL PER CORNER RECORD 2011-1657, ACCEPTED AS @ INT. AND NW COR., SE 1/4, SEC. 35, T.4S., R.11W., S.B.M. PER R3.
CC583 ZONE VI (2007.00 EPOCH ADJ.)
NORTHING: 2232296.85 EASTING: 6029481.99
 - 3 - O.C.S. GPS# 0583
FOUND 2-1/2" BRASS DISK STAMPED "CALIF. DEPT. OF TRANSPORTATION RCE 26087 DN. 0.7" IN WELL, PER CORNER RECORD 2003-1075, & CORNER RECORD 2009-0690.
 - 4 - FOUND 2"IP & TAG "LS 7766" FLUSH IN DIRT PER TRACT NO. 16432, MM 849 / 45-47.
 - 5 - FOUND GEAR SPIKE & WASHER "LS 7766" FLUSH IN DIRT IN LIEU OF 2"IP & TAG "LS 7766" PER TRACT NO. 16432, MM 849 / 45-47.
 - 6 - FOUND 1"IP & TAG "LS 3419" DN. 1.0", AT SE CORNER LOT "Q" PER TRACT NO. 11773, MM 505 / 32-38.
 - 7 - FOUND LEAD, TACK & TAG "RCE 29510" FLUSH IN CONCRETE, PER TRACT NO. 10601, MM 475/48-50 & CERTIFICATE OF CORRECTION, INST. NO. 82-258857 O.R.



SHEET 3 OF 4 SHEETS

FINAL UNIT OF VESTING TENTATIVE TRACT NO. 18153
7 NUMBERED LOTS & 10 LETTERED LOTS (A-J)
AREA= 4.056 ACRES (GROSS)
DATE OF SURVEY: APRIL, 2018
SCALE: 1"=30'

TRACT NO. 18153

IN THE CITY OF STANTON, COUNTY OF ORANGE, STATE OF CALIFORNIA
FOR CONDOMINIUM PURPOSES

CHARLES J. MOORE, L.S. 9106

APRIL, 2018

SEE SHEET 2 FOR BASIS OF BEARINGS,
BOUNDARY ESTABLISHMENT, AND
MONUMENT NOTES.
SEE SHEET 4 FOR EXISTING EASEMENTS.

NOTES

1. THIS TRACT CONTAINS 4.056 ACRES (GROSS).
2. LOTS 'A' THROUGH 'G', INCLUSIVE, ARE NOT SEPARATE BUILDING SITES AND ARE FOR PRIVATE STREET PURPOSES.
3. LOTS 'H' THROUGH 'J' INCLUSIVE, ARE NOT SEPARATE BUILDING SITES AND ARE FOR FUTURE HOME OWNER'S ASSOCIATION LANDSCAPE MAINTENANCE PURPOSES.

EASEMENTS DEDICATED HEREON

- (A) - EASEMENT DEDICATED HEREON TO THE CITY OF STANTON FOR STORM DRAIN PURPOSES.
- (B) - EASEMENT DEDICATED HEREON TO THE CITY OF STANTON FOR EMERGENCY VEHICLE AND PUBLIC SERVICE VEHICLE INGRESS AND EGRESS PURPOSES.
- (C) - EASEMENT FOR WATER PURPOSES RESERVED HEREON TO BE DEDICATED BY SEPARATE INSTRUMENT TO GOLDEN STATE WATER COMPANY.

EXISTING EASEMENTS

- ① - RELINQUISHMENT OF VEHICULAR ACCESS RIGHTS TO BEACH BOULEVARD GRANTED TO THE CITY OF STANTON, AS SHOWN ON THE MAP OF TRACT NO. 10801 MM 475/48-50.
- ② - EASEMENT FOR WATER PIPELINES AND APPURTENANCES GRANTED TO GOLDEN STATE WATER COMPANY, RECORDED MAY 1, 2019, AS INST. NO. 2019000143721 O.R.
- ③ - EASEMENT FOR STORM DRAIN PURPOSES GRANTED TO THE CITY OF STANTON, AS DEDICATED ON TRACT MAP NO. 19010 MM 984/39-46.

RECIPROCAL EASEMENTS AND DECLARATION OF COVENANTS BETWEEN SHAPELL INDUSTRIES, INC. AND SHAPELL COMMERCIAL AND INDUSTRIAL CORP., RECORDED JUNE 18, 1985 AS INST. NO. 85-222203 O.R. (BLANKET)

EASEMENT FOR WATER PIPELINES AND APPURTENANCES GRANTED TO SOUTHERN CALIFORNIA WATER COMPANY, RECORDED JULY 16, 1985 AS INST. NO. 85-260809 O.R. (BLANKET OVER PARCEL 1 OF LLA LL 82-01 INST. NO. 82-293228 O.R.)

EASEMENT FOR UNDERGROUND CONDUITS AND APPURTENANCES GRANTED TO GENERAL TELEPHONE COMPANY OF CALIFORNIA, RECORDED JULY 23, 1985 AS INST. NO. 85-270525 O.R. (BLANKET OVER PARCEL 1 OF LLA LL 82-01 INST. NO. 82-293228 O.R.)

EASEMENT FOR UNDERGROUND GAS PIPELINES AND CONDUITS GRANTED TO SOUTHERN CALIFORNIA GAS COMPANY, RECORDED NOVEMBER 25, 2019 AS INST. NO. 2019000490928 O.R. (BLANKET)

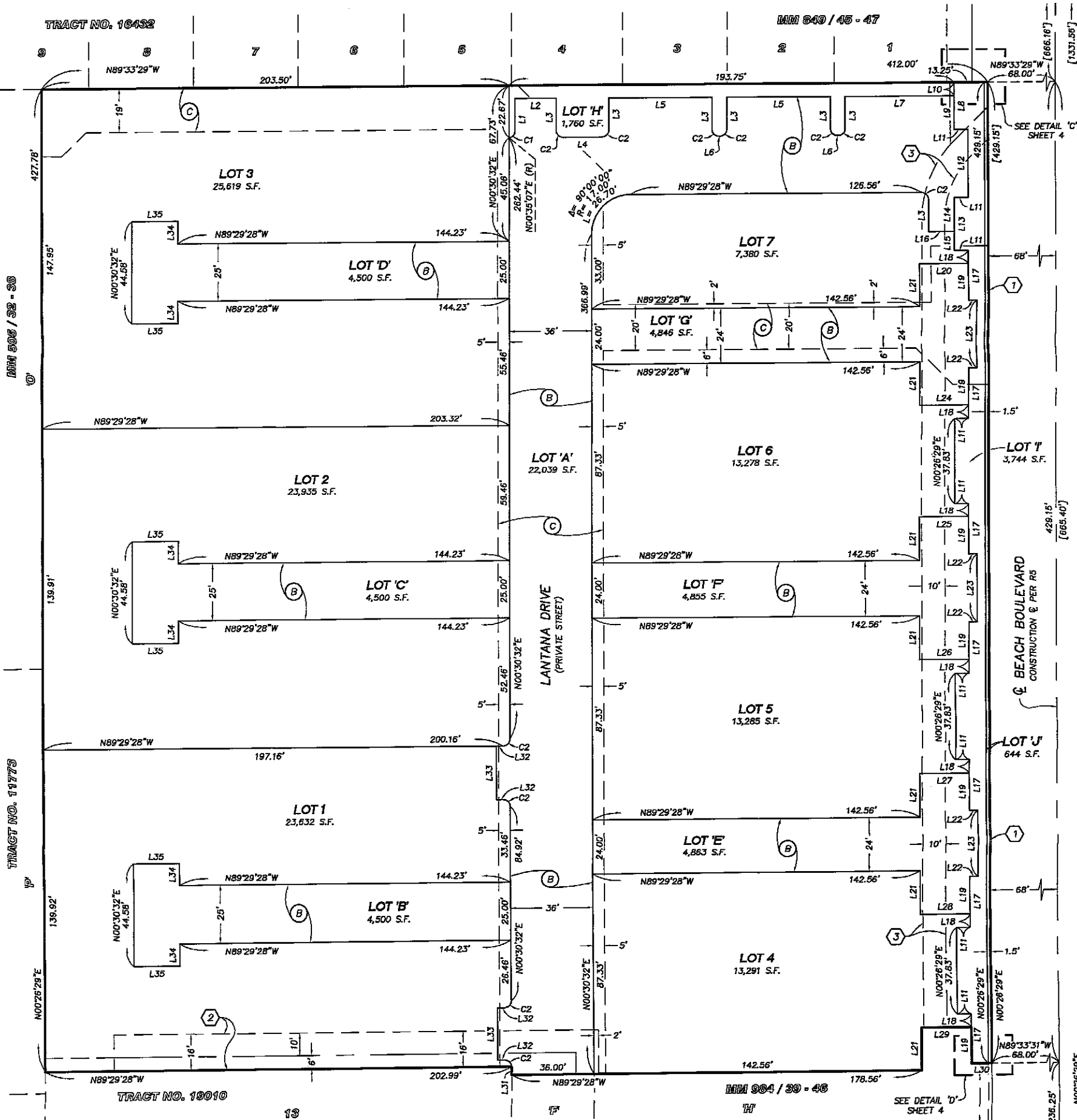
LINE TABLE (THIS SHEET ONLY)		
NO.	BEARING	DISTANCE
L1	N00°30'32"E	14.44'
L2	N89°29'28"W	18.00'
L3	N00°30'32"E	14.00'
L4	N89°29'28"W	17.00'
L5	N89°29'28"W	45.00'
L6	N89°29'28"W	0.42'
L7	N89°29'28"W	47.36'
L8	N00°26'29"E	20.64'
L9	N00°26'29"E	14.75'
L10	N00°26'29"E	5.89'
L11	N89°33'31"W	8.00'
L12	N00°26'29"E	29.51'
L13	N00°26'29"E	23.00'
L14	N00°26'29"E	14.74'
L15	N00°26'29"E	8.26'
L16	N89°29'28"W	11.26'
L17	N00°26'29"E	22.00'
L18	N00°26'29"E	5.75'
L19	N89°29'28"W	18.25'
L20	N89°29'28"W	21.28'
L21	N00°30'32"E	19.00'

LINE TABLE (THIS SHEET ONLY)		
NO.	BEARING	DISTANCE
L22	N89°33'31"W	3.50'
L23	N00°26'29"E	29.50'
L24	N89°29'28"W	21.35'
L25	N89°29'28"W	21.41'
L26	N89°29'28"W	21.48'
L27	N89°29'28"W	21.54'
L28	N89°29'28"W	21.62'
L29	N89°29'28"W	21.67'
L30	N89°33'31"W	8.75'
L31	N00°30'32"E	3.64'
L32	N89°29'28"W	3.00'
L33	N00°30'32"E	23.00'
L34	N00°30'32"E	9.79'
L35	N89°29'28"W	20.06'

CURVE TABLE (THIS SHEET ONLY)			
NO.	RADIUS	DELTA	LENGTH
C1	2.58'	90°04'35"	4.02'
C2	3.00'	90°00'00"	4.71'



SCALE: 1"= 30'



SHEET 4 OF 4 SHEETS

FINAL UNIT OF VESTING TENTATIVE TRACT NO. 18153
7 NUMBERED LOTS & 10 LETTERED
LOTS (A-J)
AREA= 4.056 ACRES (GROSS)
DATE OF SURVEY: APRIL 2018
SCALE: 1"=30'

TRACT NO. 18153

IN THE CITY OF STANTON, COUNTY OF ORANGE, STATE OF CALIFORNIA
FOR CONDOMINIUM PURPOSES

CHARLES J. MOORE, L.S. 9106

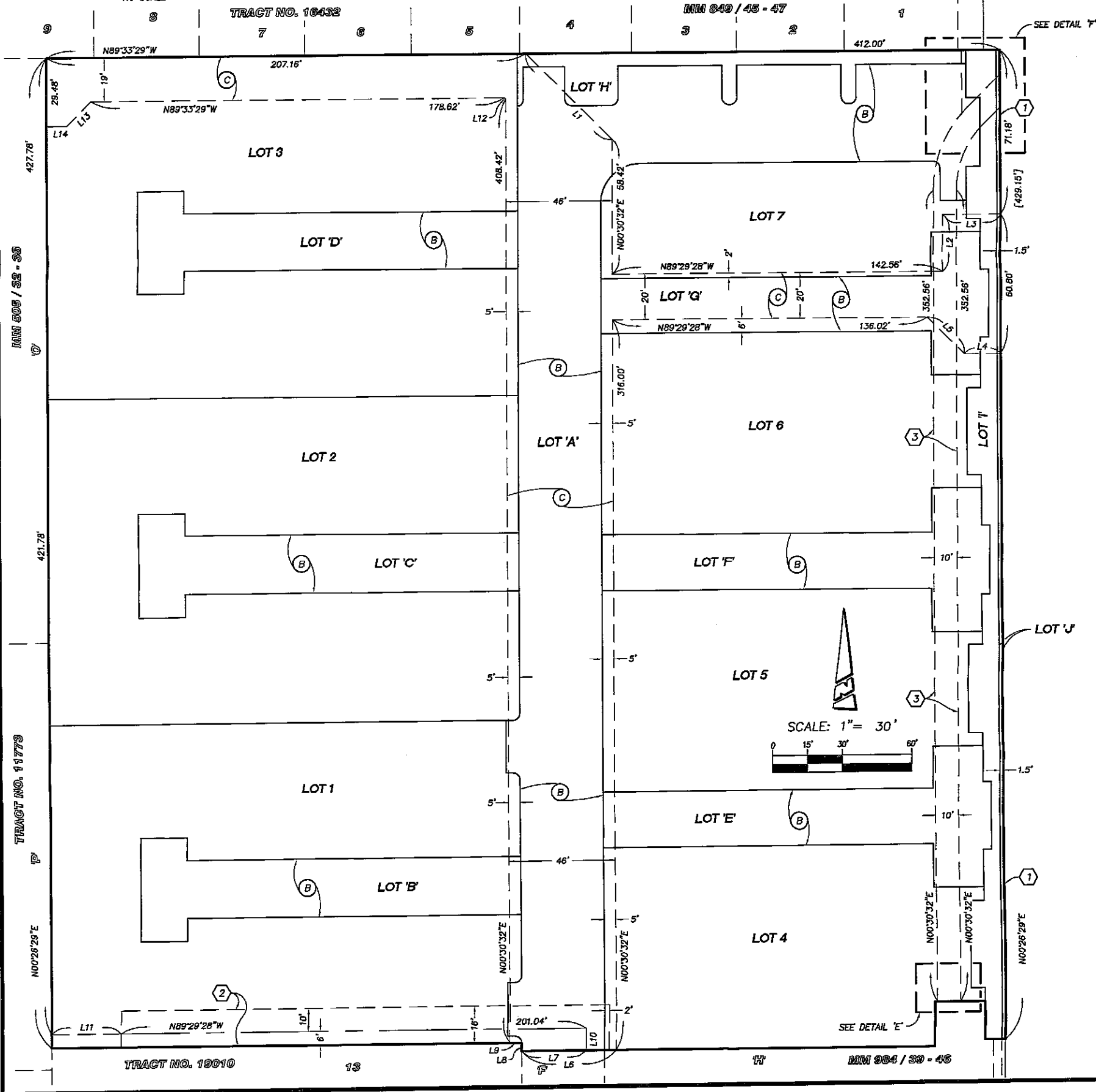
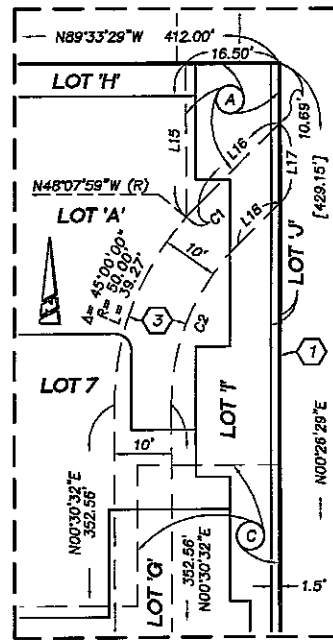
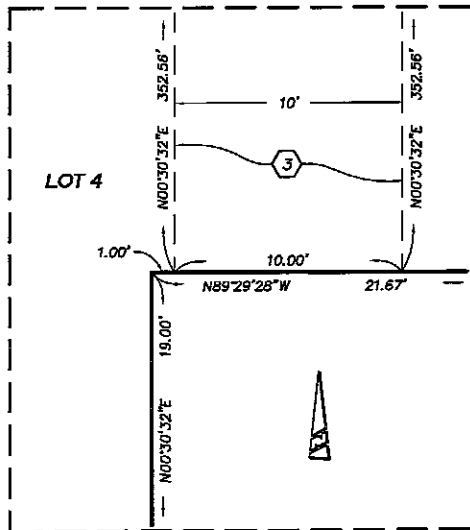
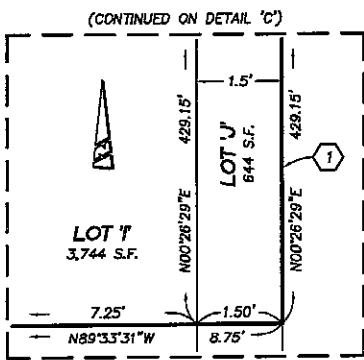
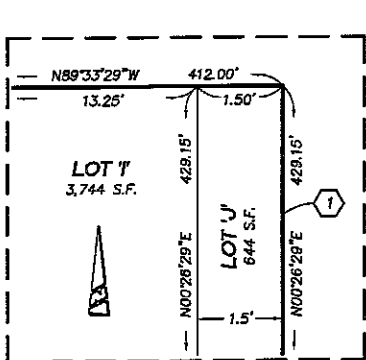
APRIL, 2018

SEE SHEET 2 FOR BASIS OF BEARINGS,
BOUNDARY ESTABLISHMENT, AND
MONUMENT NOTES.
SEE SHEET 3 FOR EASEMENT NOTES.

LINE TABLE (THIS SHEET ONLY)		
NO.	BEARING	DISTANCE
L1	N44°33'29"W	52.74'
L2	N00°30'32"E	24.73'
L3	N89°29'28"W	25.02'
L4	N89°01'49"W	15.69'
L5	N44°29'28"W	22.55'
L6	N89°29'28"W	41.00'
L7	N89°29'28"W	28.00'
L8	N00°30'32"E	3.64'
L9	N89°29'28"W	5.00'
L10	N00°30'32"E	9.64'
L11	N89°29'28"W	29.96'

LINE TABLE (THIS SHEET ONLY)		
NO.	BEARING	DISTANCE
L12	N44°33'29"W	0.84'
L13	N45°26'31"E	14.89'
L14	N89°14'16"W	8.74'
L15	N00°26'29"E	27.29'
L16	N45°30'32"E	20.23'
L17	N00°26'29"E	14.13'
L18	N45°30'32"E	10.26'

CURVE TABLE (THIS SHEET ONLY)			
NO.	RADIUS	DELTA	LENGTH
C1	50.00'	3°38'31"	3.18'
C2	40.00'	45°00'00"	31.42'



CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: March 24, 2020

**SUBJECT: ADOPT RESOLUTION RATIFYING PROCLAMATION NO. 2020-01
DECLARING THE EXISTENCE OF A LOCAL EMERGENCY**

REPORT IN BRIEF:

A novel coronavirus, COVID-19, causes infectious disease and was first detected in Wuhan City, Hubei Province, China in December 2019 and has since been confirmed in countries throughout the world. The Governor on March 12, 2020 issued Executive Order N-25-20, ordering, inter alia, that all residents are to heed the orders and guidance of state and local public health officials. On March 13, 2020, the President of the United States issued a proclamation declaring the COVID-19 outbreak in the United States as a national emergency, beginning March 1, 2020.

RECOMMENDED ACTION:

Staff recommends that the City Council adopt Resolution No. 2020-04 ratifying Proclamation No. 2020-01, declaring the existence of a local emergency in order to enhance the City's emergency preparedness and overall readiness in as proactive a manner as possible.

BACKGROUND:

A novel coronavirus (COVID-19) was first detected in Wuhan City, Hubei Province in China in December 2019. Since then, on January 30, 2020, the World Health Organization declared COVID-19 a public health emergency of international concern. Further, on of March 11, 2020, the World Health Organization has elevated the public health emergency to the status of a pandemic. On January 31, 2020, The United States Health and Human Services Secretary Alex M. Azar II declared this global outbreak a public health emergency for the United States. The Centers for Disease Control and Prevention announced on February 25, 2020, that community spread of COVID-19 is likely to occur in the United States. The County of Orange declared a local emergency and a local health emergency on February 26, 2020. The State of California proclaimed a State of Emergency on March 4, 2020. On March 12, 2020, Governor Newsome issued Executive Order N-25-20, declaring that state and local public health officials may, as they deem necessary in the interest of public health, issue guidance limiting or recommending limitations upon attendance at public assemblies,

conferences, or other mass events, which could cause the cancellation of such gatherings through no fault or responsibility of the parties involved, thereby constituting a force majeure. On March 17, 2020 the City Manager, as the City's Director of Emergency Services, issued Proclamation No. 2020-01 declaring a local emergency to protect public health and slow transmission of COVID-19.

As of March 13, 2020, the World Health Organization reported that, to date, there were 132,536 confirmed cases of COVID-19, 4,947 of which resulted in death, across 123 countries. On March 13, 2020, the California Department of Public Health (CDPH) reported that, to date, California has 198 confirmed cases of COVID-19, four of which have resulted in death. CDPH also reported that approximately 11,100 Californians who returned to the United States after travel are self-monitoring. The CDC anticipates that widespread transmission of COVID-19 in the United States will occur.

While there are no reported confirmed, suspected or presumptive cases of COVID-19 in Stanton, the City's proposed actions will provide the City additional powers to coordinate local efforts and identify and procure resources needed to effectively address the emergency as needed.

COVID-19 is a serious public health threat as it is highly contagious and may be spread by asymptomatic individuals. Much is unknown about the nature of the virus such as the exact modes of transmission, the factors facilitating human-to-human transmission, the extent of asymptomatic viral shedding, mutations, basic reproduction number, and the case fatality rate. Experts disagree about the incubation period and appropriate quarantine period. Additionally, there is currently no vaccine to prevent COVID-19 or specific antiviral treatment that has been found to be effective.

What is known at this time is that the virus is spread between people primarily via respiratory droplets produced when an infected person coughs or sneezes. Symptoms of the virus include fever, cough, and shortness of breath, and infected individuals have experienced a range of outcomes, from mild sickness to severe illness. Based on experience with other coronaviruses that cause severe respiratory illness, the U.S. Centers for Disease Control and Prevention (CDC) currently believes that symptoms appear two to 14 days after exposure; however, this is not certain. While the vast majority of individuals (approximately 87 to 98 percent) will have mild to no symptoms, or will eventually recover if they do become significantly ill, a small portion of those infected of about two to three percent will become severely ill resulting in death.

Due to the threat to the health, safety and welfare of residents of the City of Stanton and the County of Orange from COVID-19, staff is requesting the City Council ratify Proclamation No. 2020-01 declaring the existence of a local emergency pursuant to Government Code section 8630 and Stanton Municipal Code section 2.64.060(A)(1).

ANALYSIS/JUSTIFICATION:

Government Code section 8558 defines a local emergency as “the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the territorial limits of a county, city and county, or city, caused by conditions such as air pollution, fire, flood, storm, *epidemic*, riot, drought, ... or other conditions, other than conditions resulting from a labor controversy, which are or are likely to be beyond the control of the services, personnel, equipment, and facilities of that political subdivision and require the combined forces of other political subdivisions to combat.” (Emphasis added.)

Under Government Code section 8630, the City Council can proclaim the existence of a local emergency. Under Stanton Municipal Code (SMC) section 2.64.060(A)(1), the City Manager, as the Director of Emergency Services, can also proclaim the existence of a local emergency. Once the existence of a local emergency is proclaimed, neighboring jurisdictions and the State have the power to provide mutual aid to address the emergency conditions. Pursuant to Government Code section 8630, once proclaimed, the City Council is required to review the need for continuing the local emergency at least every 60 days until the local emergency is terminated, and must proclaim the termination of the local emergency at the earliest possible date that conditions warrant. Currently, the Governor has suspended the 60 day review requirement.

Accordingly, on March 17, 2020 the City Manager, as the City's Director of Emergency Services, declared a local emergency as authorized by Government Code section 8630 and Stanton Municipal Code section 2.64.060(A)(1). The proclamation will enable the City to more effectively respond to the potential outbreak, put in place a framework that supports the continuity of essential public safety services, seek and utilize mutual aid, potentially obtain reimbursement for expenses incurred to address the pandemic, and ensure the City has all available tools at its disposal to keep the community safe. City Council needs to ratify the proclamation and the need for continuing the local emergency will be reviewed every 60 days or as otherwise required by state law. This may require calling one or more special meetings in the near future.

FISCAL IMPACT:

The primary costs that would be incurred by the City are for administrative support staff in the coordination, surveillance, communication and management of the COVID-19 local emergency, as well as related services and supplies, including requested ambulance standby and transport services. Current City costs are being covered by existing department appropriations, but will be tracked separately in the City's Disaster Fund. Staff will pursue federal and State reimbursement for all City costs incurred.

ENVIRONMENTAL IMPACT:

This is not a project under CEQA Guidelines section 15378.

PUBLIC NOTIFICATION:

Public notification provided through the regular agenda process.

LEGAL REVIEW:

The City Attorney's Office has reviewed and approved the proposed proclamation and this report as to form.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

- 1 - Provide a Safe Community.
- 5 - Provide a High Quality of Life.

Prepared by:


Jared L. Hildenbrand
City Manager**ATTACHMENT:**

- (1) Resolution No. 2020-04 including Proclamation No. 2020-01

Attachment: A

RESOLUTION NO. 2020-04

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, RATIFYING PROCLAMATION NO. 2020-01 DECLARING THE EXISTENCE OF A LOCAL EMERGENCY

THE CITY COUNCIL OF THE CITY OF STANTON DOES HEREBY RESOLVE AS FOLLOWS:

WHEREAS, Stanton Municipal Code Chapter 2.64 empowers the City Manager, as the Director of Emergency Services, to declare the existence or threatened existence of a local emergency when the City is affected or likely to be affected by conditions of extreme peril to the safety of persons and property within the City caused by defined conditions to include epidemic; and

WHEREAS, Government Code Section 8550, et seq., including Section 8558(c), authorize the City Council to proclaim a local emergency when the City is threatened by conditions of disaster or extreme peril to the safety of persons and property within the City that are likely to be beyond the control of the services, personnel, equipment, and facilities of the City; and

WHEREAS, a novel coronavirus, COVID-19, causes infectious disease and was first detected in Wuhan City, Hubei Province, China in December 2019 and has since been confirmed in countries throughout the world. Symptoms of COVID-19 include fever, cough, and shortness of breath; outcomes have ranged from mild to severe illness, and, in some cases, death. The Center for Disease Control and Prevention (CDC) has indicated the virus is a tremendous public health threat; and

WHEREAS, Chinese health officials have reported tens of thousands of cases of COVID-19 in China, with the virus reportedly spreading from person-to-person. COVID-19 illnesses, most of them associated with travel from Wuhan, are also being reported in 117 countries, with over 44,000 cases, including the United States; and

WHEREAS, on January 30, 2020, the World Health Organization (WHO) declared the outbreak a "public health emergency of international concern" and on March 11, 2020, the WHO has elevated the public health emergency to the status of a pandemic. On January 31, 2020, United States Health and Human Services Secretary Alex M. Azar II declared a public health emergency for the United States to aid the nation's healthcare community in responding to COVID-19. On February 26, 2020 the County of Orange declared a local emergency and a local health emergency. On March 4, 2020, California Governor Gavin Newsom declared a State of Emergency in California; and

WHEREAS, on February 2, 2020, the federal government initiated the suspension of entry of foreign nationals who were in China during the 14-day period preceding their entry or attempted entry into the United States. United States citizens, residents, and their immediate family members who were in China during the 14-day period preceding their entry into the United States are permitted entry, but are redirected to one of 11

airports where the CDC has quarantine stations to undergo health screening. Depending on their health and travel history, they will have some level of restrictions on their movements for 14 days from the time they left China. On February 29, 2020, the President expanded restrictions to include all aliens who were physically present within the Islamic Republic of Iran during the 14-day period preceding their entry or attempted entry into the United States, with additional travel restrictions being imposed on travel from Europe on March 11, 2020; and

WHEREAS, the Governor and the California Department of Public Health on March 11, 2020, issued a statement entitled "California Public Health Experts: Mass Gatherings Should be Postponed or Canceled Statewide to Slow the Spread of COVID-19," determining that gatherings should be postponed or canceled across the state until at least the end of March. Non-essential gatherings must be limited to no more than 250 people, while smaller events can proceed only if the organizers can implement social distancing of 6 feet per person. Gatherings of individuals who are at higher risk for severe illness from COVID-19 should be limited to no more than 10 people, while also following social distancing guidelines. Furthermore, essential gatherings should only be conducted if the essential activity could not be postponed or achieved without gathering, meaning that some other means of communication could not be used to conduct the essential function; and

WHEREAS, the Governor on March 12, 2020, issued Executive Order N-25-20, ordering, *inter alia*, that all residents are to heed the orders and guidance of state and local public health officials; and

WHEREAS, as of March 13, 2020, there are a reported 144,014 confirmed cases of COVID-19 in 137 countries, to include 63,199 cases outside of China, of which 5,395 have resulted in death; and

WHEREAS, as of March 13, 2020, the Centers for Disease Control and Prevention (CDC) report that there are 1,629 confirmed cases of COVID-19 in the United States, including 288 in California, resulting in 41 total deaths, with officials expecting the number of cases in California, the United States, and worldwide to increase; and

WHEREAS; on March 13, 2020, the President of the United States issued a proclamation declaring the COVID-19 outbreak in the United States as a national emergency, beginning March 1, 2020; and

WHEREAS, the City of Stanton has the power to impose measures to promote social distancing including but not limited to limitations on public events, and on March 13, 2020, issued directions to cancel and/or postpone various City programs and services and to close City facilities and

WHEREAS, state and local public health officials may, as they deem necessary in the interest of public health, issue orders limiting attendance at public assemblies, conferences, or other mass events, which will cause the cancellation of such gatherings

through no fault or responsibility of the parties involved, thereby constituting a force majeure; and

WHEREAS, Stanton is a densely populated city within Orange County, which is the sixth largest county in the United States, with one of the highest population densities; and

WHEREAS, conditions of extreme peril to the safety of persons and property have arisen due to the potential introduction of COVID-19 to Stanton and Orange County; and

WHEREAS, such conditions are beyond the control of the services, personnel, equipment, and facilities of the City and require the combined forces of other political subdivisions to combat; and

WHEREAS, it is imperative to prepare for and respond to suspected or confirmed COVID-19 cases, to implement measures to mitigate the spread of COVID-19, and to prepare to respond to an increasing number of individuals requiring medical care and hospitalization; and

WHEREAS, if COVID-19 spreads in California at a rate comparable to the rate of spread in other countries, the number of persons requiring medical care may exceed locally available resources, and controlling outbreaks minimizes the risk to the public, maintains the health and safety of the community, and limits the spread of infection in the community and within the healthcare delivery system; and

WHEREAS, the mobilization of local resources, ability to coordinate interagency response, accelerate procurement of vital supplies, use mutual aid, and allow for future reimbursement by the state and federal governments will be critical to successfully responding to COVID-19; and

WHEREAS, on March 17, 2020, the City Manager, as the City's Director of Emergency Services, has declared a local emergency as authorized by Government Code section 8630 and Stanton Municipal Code Section 2.64.060(A)(1). A true and correct copy of Proclamation No. 2020-01 is attached hereto and incorporated herein by this reference.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

- A. The City Manager's Proclamation of Local Emergency No. 2020-01 dated March 17, 2020, and orders contained therein (Exhibit A), is hereby ratified.
- B. As contemplated in the Emergency Services Act contained in Government Code Section 8550, et seq., including Section 8558(c), and Chapter 64 of Title 2 of the Stanton Municipal Code, a local emergency exists based on

the existence of conditions of disaster or of extreme peril to the safety of persons and property caused by an epidemic, as detailed in the recitals set forth above.

- C. The area of the City which is endangered/imperiled is the entire City.
- D. During the existence of this local emergency, the powers, functions, and duties of the emergency organization of this City shall be those prescribed by state law and by ordinances, resolutions, and orders of this City, including but not limited to the City's Emergency Operations Plan.
- E. This local emergency shall continue to exist until the City Council of the City of Stanton proclaims the termination of this local emergency.
- F. That a copy of this resolution and the emergency proclamation be forwarded to the Director of California Governor's Office of Emergency Services requesting that the Director find it acceptable in accordance with State Law; that the Governor of California, pursuant to the Emergency Services Act, issue a proclamation declaring an emergency in the City of Stanton; that the Governor waive regulations that may hinder response and recovery efforts; that recovery assistance be made available under the California Disaster Assistance Act; and that the State expedite access to State and Federal resources and any other appropriate federal disaster relief programs.

PASSED, APPROVED AND ADOPTED this 24th day of March, 2020.

DAVID J. SHAWVER, MAYOR

APPROVED AS TO FORM:

MATTHEW E. RICHARDSON, CITY ATTORNEY

ATTEST:

I, Patricia A. Vazquez, City Clerk of the City of Stanton, California DO HEREBY CERTIFY that the forgoing Resolution, being Resolution No. 2020-04 has been duly signed by the Mayor and attested by the City Clerk, all at regular meeting of the Stanton City Council, held on March 24, 2020, and that the same was adopted, signed and approved by the following vote to wit:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

PATRICIA A. VAZQUEZ, CITY CLERK

PROCLAMATION NO. 2020-01

A PROCLAMATION BY THE CITY MANAGER OF THE CITY OF STANTON, CALIFORNIA, ACTING AS THE DIRECTOR OF EMERGENCY SERVICES, DECLARING THE EXISTENCE OF A LOCAL EMERGENCY

WHEREAS, Stanton Municipal Code Chapter 2.64 empowers the City Manager, as the Director of Emergency Services, to proclaim the existence or threatened existence of a local emergency when the City is affected or likely to be affected by conditions of extreme peril to the safety of persons and property within the City caused by defined conditions to include epidemic; and

WHEREAS, Government Code Section 8550 et seq., including Section 8558(c), authorize the City Manager to proclaim a local emergency when the City is threatened by conditions of disaster or extreme peril to the safety of persons and property within the City that are likely to be beyond the control of the services, personnel, equipment and facilities of the City; and

WHEREAS, a novel coronavirus, COVID-19, causes infectious disease and was first detected in Wuhan City, Hubei Province, China in December 2019 and has since been confirmed in countries throughout the world. Symptoms of COVID-19 include fever, cough, and shortness of breath; outcomes have ranged from mild to severe illness, and, in some cases, death. The Center for Disease Control and Prevention (CDC) has indicated the virus is a tremendous public health threat; and

WHEREAS, on January 30, 2020, the World Health Organization (WHO) declared the outbreak a "public health emergency of international concern" and on March 11, 2020, the WHO elevated the public health emergency to the status of a pandemic. On January 31, 2020, United States Health and Human Services Secretary Alex M. Azar II declared a public health emergency for the United States to aid the nation's healthcare community in responding to COVID-19. On February 26, 2020 the County of Orange declared a local emergency and a local health emergency. On March 4, 2020, California Governor Gavin Newsom declared a State of Emergency in California; and

WHEREAS, as of March 13, 2020, there are a reported 144,014 confirmed cases of COVID-19 in 137 countries, to include 63,199 cases outside of China, of which 5,395 have resulted in death; and

WHEREAS, as of March 13, 2020, the Centers for Disease Control and Prevention (CDC) report that there are 1,629 confirmed cases of COVID-19 in the United States, including 288 in California, resulting in 41 total deaths, with officials expecting the number of cases in California, the United States, and worldwide to increase; and

WHEREAS, the Governor and the California Department of Health on March 11,

2020 issued a statement entitled "California Public Health Experts: Mass Gatherings should be Postponed or Canceled Statewide to Slow the Spread of COVID-19," determining that gatherings should be postponed or canceled across the state. Non-essential gatherings must be limited to no more than 250 people, while smaller events can proceed only if the organizers can implement social distancing of 6 feet per person. Gatherings of individuals who are at higher risk for severe illness from COVID-19 should be limited to no more than 10 people, while also following social distancing guidelines. Furthermore, essential gatherings should only be conducted if the essential activity could not be postponed or achieved without gathering, meaning that some other means of communication could not be used to conduct the essential function; and

WHEREAS, the Governor on March 12, 2020 issued Executive Order N-25-20, ordering, inter alia, that all residents are to heed the orders and guidance of state and local public health officials; and

WHEREAS; on March 13, 2020, the President of the United States issued a proclamation declaring the COVID-19 outbreak in the United States as a national emergency, beginning March 1, 2020; and

WHEREAS, the City of Stanton has the power to impose measures to promote social distancing including but not limited to limitations on public events, and on March 13, 2020 issued directions to cancel and/or postpone various City programs and services and to close City facilities; and

WHEREAS, it is imperative to prepare for and respond to suspected or confirmed COVID-19 cases, to implement measures to mitigate the spread of COVID-19, and to prepare to respond to an increasing number of individuals requiring medical care and hospitalization; and

WHEREAS, if COVID-19 spreads in California at a rate comparable to the rate of spread in other countries, the number of persons requiring medical care may exceed locally available resources, and controlling outbreaks minimizes the risk to the public, maintains the health and safety of the community, and limits the spread of infection in the community and within the healthcare delivery system; and

WHEREAS, the mobilization of local resources, ability to coordinate interagency response, accelerate procurement of vital supplies, use mutual aid, and allow for future reimbursement by the state and federal governments will be critical to successfully responding to COVID-19; and

- A. That, on or before March 12, 2020, the City actively planned an implemented measures to prevent the spread of COVID-19 and to prepare for any and all emergency actions in response to the spread of COVID-19; and
- B. That, on March 17, 2020, the City activated its Emergency Operations Center to support ongoing emergency actions in response to the spread of COVID-19; and

- C. That the City intends to continue to take bold and aggressive actions to protect the public health and safety during this local, state, an national public health emergency; and
- D. That the above described events are creating conditions of extreme peril and such conditions are likely to be beyond the control of the services, personnel, equipment, and facilities of the City, requiring the combined forces of other political subdivisions to combat.

WHEREAS, the City Manager, as the City's Director of Emergency Services, has the power to declare a local emergency as authorized by Government Code section 8630 and Stanton Municipal Code Chapter 2.64.060 (A)(1.).

NOW, THEREFORE, IT IS PROCLAIMED AND ORDERED by the City Manager of the City of Stanton as follows:

- E. As contemplated in the Emergency Services Act contained in Government Code Section 8550 et seq., including Section 8558(c), and Chapter 2.64 of the Stanton Municipal Code, a local emergency exists based on the existence of conditions of disaster or of extreme peril to the safety of persons and property caused by an epidemic, as detailed in the recitals set forth above.
- F. The area of the City which is endangered/imperiled is the entire City.
- G. During the existence of this local emergency, the powers, functions, and duties of the emergency organization of this City shall be those prescribed by state law and by ordinances, resolutions, and orders of this City, including but not limited to the City of Stanton's Emergency Operation Plan.
- D. The City Council shall review and ratify this proclamation within 7 days as required by state law, and if ratified, shall continue to exist until the City Council proclaims the termination of this local emergency. The City Council shall review the need for continuing the local emergency as required by state law until it terminates the local emergency, and shall terminate the local emergency at the earliest possible date that conditions warrant.
- E. That the City of Stanton orders that, within the boundaries of the City of Stanton, the State Department of Public Health's recommendations shall be deemed mandatory.
- F. That a copy of this proclamation be forwarded to the Director of California Governor's Office of Emergency Services requesting that the Director find it acceptable in accordance with State Law; that the Governor of California, pursuant to the Emergency Services Act, issue a proclamation declaring an emergency in the City of Stanton; that the Governor waive regulations that may hinder response and recovery efforts; that recovery assistance be made available under the California Disaster Assistance Act; and that the State expedite access to State and Federal resources and any other appropriate federal disaster relief

programs.

PROCLAIMED this 17th day of March, 2020.

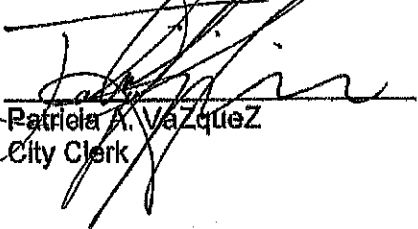


Jakad Hildenbrand
City Manager/Director of Emergency Services



Matthew Richardson
City Attorney

ATTEST:



Patricia A. Vazquez
City Clerk

CITY OF STANTON

REPORT TO THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

TO: Honorable Chair and Members of the Successor Agency

DATE: March 24, 2020

SUBJECT: AUTHORIZE REFINANCING OF 2010 TAX ALLOCATION BONDS

REPORT IN BRIEF:

This report summarizes the opportunity of the Successor Agency to refinance outstanding bonds of the former Redevelopment Agency. Staff recommends the Successor Agency adopt the attached resolution authorizing the refinancing.

RECOMMENDED ACTION:

1. Successor Agency declare that the project is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and
2. Adopt Resolution No. SA 2020-01 to authorize refinancing of 2010 Tax Allocation Bonds issued by the former Redevelopment Agency and related actions entitled:

"A RESOLUTION OF THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE DISSOLVED STANTON REDEVELOPMENT AGENCY, APPROVING THE EXECUTION AND DELIVERY OF A THIRD SUPPLEMENT TO INDENTURE OF TRUST RELATING THERETO, REQUESTING OVERSIGHT BOARD APPROVAL OF THE ISSUANCE OF THE REFUNDING BONDS, REQUESTING CERTAIN DETERMINATIONS BY THE OVERSIGHT BOARD, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO"

BACKGROUND:

When the Stanton Redevelopment Agency (Former Agency) was dissolved, the Former Agency had 5 series of tax allocation bonds outstanding. Four of the bond issues were refinanced in 2016. A portion of the Former Agency's Tax Allocation Bonds, 2010 Series A (2010 Bonds) were not refinanced at that time because there were no debt service savings.

There are currently \$11,085,000 outstanding 2010 Bonds. The average rate on the 2010 Bonds is 4.36% and the 2010 Bonds mature in 2035. The 2010 Bonds are callable for early redemption on December 1, 2020.

ANALYSIS/JUSTIFICATION:

Refinancing 2010 Bonds

The Successor Agency's Municipal Advisor estimates that refinancing of the 2010 Bonds will be at an effective rate of 2.65% and mature in 15 years. The repayment of the Successor Agency bonds is scheduled to occur over the same term as the existing bonds.

In order to finance the amount required to redeem the outstanding 2010 Bonds on December 1, 2020, plus interest due on December 1, 2020, it is estimated that the Successor Agency will need to raise approximately \$9,715,000 from the sale of the Tax Allocation Refunding Bonds (Refunding Bonds). Based on current market conditions, the par amount of the Refunding Bonds is estimated to be \$8,195,000, issued with an original issue premium of \$1,520,000, and will provide total funding of \$9,715,000. The table below provides the anticipated size of the bond issue, including funding of the costs of issuance.

Cost of Issuance		\$ 156,000
Underwriting Commission		64,000
2010 Bond Principal + Interest	\$ 11,300,000	
2010 Bonds Available Reserve	(1,135,000)	
RPTTF on Hand for 2010 Bonds	<u>(670,000)</u>	<u>9,495,000</u>
Total Bond Proceeds		\$ 9,715,000
2010 Bonds Available Reserve		
RPTTF on Hand for 2010 Bonds		
Original Issue Premium		<u>(1,520,000)</u>
Par Amount of Bonds Issued		\$ 8,195,000

The reserve fund held by the trustee for the 2010 Bonds and the Redevelopment Property Tax Trust Fund (RPTTF) already collected for the December 1, 2020 debt service payment of the 2010 Bonds will be applied to the early redemption of the 2010 Bonds. It is not anticipated that a reserve fund for the Successor Agency bonds will be funded with bond proceeds.

An original issue premium (as shown in the table above) is generated when investors want to hedge against higher future interest rates and require a high stated interest rate (such as 5.0%), but price the bonds to yield a lower current market interest rate (such as 2.0%) and therefore pay the Successor Agency more than 100% of the face value of the bonds, resulting in a lower par amount of bonds required to be issued.

The par amount of the Refunding Bonds will be subject to prevailing market conditions at the time of sale. Therefore a not-to-exceed par amount of \$10.5 million is being requested to provide a reasonable cushion above the expected par amount should interest rates fluctuate or if the bonds are priced without an original issue premium based on investor preference at the time of sale. The amount of the Bonds issued will only be the amount necessary to refinance the outstanding bonds and pay the costs as shown above.

The total net debt service savings over the remaining 15 years that the existing bonds are outstanding is estimated today at approximately \$1.14 million. These savings will reduce the requested RPTTF funding for enforceable obligations, resulting in increased residual RPTTF available to be distributed to all taxing agencies. The City's General Fund currently receives approximately 11.3% of the residual RPTTF and the City's Lighting Fund receives another 2.2%. The General Fund share of the additional residual RPTTF generated by the debt service savings would average \$20,000 annually. The remainder of the savings would also be distributed to the County (5.9%), schools and colleges (71.9%) and other taxing agencies (10.5%) through the regular RPTTF distribution process.

Between the time that the refinancing is approved by the Successor Agency and the time that the Successor Agency can actually enter the market to sell the refunding bonds based on the Dissolution Act requirements (discussed below), interest rates could increase or decrease and debt service savings may change. Therefore, the current estimate of \$1.14 million savings to be shared among taxing agencies over the next 15 years is an estimate at this time. For every ¼% change in the bonds interest rate, the total savings will change by \$190,000, or an average annual savings change of \$13,000, of which \$1,500 is the General Fund's share.

The bond authorization process requires that after the Successor Agency approves the issuance of the Refunding Bonds, the Countywide Oversight Board (COB) must approve the Successor Agency's action. The COB approval is then submitted to the Department of Finance (DOF) for review and approval. The DOF can take up to 65 days to approve the action. This series of required actions means that Refunding Bonds are not expected to be sold until August, with funding to occur in early September.

Given the recent market volatility and the impact of the coronavirus on the economy, it is difficult to predict with certainty what the interest rates will be in August 2020 when the Refunding Bonds can be sold. Based on interest rates as of March 12, 2020, the

savings are expected to be \$1.14 million, or 10.3% of the 2010 Bonds debt service. The Dissolution Act requires that there be some savings and the staff recommends that the Board approve the issuance if the savings are at least 5%. If interest rates fall, the savings will increase. After the market crash in 2008, it took some time for interest rates on municipal bonds to catch up with reductions in the US Treasury bond interest rates, so there is not a lot of certainty at the moment in predicting interest rates for municipal bonds 4 to 5 months from now. While municipal bond rates are likely to be lower than today, there is no guarantee of that.

Authorization Process

The Resolution presented for Successor Agency Board approval authorizes the issuance of the Refunding Bonds, and approves the forms of the following documents:

- Third Supplemental Indenture;
- Irrevocable Refunding Instructions;
- Bond Purchase Agreement;
- Preliminary Official Statement; and
- Continuing Disclosure Certificate (appended to the Preliminary Official Statement).

The Resolution also approves the distribution of the preliminary official statement for the Refunding Bonds, entering into the Bond Purchase Agreement with Stifel Nicolaus & Company to underwrite the Refunding Bonds and authorize any other actions needed in connection with the Refunding Bonds. The forms of all documents are included for the Board's review. The resolution authorizes the City Manager, as the chief administrative officer of the Successor Agency, to enter into the Bond Purchase Agreement so long as the principal amount of the Refunding Bonds does not exceed \$10,500,000, the Underwriter discount does not exceed 0.95% of the par amount of the Refunding Bonds and the debt service savings meet the requirements of 34177.5(a)(1) of the Dissolution Act, and are at least 5%. In addition, the Resolution authorizes the staff to approve any changes in the Preliminary Official Statement to information pertaining to fiscal year 2020-21 assessed valuation of properties in the Redevelopment Project, when and as such information becomes available.

Staff has prepared a resolution for consideration by the COB to direct the Successor Agency to refinance the 2010 Bonds. If your Board adopts the resolution approving the refinancing, the COB resolution will be presented to the COB at their next meeting on April 21, 2020. The COB does not meet again until July.

The Bonds are expected to be sold in August after DOF approval is received.

Professional Services

Staff is recommending the Successor Agency utilize the same financing team that provided services for the refunding bonds issued in 2016 and authorize the City

Manager to enter into agreements for services. This team is familiar with the Successor Agency's project area, tax increment funding limitations and credit characteristics. The financing team consists of bond counsel, disclosure counsel, municipal advisor and underwriter.

Bond counsel services include drafting all of the basic financing documents, including the Third Supplemental Indenture, as well as all documentation required for the approval of the transaction by the Successor Agency, and all documentation required for the sale and closing of the issue. The services also include rendering a standard bond counsel opinion as to the validity of the proceedings by the Successor Agency, as well as to the tax exemption of interest on the Refunding Bonds. Best Best & Kreiger will provide bond counsel services under their existing contract. The fees are anticipated to be \$42,000 including expenses.

Staff is recommending the firm of Harrell & Company Advisors to serve as Municipal Advisor to provide financial advisory services for the Refunding Bonds. Harrell & Company has acted as the Successor Agency and Former Agency financial advisor since 2005. Ms. Harrell has prepared the ROPS on behalf of the Successor Agency since dissolution, was instrumental in obtaining DOF approval for the Successor Agency to repay a \$2 million City Loan, and assisted with the preparation of documents for COB and DOF approval of the Last and Final ROPS. The contract amount will not exceed \$56,000 including expenses.

The financial advisory services include projecting tax increment required for the financing, preparing the official statement for the Refunding Bonds, creating the rating agency presentation, preparing all cash flows required for the financing and to satisfy the requirements of the Dissolution Act and interacting with the DOF and the COB during the approval process. The services also include the preparation of the amendment to the Last and Final ROPS (as described below) and related COB and DOF approval documents.

Staff is recommending a contract with Quint & Thimmig to provide disclosure counsel services for the Refunding Bonds. They have significant expertise in tax allocation bond financing, including for the Successor Agency since 2010. The contract amount will not exceed \$20,000.

The disclosure counsel services include reviewing the Official Statement, participating in the due diligence process for the issuance of the Refunding Bonds and rendering a standard disclosure counsel opinion regarding the content of the Official Statement.

The combined fees of bond counsel, disclosure counsel and municipal advisor for this bond issue are consistent with fees paid by other successor agencies for similar sized financings with similar credit ratings.

An underwriter (Underwriter) is required to purchase the Refunding Bonds from the Successor Agency and sell the Refunding Bonds to investors. Staff would like to

designate Stifel Nicolaus & Company (Stifel) to underwrite the Bonds.

Stifel was the selected underwriter to purchase all 4 series of the Successor Agency's tax allocation bonds in 2016. Stifel is one of the main underwriters for Successor Agency tax allocation bonds since dissolution and are very experienced at marketing tax allocation bonds.

The Underwriter is paid through the "underwriter's discount." The Underwriter's discount is similar in concept to a commission, in that it is not fixed, but based on the size of the issue. The Stifel has proposed an Underwriter's discount equal to 0.75% of the par amount of Refunding Bonds issued. Based on an \$8.3 million par amount, the fee would be approximately \$65,000. A bond purchase agreement with Stifel is one of the documents submitted for approval along with the other financing documents.

The Stifel fees are consistent with fees paid by other successor agencies for similar sized financings with similar credit ratings.

Last and Final ROPS

The DOF approved the Successor Agency's Last and Final ROPS in January 2020. This approval allowed the release of \$3.4 million of 2011 tax allocation bond proceeds for the Tina/Pacific project.

The Last and Final ROPS is permitted to be amended two times. The issuance of the refunding bonds will require an amendment to the Last and Final ROPS to reduce the RPTTF payable to the Successor Agency for the 2010 Bonds. The staff anticipates submitting the amendment to the Last and Final ROPS to the COB at its September 22, 2020 meeting.

FISCAL IMPACT:

The refunding of the 2010 Bonds will generate additional residual property tax to the General Fund in future years of approximately \$20,000. When the DOF recently approved the Successor Agency's Last and Final ROPS, it limited the amount of administrative costs that the General Fund could recover for administering the accounting for the Successor Agency and its outstanding bonds to \$33,000 annually. This refinancing effectively increases the funding for Successor Agency administration.

The total savings, and therefore the City's share, are calculated net of the cost of issuing the Refunding Bonds. The Dissolution Act also provides that staff costs related to refunding proceedings can be recovered, and the City will be reimbursed for staff costs from bond proceeds. All other costs to issue the bonds will be paid from bond proceeds.

ENVIRONMENTAL IMPACT:

Not applicable.

LEGAL REVIEW:

The City Attorney has reviewed this report and the attached resolution on behalf of the Successor Agency.

PUBLIC NOTIFICATION:


Through the normal agenda process.

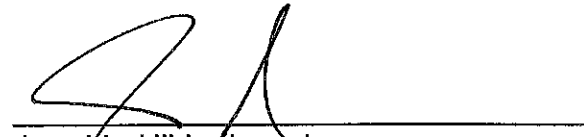
STRATEGIC PLAN OBJECTIVE ADDRESSED:

4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:

Approved by:


Michelle Bannigan, CPA
Finance Director


Jarad L. Hildenbrand
Executive Director

Attachments:

- A. Resolution No. SA 2020-01
- B. Third Supplemental Indenture
- C. Refunding Instructions
- D. Bond Purchase Agreement
- E. Preliminary Official Statement
- F. Debt Service Savings Analysis

RESOLUTION NO. SA 2020-01

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE DISSOLVED STANTON REDEVELOPMENT AGENCY, APPROVING THE EXECUTION AND DELIVERY OF A THIRD SUPPLEMENT TO INDENTURE OF TRUST RELATING THERETO, REQUESTING OVERSIGHT BOARD APPROVAL OF THE ISSUANCE OF THE REFUNDING BONDS, REQUESTING CERTAIN DETERMINATIONS BY THE OVERSIGHT BOARD, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the Stanton Redevelopment Agency (the "Former Agency") has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the Successor Agency to the Stanton Redevelopment Agency (the "Successor Agency") has become the successor entity to the Former Agency;

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued the \$25,280,000 Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2010 Series A (the "2010 Bonds") to provide moneys to finance redevelopment activities for Stanton Redevelopment Project Area of the Former Agency which were issued pursuant to the Indenture of Trust dated July 1, 2005 by and between the Stanton Redevelopment Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Original Indenture") as supplemented by that certain First Supplement to Indenture of Trust dated October 1, 2010 by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "First Supplemental Indenture"); and

WHEREAS, the Former Agency further issued its \$15,330,000 Taxable Housing Tax Allocation Bonds, 2011 Series A (the "2011 Series A Bonds") pursuant to an Indenture of Trust, dated as of March 1, 2011, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A.; and

WHEREAS, subsequently the Former Agency issued its \$12,480,000 Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Taxable Tax Allocation Bonds, 2011 Series B (the "2011 Series B Bonds,") pursuant to that certain Second Supplement to the Indenture of Trust dated March 1, 2011 by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Second Supplemental Indenture"); and

WHEREAS, the Successor Agency issued its \$7,115,000 Consolidated Redevelopment Project Subordinate Tax Allocation Refunding Bonds, 2016 Series A (the "2016 Series A Bonds") and its \$13,220,000 Stanton Consolidated Redevelopment Project Subordinate Taxable Tax Allocation Refunding Bonds, 2016 Series B (the "2016 Series B Bonds") pursuant to an Indenture of Trust dated as of February 1, 2016, between the

Successor Agency and the Trustee in order to refund the Former Agency's Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2005 Series A Bonds and 2005 Series B Bonds; and

WHEREAS, the Successor Agency issued its \$10,030,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Tax Allocation Refunding Parity Bonds, 2016 Series C (the "Series 2016C Bonds") and together with its \$26,080,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Taxable Tax Allocation Refunding Parity Bonds, 2016 Series D (the "Series 2016D Bonds," collectively with the Series 2016A Bonds, Series 2016B Bonds and Series 2016C Bonds, the "2016 Bonds") in order to refund, on an advance basis, a portion of the outstanding 2010 Series A Bonds and all of the outstanding 2011 Series A Bonds and the 2011 Series B Bonds pursuant to a First Supplemental Indenture of Trust to the 2016 Indenture dated December 1, 2016; and

WHEREAS, the 2016 Bonds were issued on a subordinate lien basis to the Prior Bonds (as defined below); and

WHEREAS the 2011 Series B Bonds and a portion of the 2010 Bonds were defeased by a portion of the proceeds of the 2016 Bonds;

WHEREAS, Section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the "Savings Parameters");

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its Successor Agency to the Stanton Redevelopment Agency Stanton Redevelopment Project Area Tax Allocation Refunding Bonds, 2020 Series A (the "Refunding Bonds"), the Successor Agency has caused its municipal advisor, Harrell & Company Advisors, LLC (the "Municipal Advisor"), to prepare an analysis (the "Debt Service Savings Analysis") of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to refund the outstanding 2010 Bonds (the "Prior Bonds");

WHEREAS, the Successor Agency desires at this time to approve the issuance of the Refunding Bonds on a senior basis to the 2016 Bonds and to approve the form of and authorize the execution and delivery of the Third Supplement to Indenture of Trust dated September 1, 2020 by and between the Successor Agency and U.S. Bank National Association, as successor trustee, providing for the issuance of the Refunding Bonds (the "Third Supplemental Indenture," collectively with the Original Indenture, the First Supplemental and the Second Supplemental Indenture, the "Indenture"), Irrevocable Refunding Instructions to be delivered by the Successor Agency to the successor trustee for the Prior Bonds (the "Refunding Instructions"), and a bond

purchase agreement (the "Purchase Agreement") between the Successor Agency and Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), forms of which have been presented to this meeting and are on file with the City Clerk;

WHEREAS, pursuant to Health and Safety Code Section 34179(q), commencing on and after July 1, 2018, the County of Orange Countywide Oversight Board (the "Oversight Board") was established and has jurisdiction over all of the successor agencies existing and operating in Orange County, including the Successor Agency;

WHEREAS, pursuant to Section 34177.5(f) and Section 34180(b), the issuance of the Refunding Bonds by the Successor Agency is subject to the approval of the Oversight Board;

WHEREAS, the Successor Agency, Harrell & Company Advisors, LLC, as Municipal Advisor (the "Municipal Advisor") and Quint & Thimmig LLP, as disclosure counsel, ("Disclosure Counsel") cause to be prepared a form of Official Statement for the Refunding Bonds describing the Refunding Bonds and containing material information relating to the Successor Agency and the Refunding Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by the Underwriter, to persons and institutions interested in purchasing the Refunding Bonds, along with the Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), which contains certain disclosure covenants to be performed by the Successor Agency for the life of the Bonds;

WHEREAS, the Successor Agency is now requesting that the Oversight Board direct the Successor Agency to undertake the refunding proceedings and to approve the issuance of the Refunding Bonds pursuant to this Resolution and the Indenture;

WHEREAS, the Successor Agency further requests that the Oversight Board make certain determinations described below on which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds;

WHEREAS, the Successor Agency has determined to sell the Refunding Bonds to the Underwriter pursuant to the terms of the Purchase Agreement;

WHEREAS, the City Council has previously approved a Debt Management Policy which complies with Government Code Section 8855, and the delivery of the Refunding Bonds will be in compliance with said policy;

WHEREAS, Section 5852.1 of the California Government Code, which became effective on January 1, 2018, enacted pursuant to Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature), requires that the Successor Agency obtain from an underwriter, municipal advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the issuance of the Refunding Bonds, good faith estimates of (a) the true interest cost of the Refunding Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Refunding Bonds, (c) the amount of proceeds of the Refunding Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or

funded with proceeds of the Refunding Bonds, and (d) the sum total of all debt service payments on the Refunding Bonds calculated to the final maturity of the Refunding Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Refunding Bonds; and

WHEREAS, in compliance with Section 5852.1 of the California Government Code , the Successor Agency has prepared, with the assistance of the Municipal Advisor, based on information provided by the Underwriter, the required good faith estimates and such estimates are included as Exhibit A to this Resolution;

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY DOES HEREBY FIND, ORDER AND RESOLVE AS FOLLOWS:

SECTION 1. Determination of Savings. The Successor Agency has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency of the Refunding Bonds to provide funds to refund and defease the Prior Bonds, all as evidenced by the Debt Service Savings Analysis on file with the Successor Agency, which Debt Service Savings Analysis is hereby approved.

SECTION 2. Approval of Issuance of the Bonds. The Successor Agency hereby authorizes and approves the issuance of the Refunding Bonds under the Law and the Refunding Law in the aggregate principal amount of not to exceed \$10,500,000, provided that the Refunding Bonds are in compliance with the Savings Parameters at the time of sale and delivery. The Refunding Bonds may be issued as a single issue, or from time to time, in separate series, each of which may be issued on a taxable or tax-exempt basis, as the Successor Agency shall determine is necessary to comply with Federal tax laws. The approval of the issuance of the Refunding Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of Refunding Bonds and the sale of the Refunding Bonds.

SECTION 3. Approval of Indenture. The Successor Agency hereby approves the Indenture prescribing the terms and provisions of the Refunding Bonds and the application of the proceeds of the Refunding Bonds. Each of the Mayor of the City of Stanton (the "City"), as the Chair and presiding officer of the Successor Agency, the City Manager of the City, as the chief administrative officer of the Successor Agency, and the Finance Director of the City, as the chief financial officer of the Successor Agency, on behalf of the Successor Agency (each, an "Authorized Officer"), is hereby authorized and directed to execute and deliver, and the City Clerk of the City, as the Secretary of the Successor Agency, on behalf of the Successor Agency, is hereby authorized and directed to attest to, the Indenture for and in the name and on behalf of the Successor Agency, in substantially the form on file with the Successor Agency, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Indenture. The Successor Agency hereby authorizes the delivery and performance of the Indenture.

SECTION 4. Approval of Refunding Instructions. The form of the Refunding Instructions in substantially the form presented at this meeting and on file with the Successor Agency are hereby approved. The Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Refunding Instructions, in substantially the forms on file with the Successor Agency, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Refunding Instructions. The Successor Agency hereby authorizes the delivery and performance of its obligations under the Refunding Instructions.

SECTION 5. Approval of Official Statement. The Successor Agency hereby approves the preliminary Official Statement in substantially the form presented at this meeting and on file with the City Clerk; provided, however, that the Preliminary Official Statement presented at this meeting does not include information pertaining to assessed valuation of properties in the Redevelopment Project for fiscal year 2020-21, which an Authorized Officer is hereby authorized and directed to approve for inclusion in the Preliminary Official Statement when and as such information becomes available prior to the distribution of the preliminary Official Statement.

Distribution of the preliminary Official Statement by the Underwriter is hereby approved. Prior to the distribution of the preliminary Official Statement, the Authorized Officers are authorized and directed, on behalf of the Successor Agency, to deem the preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by the Authorized Officers, and such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Refunding Bonds, and the Authorized Officers, each acting alone, are authorized and directed to execute and deliver the final Official Statement for and on behalf of the Successor Agency, to deliver to the Underwriter a certificate with respect to the information set forth therein and to deliver to the Underwriter a Continuing Disclosure Certificate substantially in the form appended to the final Official Statement.

SECTION 6. Approval of Continuing Disclosure Certificate. Each of the Authorized Officers acting individually, is authorized to, for and in the name and on behalf of the Successor Agency, negotiate, execute and deliver the Continuing Disclosure Certificate in substantially the same form as contained in the appendix of the Official Statement, with such changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

SECTION 7. Oversight Board Approval of the Issuance of the Bonds. The Successor Agency hereby requests the Oversight Board, as authorized by Section 34177.5(f), to direct the Successor Agency to undertake the refunding proceedings and as authorized by Section 34177.5(f) and Section 34180 to approve the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1) and this Resolution and the Indenture.

SECTION 8. Determinations by the Oversight Board. The Successor Agency requests that the Oversight Board make the following determinations upon which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds:

(a) The Successor Agency is authorized, as provided in Section 34177.5(f), to recover its costs related to the issuance of the Refunding Bonds from the proceeds of the Refunding Bonds, including the cost of reimbursing the City for administrative staff time spent with respect to the authorization, issuance, sale and delivery of the Refunding Bonds;

(b) The application of proceeds of the Refunding Bonds by the Successor Agency to the refunding and defeasance of all or a portion of the Prior Bonds, as well as the payment by the Successor Agency of costs of issuance of the Refunding Bonds, as provided in Section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Refunding Bonds, notwithstanding Section 34177.3 or any other provision of law to the contrary, without the approval of the Oversight Board, the California Department of Finance, the Orange County Auditor-Controller or any other person or entity other than the Successor Agency; and

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34183(a)(3) without any deductions with respect to continuing costs related to the Refunding Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183. In addition and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Refunding Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings of the Refunding Bonds from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

SECTION 9. Filing of Debt Service Savings Analysis and Resolution. The Successor Agency is hereby authorized and directed to file the Debt Service Savings Analysis, together with a certified copy of this Resolution, with the Oversight Board, and, as provided in Section 34180(j) with the Orange County Administrative Officer, the Orange County Auditor-Controller and the California Department of Finance.

SECTION 10. Sale of Refunding Bonds. The Successor Agency hereby approves the Purchase Agreement. The Authorized Officers, each acting alone, are hereby authorized and directed to execute and deliver the Purchase Agreement for and in the name and on behalf of the Successor Agency, in substantially the form on file with the Successor Agency, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Purchase Agreement,

provided that: (i) the aggregate principal amount of the Refunding Bonds to be issued shall not exceed \$10,500,000; (ii) the Underwriter's discount (excluding original issue discount, if any) shall not exceed 0.95% of the aggregate principal amount of the Refunding Bonds to be issued and (iii) the present value savings from issuance of the Refunding Bonds is at least 5%.

SECTION 11. Issuance of Refunding Bonds in Whole or in Part. It is the intent of the Successor Agency to sell and deliver the Refunding Bonds in whole, provided that there is compliance with the Savings Parameters. However, the Successor Agency will initially authorize the sale and delivery of the Refunding Bonds in whole or, if such Savings Parameters cannot be met with respect to the whole, then in part; provided that the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters. The sale and delivery of the Refunding Bonds in part will in each instance provide sufficient funds only for the refunding of that portion of the Refunding Bonds that meet the Savings Parameters. In the event the Refunding Bonds are initially sold in part, the Successor Agency intends to sell and deliver additional parts of the Refunding Bonds without the prior approval of the Oversight Board provided that in each such instance the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters.

SECTION 12. Professional Services. The selection of Harrell & Company Advisors, LLC as Municipal Advisor, and the firm of Best Best & Krieger LLP, as Bond Counsel, and Quint & Thimmig LLP, as Disclosure Counsel, is hereby confirmed. The Authorized Officers, each acting alone, are hereby authorized to execute professional services agreement with each such firm. Additionally, the selection of U.S. Bank National Association, as trustee for the Refunding Bonds, is hereby also confirmed.

SECTION 13. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency and the City are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in obtaining the requested approvals by the Oversight Board and the California Department of Finance and in the issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

SECTION 14. Effective Date. This Resolution shall take effect from and after the date of approval and adoption thereof.

ADOPTED, SIGNED AND APPROVED this 24th day of March, 2020.

DAVID J. SHAWVER
CHAIRMAN

APPROVED AS TO FORM:

MATTHEW E. RICHARDSON
AGENCY COUNSEL

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF STANTON)

ATTEST:

I, Patricia A. Vazquez, Agency Secretary of the City of Stanton, as Successor to Stanton Redevelopment Agency, Stanton, California, DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. SA 2020-____ has been duly signed by the Chairman and attested by the Agency Secretary, all at a regular meeting of the City of Stanton, as Successor to Stanton Redevelopment Agency, held on March 24, 2020, and that the same was adopted, signed and approved by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

PATRICIA A. VAZQUEZ
AGENCY SECRETARY

EXHIBIT A

SB 450 GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Refunding Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Successor Agency by Harrell & Company Advisors (the Successor Agency's "Municipal Advisor").

Principal Amount of the Refunding Bonds. The Municipal Advisor has informed the Successor Agency that, based on the Successor Agency's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Refunding Bonds to be sold is \$8,195,000 (the "Estimated Principal Amount").

True Interest Cost of the Refunding Bonds. The Municipal Advisor has informed the Successor Agency that, assuming that the respective Estimated Principal Amount of the Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Refunding Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Refunding Bonds, is 2.63%.

Finance Charge of the Refunding Bonds. The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Refunding Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Refunding Bonds), is \$220,000.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Successor Agency for sale of the Refunding Bonds, less the finance charge of the Refunding Bonds as estimated above, paid or funded with proceeds of the Refunding Bonds, is \$9,495,000.

Total Payment Amount. The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Successor Agency will make to pay debt service on the Refunding Bonds, plus the finance charge for the Refunding Bonds, as described above, not paid with the respective proceeds of the Refunding Bonds, calculated to the final maturity of the Refunding Bonds, is \$11,719,000 and the sum of annual ongoing costs to administer the Refunding Bonds not paid with proceeds of the Refunding Bonds is \$71,000.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates on March 12, 2020. The actual principal amount of the Refunding Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Refunding Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Refunding Bonds sold being different from the respective Estimated Principal Amount, (c) the actual amortization of the Refunding Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Refunding Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Successor Agency's financing plan, or a combination of such factors. The actual date of sale of the Refunding Bonds and the actual principal amount of Refunding Bonds sold will be determined by the Successor Agency based on various factors. The actual interest rates borne by the Refunding Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Refunding Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Successor Agency.

**THIRD SUPPLEMENT TO
INDENTURE OF TRUST**

Dated as of September 1, 2020

between the

**SUCCESSOR AGENCY TO THE
STANTON REDEVELOPMENT AGENCY**

and

**U.S. BANK NATIONAL ASSOCIATION,
as Successor Trustee**

Relating to

**\$ _____
Successor Agency to the
Stanton Redevelopment Agency
Tax Allocation Refunding Bonds, 2020 Series A**

TABLE OF CONTENTS

	Page
ARTICLE XII ISSUANCE OF 2020 SERIES A BONDS	
SECTION 12.01. Definitions	3
SECTION 12.02. Authorization and Purpose of 2020 Series A Bonds	7
SECTION 12.03. Terms of the 2020 Series A Bonds	7
SECTION 12.04. Redemption of 2020 Series A Bonds	8
SECTION 12.05. Book Entry System	11
SECTION 12.06. Form and Execution of 2020 Series A Bonds	13
SECTION 12.07. Transfer and Exchange of 2020 Series A Bonds	13
SECTION 12.08. Deposit and Application of Proceeds	14
SECTION 12.09. 2020 Costs of Issuance Fund	14
SECTION 12.10. Security for 2020 Series A Bonds	14
SECTION 12.11. Investment of Moneys in Funds	15
SECTION 12.12. Continuing Disclosure	15
SECTION 12.13. Security Interest Representations	15
SECTION 12.14. Further Assurances	16
SECTION 12.15. Application of this Indenture to 2020 Series A Bonds	16
ARTICLE XIII AMENDMENT OF 2005 BOND INDENTURE	
SECTION 13.01. Security for 2020 Series A Bonds	16
SECTION 13.02. Maintenance of Tax Revenues	17
SECTION 13.03. Compliance with the Law; Recognized Obligation Payment Schedules	18
ARTICLE XIV COVENANTS OF THE SUCCESSOR AGENCY	
SECTION 14.01. Effect of this Article XIV	18
SECTION 14.02. Punctual Payment	19
SECTION 14.03. Extension of Payment of Series 2020 Series A Bonds	19
SECTION 14.04. Payment of Claims	19
SECTION 14.05. Books and Accounts; Financial Statements	19
SECTION 14.06. Payments of Taxes and Other Charges	20
SECTION 14.07. Disposition of Property	20
SECTION 14.08. Maintenance of Tax Revenues	20
SECTION 14.09. Tax Covenants Relating to the 2020 Series A Bonds	20
SECTION 14.10. Notice of Insufficiency	21
SECTION 14.11. Further Assurances	21
ARTICLE XV MISCELLANEOUS PROVISIONS	
SECTION 15.01. Benefits Limited to Parties	22
SECTION 15.02. Reliance on Facsimiles	22
SECTION 15.03. Execution in Counterparts	23

TABLE OF CONTENTS
(continued)

	Page
SECTION 15.04. Governing Law	23
SECTION 15.05. Partial Invalidity	23
SECTION 15.06. Execution in Counterparts	23
SECTION 15.07. Effect of Amendment	23
APPENDIX A – FORM OF 2020 SERIES A BOND	A-1
APPENDIX B – FORM OF NOTICE TO TRUSTEE REGARDING PRO RATA REDEMPTION OF 2020 SERIES A BONDS	B-1

THIRD SUPPLEMENT TO INDENTURE OF TRUST

This THIRD SUPPLEMENT TO INDENTURE OF TRUST (this "Third Supplemental Indenture") dated as of September 1, 2020, is between the SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY, a public body corporate and politic duly organized and existing under the Redevelopment Laws of the State of California (the "Successor Agency"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as successor trustee (the "Trustee").

BACKGROUND:

1. The Stanton Redevelopment Agency (the "Former Agency") was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State of California (the "Redevelopment Law"), including the power to issue bonds for any of its corporate purposes; and

2. In order to provide financing for the Stanton Redevelopment Project Area, the Former Agency has previously issued the following tax allocation bonds:

(a) the Stanton Consolidated Redevelopment Project Taxable Tax Allocation Bonds in the aggregate original principal amount of \$16,500,000 (the "2005 Series A Bonds") under the Indenture of Trust dated as of July 1, 2005 (the "2005 Bond Indenture") between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee;

(b) the Stanton Consolidated Redevelopment Project Tax Allocation Bonds in the aggregate original principal amount of \$10,000,000 (the "2005 Series B Bonds," collectively with the 2005 Series A Bonds, the "2005 Bonds") under the 2005 Bond Indenture;

(c) the Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2010 Series A in the aggregate principal amount of \$25,280,000 (the "2010 Bonds") under the 2005 Bond Indenture, as supplemented by a First Supplement to Indenture of Trust dated as of October 1, 2010 (the "First Supplemental Indenture"); and

(d) the Stanton Consolidated Redevelopment Project Taxable Tax Allocation Bonds, 2011 Series B in the aggregate principal amount of \$12,480,000 (the "2011 Bonds"), under the 2005 Bond Indenture, as supplemented by the First Supplemental Indenture, and a Second Supplement to Indenture of Trust dated as of March 1, 2011 (the "Second Supplemental Indenture").

3. Following the issuance of the bonds referenced in the paragraph 2 above, the California legislature enacted the Dissolution Act (as defined herein), pursuant to which the Former Agency was dissolved and no longer exists as a public body, corporate and politic, and the Successor Agency has become the successor entity to the Former Agency;

4. Said Section 34177.5 also authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in said Section 34177.5; and

5. The Successor Agency issued its \$7,115,000 Consolidated Redevelopment Project Subordinate Tax Allocation Refunding Bonds, 2016 Series A (the "2016 Series A Bonds") and its \$13,220,000 Stanton Consolidated Redevelopment Project Subordinate Taxable Tax Allocation Refunding Bonds, 2016 Series B (the "2016 Series B Bonds") pursuant to an Indenture of Trust dated as of February 1, 2016, between the Successor Agency and the Trustee (the "2016 Original Indenture") in order to refund the 2005 Bonds; and

6. The Successor Agency issued its \$10,030,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Tax Allocation Refunding Parity Bonds, 2016 Series C (the "Series 2016C Bonds") and together with its \$26,080,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Taxable Tax Allocation Refunding Parity Bonds, 2016 Series D (the "Series 2016D Bonds," collectively with the Series 2016A Bonds, Series 2016B Bonds and Series 2016C Bonds, the "2016 Bonds") in order to refund, on an advance basis, a portion of the outstanding 2010 Series A Bonds and all of the outstanding 2011 Series A Bonds and the 2011 Series B Bonds pursuant to a First Supplemental Indenture of Trust to the 2016 Indenture dated December 1, 2016 (together with the 2016 Original Indenture, the "2016 Indenture"); and

7. The Successor Agency has determined that it will achieve debt service savings within the parameters set forth in said Section 34177.5 by the issuance pursuant to the Redevelopment Law, the Dissolution Act and the Refunding Law of its \$_____ aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Redevelopment Tax Allocation Refunding Bonds, 2020 Series A (the "2020 Series A Bonds") in order to refund, on a current basis, all of the outstanding 2010 Bonds (the "Prior Bonds") pursuant to the 2005 Bond Indenture, as supplemented and amended by the First Supplemental Indenture, Second Supplemental Indenture and this Third Supplemental Indenture (collectively, the "Indenture"); and

8. Section 3.05 of the 2016 Indenture authorizes the issuance of bonds to refund the Prior Bonds on a senior basis to the 2016 Bonds; and

9. Debt service on the 2020 Series A Bonds will be payable on a senior basis to the debt service on the 2016 Bonds; and

10. The Successor Agency has certified that all acts and proceedings required by law necessary to make the 2020 Series A Bonds, when executed by the Successor Agency, authenticated and delivered by the Trustee, and duly issued, the valid, binding and legal special obligations of the Successor Agency, and to constitute this Third Supplemental Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Third Supplemental Indenture have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto do hereby agree as follows:

AGREEMENT:

In order to secure the payment of the principal of and the interest on all the Outstanding 2020 Series A Bonds under the Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the 2020 Series A Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the 2020 Series A Bonds by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Successor Agency and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the 2020 Series A Bonds, as follows:

SECTION 1. Purpose of this Third Supplemental Indenture. This Third Supplemental Indenture constitutes a Supplemental Indenture under and as defined in the Indenture. The purpose of this Third Supplemental Indenture is to authorize the issuance of the 2020 Series A Bonds as Parity Bonds under Section 3.05 of the Indenture.

SECTION 2. Supplemental Provisions of Indenture. In accordance with Sections 3.05 and 7.01(c) of the Indenture, the Indenture is hereby amended by adding thereto new Articles XII, XIII, XIV and XV reading in its entirety as follows, and which is hereby incorporated into the Indenture.

ARTICLE XII

ISSUANCE OF 2020 SERIES A BONDS

SECTION 12.01. Definitions. The capitalized terms defined in Section 1.01 of this Indenture have the respective meanings given them in Section 1.02 when used in this Article, except in the case of capitalized terms which are otherwise defined in this Section 12.01. For all purposes of this Article the following terms have the following defined meanings:

“Article” means this Article XII and XIII of this Indenture.

“Closing Date” means September 3, 2020, being the date on which the 2020 Series A Bonds are delivered by the Successor Agency to the Original Purchaser.

“Continuing Disclosure Certificate” means, with respect to the 2020 Series A Bonds, that certain Continuing Disclosure Certificate relating to the 2020 Series A Bonds executed by the Successor Agency and dated the Closing Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the 2020 Series A Bonds, including but not limited to: printing expenses; rating agency fees; filing and recording fees; initial fees, expenses and charges of the Trustee and its counsel,

including the Trustee's first annual administrative fee; fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals; and any other cost, charge or fee in connection with the original issuance of the 2020 Series A Bonds.

"Dissolution Act" means the provisions of Assembly Bill X1 26, signed by the Governor June 28, 2011, and filed with the Secretary of State June 29, 2011, consisting of Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code, as amended by Assembly Bill 1484, signed by the Governor on June 27, 2012, and filed with the Secretary of State on June 27, 2012 and as further amended by Senate Bill 107, signed by the Governor on September 22, 2015, and filed with the Secretary of State on September 22, 2015.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Federal Securities" means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

"Former Agency" means the Stanton Redevelopment Agency.

"Indenture" means the 2005 Bond Indenture, as heretofore supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture and this Third Supplemental Indenture, and as it may be further supplemented or amended by any Supplemental Indenture entered into pursuant to the provisions thereof.

"Information Services" means in accordance with then-current guidelines of the Securities and Exchange Commission, the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>), or such service or services as the Successor Agency may designate in a certificate delivered to the Trustee.

"Interest Payment Date" means December 1, 2020, and each June 1 and December 1 thereafter so long as any of the 2020 Series A Bonds remain unpaid.

"Irrevocable Refunding Instructions" means the Irrevocable Refunding Instructions dated _____ 1, 2020 by and between the Successor Agency and the Prior Trustee.

"Original Purchaser" means Stifel, Nicolaus & Company, Incorporated, as original purchaser of the 2020 Series A Bonds upon the negotiated sale thereof.

"Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

- (a) Federal Securities;
- (b) Obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.
- (c) Obligations of any agency, department or instrumentality of the United States of America which are rated A or better by S&P.
- (d) Interest-bearing deposit accounts (including certificates of deposit) in federal or State of California chartered savings and loan associations or in federal or State of California banks (including the Trustee and its affiliates), provided that: (i) the unsecured obligations of such commercial bank or savings and loan association are rated A or better by S&P; or (ii) such deposits are fully insured by the Federal Deposit Insurance Corporation.
- (e) Commercial paper rated "A-1+" or better by S&P at the time of the purchase thereof.
- (f) Federal funds or bankers acceptances with a maximum term of one year of any bank which have an unsecured, uninsured and unguaranteed obligation rating of "A-1+" or better by S&P.
- (g) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of at least AAAm-G, AAAm or AAm, which funds may include funds for which the Trustee, its affiliates, parent or subsidiaries provide investment advisory or other management services.
- (h) Obligations the interest on which is excludable from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, and which are either (a) rated A or better by S&P, or (b) fully secured as to the payment of principal and interest by Permitted Investments described in clauses (a) or (b).
- (i) Obligations issued by any corporation organized and operating within the United States of America having assets in excess of \$500,000,000, which obligations are rated A or better by S&P.
- (j) Bonds or notes issued by any state or municipality which are rated A or better by S&P.
- (k) Any investment agreement with, or guaranteed by, a financial institution the long-term unsecured obligations or the claims paying ability of which are rated A or better by S&P at the time of initial investment, by the terms of which all amounts invested thereunder are required to be withdrawn and paid to the Trustee in the event either of such ratings at any time falls below A.

- (l) The Local Agency Investment Fund of the State of California, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

"Prior Bonds" shall have the meaning presented to such term in the recitals hereto.

"Prior Trustee" means The Bank of New York Mellon Trust Company, N.A.

"Redevelopment Property Tax Trust Fund" means the fund by that name established pursuant to California Health and Safety Code Sections 34170.5(a) and 34172(c) and administered by the County auditor-controller.

"Request of the Successor Agency" means a request provided in writing by an authorized officer of the Successor Agency.

"Securities Depositories" means (a) initially, DTC, and (b) any successor in interest or assignee thereto.

"Subordinate Bonds" means the 2016 Bonds.

"Tax Revenues" is defined in Section 1.01 of the 2005 Bond Indenture to mean all taxes annually allocated to the Former Agency with respect to the Project Area under the Redevelopment Law, in effect prior to the enactment of the Dissolution Act, and Section 16 of Article XVI of the Constitution of the State and as provided in the Redevelopment Plan, including all other payments, subventions and reimbursements (if any) to the Former Agency specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations; provided, however, that Tax Revenues shall not include:

- (a) all amounts of such taxes required to be deposited into the Low and Moderate Housing Fund of the Former Agency in any Fiscal Year pursuant to Sections 33334.2 and 33334.3 of the Redevelopment Law, except to the extent permitted under the Law to be applied to the payment of the principal of an interest and premium (if any) on any Parity Bonds;
- (b) all amounts payable (except to the extent subordinated to the Bonds) by the Former Agency to affected tax agencies pursuant to the Tax Sharing Agreements;
- (c) all amounts payable by the Former Agency pursuant to Sections 33607.5 and 33607.7 of the Redevelopment Law, to the extent not subordinated to the payment of principal of and interest on the Bonds; and
- (d) amounts of such taxes which are required to pay the 1993 Debt Service in such Bond Year.

Since, pursuant to the Dissolution Act, such taxes are not required to be deposited in the Low and Moderate Income Housing Fund but pursuant to the Dissolution Act are deposited in the Redevelopment Property Tax Trust Fund and there are no outstanding bonds secured by such revenues, Tax Revenues shall include such amounts. Additionally, since the 1993 Debt

Service is no longer payable, any amounts previously excluded to pay such debt service shall be deposited in the Redevelopment Property Tax Trust Fund and Tax Revenues shall include such amounts.

“2005 Bonds” shall have the meaning prescribed to such term in the recitals hereto.

“2010 Bonds” shall have the meaning prescribed to such term in the recitals hereto.

“2010 Series A Bonds Refunding Fund” means the fund by such name established pursuant to the Irrevocable Refunding Instructions.

“2016 Bonds” shall have the meaning prescribed to such term in the recitals hereto.

“2020 Series A Bonds” means the Successor Agency to the Stanton Redevelopment Agency, Tax Allocation Refunding Bonds, 2020 Series A, issued by the Successor Agency in the aggregate principal amount of \$_____ under Section 12.03.

“2020 Costs of Issuance Fund” means the fund by that name established and held by the Trustee under Section 12.10.

“2020 Term Bonds” means the 2020 Bonds maturing on December 1 in each of the years _____ and _____. Such 2020 Bonds shall constitute “Term Bonds” for all purposes of this Indenture, subject to the provisions of Section 12.04.

SECTION 12.02. *Authorization and Purpose of 2020 Series A Bonds.* The Successor Agency hereby authorizes the issuance of 2020 Series A Bonds in the aggregate principal amount of \$_____ under the Redevelopment Law for the purpose of providing funds to refund the Prior Bonds. The 2020 Series A Bonds are authorized and issued under, and are subject to the terms of, this Indenture including the terms set forth in this Article. The 2020 Series A Bonds are designated the “Successor Agency to the Stanton Redevelopment Agency, Tax Allocation Refunding Bonds, 2020 Series A”. The Successor Agency shall execute and deliver the 2020 Series A Bonds to the Trustee and the Trustee shall authenticate and deliver the 2020 Series A Bonds to the Original Purchaser upon receipt of a Request of the Successor Agency therefor.

The 2020 Series A Bonds constitute Parity Bonds under this Indenture. All references in this Indenture to the Bonds shall apply with full force and effect to the 2020 Series A Bonds, to the extent set forth in Section 3.05.

SECTION 12.03. *Terms of the 2020 Series A Bonds.* The 2020 Series A Bonds are issuable in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no 2020 Series A Bonds has more than one maturity date. The 2020 Series A Bonds will be dated as of the Closing Date, and will mature on December 1 in the years and in the respective principal amounts and bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the respective rates per annum, as set forth in the following table:

Maturity Date
(December 1)

Principal
Amount

Interest
Rate

Interest on the 2020 Series A Bonds is payable from the Interest Payment Date next preceding the date of authentication thereof unless:

- (a) a 2020 Series A Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date,
- (b) a 2020 Series A Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date, or
- (c) interest on any 2020 Series A Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full.

Interest on the Bonds shall be payable semi annually calculated based on a 360-day year of twelve thirty day months on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed on the applicable Interest Payment Date by first class mail to the Owner at the address of such Owner as it appears on the Registration Books; provided however, that payment of interest may be by wire transfer in immediately available funds to an account in the United States of America to any Owner of Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee at least five (5) days before the applicable Record Date. Principal of any Bond and any premium upon redemption shall be paid by check of the Trustee upon presentation and surrender thereof at the Office of the Trustee. Principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

SECTION 12.04. *Redemption of 2020 Series A Bonds.*

(a) Optional Redemption. The 2020 Series A Bonds maturing on or before December 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The 2020 Series A Bonds maturing on or after December 1, 20__, are subject to redemption in whole, or in part at the Request of the Successor Agency among maturities on such basis as the Successor Agency shall designate and by lot within a maturity, at the option of the Successor Agency, on any date on or after December 1, 20__, from any available source of funds, at a redemption price equal to 100% of the principal amount of the 2020 Series A Bonds to be redeemed, without premium.

The Successor Agency shall give the Trustee written notice of its intention to redeem 2020 Series A Bonds under this subsection (a), and the manner of selecting such 2020 Series A

Bonds for redemption from among the maturities thereof, in sufficient time to enable the Trustee to give notice of such redemption in accordance with subsection (c) of this Section.

(b) Mandatory Sinking Fund Redemption. The 2020 Series A Term Bonds are subject to mandatory redemption in part by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on December 1 in the respective years as set forth in the following tables; provided, however, that if some but not all of the 2020 Series A Term Bonds have been redeemed under subsection (a) of this Section, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the 2020 Series A Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the Successor Agency to the Trustee).

**Term Bonds Maturing
December 1, 20__**

**Sinking Account
Redemption Date
(December 1)**

**Principal Amount
to be Redeemed**

**Term Bonds Maturing
December 1, 20__**

**Sinking Account
Redemption Date
(December 1)**

**Principal Amount
to be Redeemed**

(c) Notice of Redemption. The Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail) notice of any redemption to the Owners of any 2020 Series A Bonds designated for redemption at their respective addresses appearing on the Registration Books, and to the Securities Depositories and to the Information Services, at least 30 but not more than 60 days prior to the date fixed for redemption; provided, however, that neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the redemption of such 2020 Series A Bonds or the cessation of the accrual of interest thereon. Such notice must state the date of the notice, the redemption date, the redemption place and the redemption price and must designate the CUSIP numbers, the 2020 Series A Bond numbers and the maturity or maturities (in the event of redemption of all of the 2020 Series A Bonds of such maturity or maturities in whole) of the 2020 Series A Bonds to be redeemed, and must require that such 2020 Series A Bonds be then surrendered for redemption at the Office of the Trustee identified in such notice, giving notice also that further interest on such 2020 Series A Bonds will not accrue from and after the redemption date. In addition, the redemption notice shall state that the Successor Agency has the right to rescind the notice as provided in subsection (d) of this Section.

(d) Right to Rescind Notice of Redemption. The Successor Agency has the right to rescind any notice of the optional redemption of 2020 Series A Bonds under subsection (a) of this Section by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2020 Series A Bonds then called for redemption, and such cancellation shall not constitute an Event of Default. The Successor Agency and the Trustee have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and to the Securities Depositories and to the Information Services.

(e) Manner of Redemption. Whenever provision is made in this Section 12.05 for the redemption of less than all of the 2020 Series A Bonds of the same maturity, the Trustee shall select the 2020 Series A Bonds to be redeemed on a pro rata basis among the Beneficial Owners of the Bonds of such maturity. For purposes of such selection, all 2020 Series A Bonds will be deemed to be comprised of separate \$5,000 denominations and such separate denominations will be treated as separate 2020 Series A Bonds which may be separately redeemed.

So long as the 2020 Series A Bonds are registered in book-entry-only form and so long as the Depository or a successor securities depository is the sole registered Owner of the 2020 Series A Bonds, partial redemptions will be done in accordance with procedures of the Depository. It is the Successor Agency's intent that redemption allocations made by the Depository be made in accordance with the proportional provisions described herein. However, neither the Successor Agency nor the Trustee has a duty to assure, and can provide no assurance, that DTC will allocate redemptions among Beneficial Owners on such a proportional basis, and neither the Successor Agency nor the Trustee shall have any liability whatsoever to Beneficial Owners in the event redemptions are not done on a proportionate basis for any reason. The portion of any registered 2020 Series A Bonds of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or any integral multiple thereof.

(f) Partial Redemption of 2020 Series A Bonds. If only a portion of any 2020 Series A Bond is called for redemption, then upon surrender of such 2020 Series A Bond the Successor Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new 2020 Series A Bond or 2020 Series A Bonds of the same maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the 2020 Series A Bond to be redeemed.

(g) Effect of Redemption. From and after the date fixed for redemption, if notice of redemption has been duly mailed and funds available for the payment of the principal of and interest on the 2020 Series A Bonds so called for redemption have been duly provided, such 2020 Series A Bonds so called shall cease to be entitled to any benefit under this Article other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date specified in such notice. Unless otherwise directed in writing by the Successor Agency, the Trustee shall cancel and destroy all 2020 Series A Bonds redeemed under this Section 12.05. The provisions of this subsection (f) are of no effect in the

event any notice of the optional redemption of 2020 Series A Bonds is rescinded as provided in subsection (d) of this Section.

(h) Purchase in Lieu of Redemption. In lieu of redemption of 2020 Series A Bonds as provided in this Section 12.05, amounts held by the Trustee for such redemption shall, at the Request of the Successor Agency received by the Trustee prior to the selection of 2020 Series A Bonds for redemption, be applied by the Trustee to the purchase of 2020 Series A Bonds at public or private sale as and when and at such prices (including brokerage, accrued interest and other charges) as the Successor Agency may in its discretion direct, but not to exceed the redemption price which would be payable if such 2020 Series A Bonds were redeemed. The aggregate principal amount of 2020 Series A Bonds of the same maturity purchased in lieu of redemption under this subsection (h) may not exceed the aggregate principal amount of 2020 Series A Bonds of such maturity which would otherwise be subject to such redemption. Any 2020 Series A Bonds so purchased in lieu of redemption shall be treated as if such 2020 Series A Bonds were redeemed, for all purposes of this Indenture.

SECTION 12.05. *Book Entry System.*

(a) Original Delivery. The 2020 Series A Bonds shall be initially delivered in the form of a separate single fully registered 2020 Series A Bonds Bond (which may be typewritten) for each maturity of the 2020 Series A Bonds. Upon initial delivery, the ownership of each such 2020 Series A Bonds Bond shall be registered on the Bond Registration Books maintained by the Trustee pursuant to Section 2.08 hereof in the name of the Nominee.

Except as provided in subsection (c), the ownership of all of the Outstanding 2020 Series A Bonds shall be registered in the name of the Nominee on such Bond Registration Books.

With respect to 2020 Series A Bonds the ownership of which shall be registered in the name of the Nominee, the Successor Agency and the Trustee shall have no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Successor Agency holds an interest in the 2020 Series A Bonds. Without limiting the generality of the immediately preceding sentence, the Successor Agency and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the 2020 Series A Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any notice with respect to the 2020 Series A Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the 2020 Series A Bonds to be redeemed in the event the Successor Agency elects to redeem the 2020 Series A Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest represented by the 2020 Series A Bonds or (v) any consent given or other action taken by the Depository as Bond Owner. The Successor Agency and the Trustee may treat and consider the person in whose name each 2020 Series A Bonds Bond is registered as the absolute owner of such 2020 Series A Bonds Bond for the purpose of payment of principal, premium, if any, and interest represented by such 2020 Series A Bonds Bond, for the purpose of giving notices of redemption and other matters with respect to such 2020 Series A Bonds Bond, for the purpose of registering transfers

of ownership of such 2020 Series A Bonds Bond, and for all other purposes whatsoever. The Trustee shall pay the principal, interest and premium, if any, represented by the 2020 Series A Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal, interest and premium, if any, represented by the 2020 Series A Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner shall receive a 2020 Series A Bonds Bond evidencing the obligation of the Successor Agency to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Successor Agency shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the 2020 Series A Bonds for the Depository's book-entry system, the Successor Agency shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the 2020 Series A Bonds . The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Successor Agency or the Trustee any obligation whatsoever with respect to persons having interests in the 2020 Series A Bonds other than the Bond Owners. In addition to the execution and delivery of such letter, the Successor Agency may take any other actions, not inconsistent with this Indenture, to qualify the 2020 Series A Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the 2020 Series A Bonds, or (ii) the Successor Agency determines to terminate the Depository as such, then the Successor Agency shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Successor Agency and the Trustee in the execution of replacement 2020 Series A Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the 2020 Series A Bonds, and by surrendering the 2020 Series A Bonds , registered in the name of the Nominee, to the Trustee on or before the date such replacement 2020 Series A Bonds are to be issued. The Depository, by accepting delivery of the 2020 Series A Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Successor Agency fails to identify another Securities Depository to replace the Depository, then the 2020 Series A Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging 2020 Series A Bonds shall designate, in accordance with the provisions hereof.

In the event the Successor Agency determines that it is in the best interests of the beneficial owners of the 2020 Series A Bonds that they be able to obtain certificated 2020 Series A Bonds, the Successor Agency may notify the Depository System Participants of the availability of such certificated 2020 Series A Bonds through the Depository. In such event, the Trustee will execute, transfer and exchange 2020 Series A Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the Successor Agency shall cooperate with the Depository in taking appropriate action (y) to make available one or more separate certificates evidencing the 2020 Series A Bonds to any

Depository System Participant having 2020 Series A Bonds credited to its account with the Depository, or (z) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such 2020 Series A Bonds, all at the Successor Agency's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any 2020 Series A Bond is registered in the name of the Nominee, all payments with respect to principal, interest and premium, if any, represented by such 2020 Series A Bonds Bond and all notices with respect to such 2020 Series A Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository..

SECTION 12.06. *Form and Execution of 2020 Series A Bonds.* The 2020 Series A Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, are set forth in Exhibit D attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Article.

The Chairman of the Successor Agency shall execute, and the Secretary of the Successor Agency shall attest each 2020 Series A Bond. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any 2020 Series A Bond ceases to be such officer before the Closing Date, such signature will nevertheless be as effective as if the officer had remained in office until the Closing Date. Any 2020 Series A Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of such 2020 Series A Bond are the proper officers of the Successor Agency, duly authorized to execute debt instruments on behalf of the Successor Agency, although on the date of such 2020 Series A Bond any such person was not an officer of the Successor Agency.

Only those 2020 Series A Bonds bearing a certificate of authentication in the form set forth in Appendix A hereto, manually executed and dated by the Trustee, are valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee is conclusive evidence that such 2020 Series A Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 12.07. *Transfer and Exchange of 2020 Series A Bonds.*

(a) Transfer. Any 2020 Series A Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such 2020 Series A Bond to the Trustee at its Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee shall collect any tax or other governmental charge on the transfer of any 2020 Series A Bonds under this Section 12.07. Whenever any 2020 Series A Bond is surrendered for transfer, the Successor Agency shall execute and the Trustee shall authenticate and deliver to the transferee a new 2020 Series A Bond or Bonds of like interest rate, maturity and aggregate principal amount. The Successor Agency shall pay the cost of printing 2020 Series A Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of 2020 Series A Bonds.

(b) Exchange. The 2020 Series A Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of 2020 Series A Bonds of other authorized denominations and of the same interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any 2020 Series A Bonds under this subsection (b). The Successor Agency shall pay the cost of printing 2020 Series A Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of 2020 Series A Bonds.

(c) Limitations. The Trustee may refuse to transfer or exchange, under the provisions of this Section 12.07, any 2020 Series A Bonds selected by the Trustee for redemption in accordance with Section 12.04, or any 2020 Series A Bonds during the period established by the Trustee for the selection of 2020 Series A Bonds for redemption.

SECTION 12.08. *Deposit and Application of Proceeds*. On the Closing Date, the Trustee shall apply the proceeds of the 2020 Series A Bonds in the amounts and for the respective purposes, as follows:

- (a) The Trustee shall deposit the amount of \$ _____ in the 2020 Costs of Issuance Fund.
- (b) The Trustee shall transfer the amount of \$ _____, constituting the remainder of such proceeds, in the 2010 Series A Bonds Redemption Fund and applied in accordance with the provisions of the Irrevocable Refunding Instructions.

The Trustee may establish such temporary funds or accounts in its records as it deems appropriate to facilitate and record any of the foregoing deposits and transfers.

SECTION 12.09. *2020 Costs of Issuance Fund*. There is hereby established a separate fund to be known as the "2020 Costs of Issuance Fund", to be held by the Trustee in trust. The Trustee shall disburse moneys in the 2020 Costs of Issuance Fund from time to time to pay Costs of Issuance upon submission of a Request of the Successor Agency stating (a) the person to whom payment is to be made, (b) the amounts to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the 2020 Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior Request of the Successor Agency; in each case together with a statement or invoice for each amount requested thereunder. Each such Request of the Successor Agency shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee has no duty to confirm the accuracy of such facts. On December 1, 2020, the Trustee shall transfer any amounts remaining in the 2020 Costs of Issuance Fund to the Redevelopment Property Tax Trust Fund.

SECTION 12.10. *Security for 2020 Series A Bonds*. The 2020 Series A Bonds shall be Parity Bonds which are secured in the manner and to the extent set forth in Article IV and the Redevelopment Law. The 2020 Series A Bonds shall be entitled to all of the benefits of this Indenture without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others. The 2020 Series A Bonds constitute "Bonds" for all purposes of Article IV relating to the deposit and application of amounts in the Debt Service Fund and the

accounts therein for the payment when due of the principal of and interest on the 2020 Series A Bonds.

SECTION 12.11. *Investment of Moneys in Funds.* The Trustee shall invest moneys in the funds and accounts established under this Article XII in Permitted Investments defined in Section 12.01, as specified in the Request of the Successor Agency (which Request shall be deemed to include a certification that the specified investment is a Permitted Investment) delivered to the Trustee at least two Business Days in advance of the making of such investments. In the absence of any such direction from the Successor Agency, the Trustee shall invest any such moneys solely in Permitted Investments described in clause (g) of the definition thereof; *provided, however*, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee has received a Request of the Successor Agency designating a specific money market fund and, if no such Request of the Successor Agency is so received, the Trustee shall hold such moneys uninvested.

SECTION 12.12. *Continuing Disclosure.* The Successor Agency will comply with and carry out all of the provisions of the Continuing Disclosure Certificate which has been executed and delivered by the Successor Agency on the Closing Date. Notwithstanding any other provision hereof, failure of the Successor Agency to comply with such Continuing Disclosure Certificate does not constitute an Event of Default hereunder; *provided, however*, that any Participating Underwriter (as that term is defined in such Continuing Disclosure Certificate) or any Owner or beneficial owner of the 2020 Series A Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section 12.12.

SECTION 12.13. *Security Interest Representations.* Section 33641.5 of the Redevelopment Law provides statutory authority for pledging collateral for the payment of principal or redemption price of, and interest on, any bonds, and Section 33641.5 of the Redevelopment Law creates a continuing perfected security interest which attaches immediately to such collateral and shall be effective, binding, and enforceable against the pledgor, its successors, purchasers of the collateral, creditors, and all others asserting the rights therein, to the extent set forth in Section 33641.5, and in accordance with the pledge document irrespective of whether those parties have notice of the pledge and without the need for any physical delivery, recordation, filing, or further act.

In addition, Section 5451 of the Government Code of the State of California provides that the collateral is immediately subject to the pledge, and the pledge constitutes a lien and security interest which immediately attaches to the collateral and is effective, binding, and enforceable against the pledgor, its successors, purchasers of the collateral, creditors, and all others asserting the rights therein, to the extent set forth, and in accordance with, the pledge document irrespective of whether those parties have notice of the pledge and without the need for any physical delivery, recordation, filing, or further act.

Based on the foregoing provisions of California law, the Successor Agency hereby warrants and represents that the Owners have a first priority perfected security interest in the Tax Revenues and other moneys that serve as collateral for the 2020 Series A Bonds in accordance with this Indenture.

SECTION 12.14. *Further Assurances.* The Successor Agency shall adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Article, and for the better assuring and confirming unto the 2020 Series A Bond Owners the rights and benefits provided in this Indenture and this Article.

SECTION 12.15. *Application of this Indenture to 2020 Series A Bonds.* Except as in this Article expressly provided or except to the extent inconsistent with any provision of this Article, the 2020 Series A Bonds shall be deemed to be Bonds under and within the meaning of Section 1.01, and every term and condition contained in the foregoing provisions of this Indenture shall apply to the 2020 Series A Bonds with full force and effect, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Article. Notwithstanding the foregoing, however, the 2020 Series A Bonds shall not be deemed to be Bonds for purposes of Article II or Sections 3.01, 3.02, 3.03, 3.04, 5.11, 5.12, 5.13 and 5.14 of this Indenture.

ARTICLE XIII

AMENDMENT OF 2005 BOND INDENTURE

SECTION 13.01. *Security for 2020 Series A Bonds.* The 2020 Series A Bonds shall be Parity Debt within the meaning of such term in Section 1.01 and shall be secured in the manner and to the extent set forth in Article IV of the 2005 Bond Indenture. The Indenture, the 2020 Series A Bonds shall be secured on a parity with all other Bonds issued under the Indenture, by a first pledge of and lien on all of the Tax Revenues in the Special Fund and any other Parity Debt hereafter. The 2020 Series A Bonds shall be also equally secured by the pledge and lien created with respect to the 2020 Series A Bonds by Section 34177.5(g) of the California Health and Safety Code on moneys deposited from time to time in the Redevelopment Property Tax Trust Fund, provided, however, that such pledge and lien shall only be with respect to the amounts on deposit in the Redevelopment Property Tax Trust Fund after amounts on deposit therein have been set aside and reserved, in the manner required in the applicable indentures or other relevant documents, to pay amounts due pursuant to tax sharing agreements, owner participation agreements, development agreements and other similar agreements that are senior to the payment of the debt service on the 2020 Series A Bonds. For the avoidance of doubt, the 2020 Series A Bonds are secured by the pledge and lien created with respect to the 2020 Series A Bonds by Section 34177.5(g) of the California Health and Safety Code on moneys deposited from time to time in the Redevelopment Property Tax Trust Fund to the extent set forth in the foregoing sentence on a parity basis with all refunding bonds issued by the Successor Agency, unless otherwise specified in connection with the issuance of such refunding bonds. Additionally, the Subordinate Bonds are also payable from monies on deposit in the Redevelopment Property Tax Trust Funds on a subordinate basis to the 2020 Series A Bonds and any Parity Debt.

The Successor Agency further covenants and agrees that it will duly and punctually pay or cause to be paid the principal of and interest on each of the Bonds, including the 2020 Series A Bonds, on the date, at the place and in the manner provided in the Bonds. The Successor Agency shall comply with all of the requirements of the Redevelopment Law and the

Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants hereunder. Further, it will take all actions required under the Dissolution Act to include scheduled debt service on the 2020 Series A Bonds and any Parity Debt, all amounts required to be deposited in the Special Fund pursuant to and in accordance with Section 4.02 of the Indenture, as well as any amount required to replenish the Reserve Account and subaccounts thereunder established under the Indenture, in Recognized Obligation Payment Schedules for each twelve-month period so as to enable the Orange County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund on each January 2 and June 1 all amounts required to be deposited in the Special Fund (pursuant to and in accordance with Section 4.02 the Indenture), which amounts will to be used to pay debt service on the Bonds, including the 2020 Series A Bonds. These actions will include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and California Department of Finance the amounts to be held by the Successor Agency in the Special Fund, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the California Health and Safety Code, that are necessary to comply with the Indenture.

The Successor Agency also covenants to calculate the amount of Tax Revenues received during each twelve-month period, as described above, to ensure that Tax Revenues are properly credited to and deposited in the Special Fund, as required by Section 4.02 of the Indenture.

In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2020 Series A Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of (i) not less than one half of debt service due during each Bond Year on all Outstanding Bonds prior to June 1 of such Bond Year, and (ii) the remainder of debt service due during such Bond Year on all Outstanding Bonds prior to the next succeeding December 1.

Notwithstanding anything contained in the Indenture, the Successor Agency shall not issue or incur additional Parity Debt other than Parity Debt issued or incurred solely for the purpose of refunding the 2020 Series A Bonds or any Parity Debt. The Successor Agency may incur Subordinate Debt.

SECTION 13.02. *Maintenance of Tax Revenues.* The Successor Agency shall comply with all requirements of the Redevelopment Law and the Dissolution Act to insure the allocation and payment to it of the Tax Revenues. In the event that the applicable property tax revenues provisions of the Dissolution Act are determined by a court in a final judicial decision to be invalid and, in place of the invalid provisions, provisions of the Redevelopment Law or the equivalent become applicable to the 2020 Bonds, the Successor Agency shall comply with all requirements of the Redevelopment Law and the Dissolution Act or the equivalent to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and (in the case of supplemental revenues and other amounts payable by the State) appropriate officials of

the State of California. The Successor Agency shall manage its fiscal affairs in a manner which ensures that it will have sufficient Tax Revenues in the amounts and at the times required to enable the Successor Agency to pay the principal of and interest and premium (if any) on the 2020 Bonds, and any Parity Debt when due.

SECTION 13.03. *Compliance with the Law; Recognized Obligation Payment Schedules.*

(a) The Successor Agency will take all actions required under the Dissolution Act to file a Recognized Obligation Payment Schedule by February 1 in each year, commencing February 1, 2021, in accordance with Section 34177(0) of the Redevelopment Law. Each such Recognized Obligation Payment Schedule for the semi-annual period ending each June 30 shall request the payment to the Successor Agency of an amount of Tax Revenues which is at least equal to the following:

(1) 100% of the amount of principal of and interest on the 2020 Bonds coming due and payable on the next succeeding June 1 and December 1,

(2) 100% of the amount of interest on the Subordinate Bonds and all Outstanding Parity Debt coming due and payable on the next succeeding June 1,

(3) 100% of the amount of principal on the Subordinate Bonds and all Outstanding Parity Debt coming due and payable on the next succeeding December 1,

(4) any amount then required to replenish the full amount of the Reserve Requirements in the Reserve Accounts for the Subordinate Bonds; and

(5) any amount then required to make payments due to the Bond Insurer in respect of any policy or reserve policy for the Subordinate Bonds.

(b) These actions will include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and State Department of Finance, to the extent necessary, the amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to comply with this Indenture and to provide for the payment of principal and interest under this Indenture when the next property tax allocation is projected to be insufficient to pay all obligations due under this Indenture for the next payment due thereunder and hereunder in the following six-month period.

ARTICLE XIV

COVENANTS OF THE SUCCESSOR AGENCY

SECTION 14.01. *Effect of this Article XIV.* The covenants set forth in this Article XIV shall supersede the covenants set forth in Section 5 of the 2005 Bond Indenture, First Supplemental Indenture and Second Supplemental Indenture.

SECTION 14.02. *Punctual Payment.* The Successor Agency shall punctually pay or cause to be paid the principal, premium (if any) and interest to become due in respect of all the Series 2020 Series A Bonds and Parity Debt in strict conformity with the terms of the Series 2020 Series A Bonds and of this Indenture. The Successor Agency shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures. Nothing herein contained shall prevent the Successor Agency from making advances of its own moneys howsoever derived to any of the uses or purposes referred to herein.

SECTION 14.03. *Extension of Payment of Series 2020 Series A Bonds.* The Successor Agency shall not directly or indirectly extend or assent to the extension of the maturity of any of the Series 2020 Series A Bonds or the time of payment of any claims for interest by the purchase of such Series 2020 Series A Bonds or by any other arrangement, and in case the maturity of any of the Series 2020 Series A Bonds or the time of payment of any such claims for interest shall be extended, such Series 2020 Series A Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Outstanding Series 2020 Series A Bonds and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Successor Agency to issue bonds for the purpose of refunding any Outstanding Series 2020 Series A Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Series 2020 Series A Bonds.

SECTION 14.04. *Payment of Claims.* The Successor Agency shall pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Successor Agency or upon the Tax Revenues or any part thereof, or upon any funds held by the Trustee pursuant hereto, or which might impair the security of the Series 2020 Series A Bonds or any Parity Debt. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said claims.

SECTION 14.05. *Books and Accounts; Financial Statements.* The Successor Agency shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City of Stanton, in which complete and correct entries shall be made of all transactions relating to the Redevelopment Project, the Tax Revenues and the Redevelopment Obligation Retirement Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Owners of not less than ten percent (10%) in aggregate principal amount of the Series 2020 Series A Bonds then Outstanding, or their representatives authorized in writing.

The Successor Agency will cause to be prepared and delivered to the Trustee and the Insurer annually, within two hundred and ten (210) days after the close of each Fiscal Year so long as any of the Series 2020 Series A Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year showing the Tax Revenues, all disbursements from the Redevelopment Obligation Retirement Fund and the financial condition of the Redevelopment Project, including the balances in all funds and accounts relating to the Redevelopment Project, as of the end of such Fiscal Year. The Successor Agency shall furnish

a copy of such statements to any Owner upon reasonable request and at the expense of such Owner.

SECTION 14.06. *Payments of Taxes and Other Charges.* The Successor Agency will pay and discharge, or cause to be paid and discharged, all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Successor Agency or the properties then owned by the Successor Agency in the Project Area, when the same shall become due. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said taxes, assessments or charges. The Successor Agency will duly observe and conform with all valid requirements of any governmental authority relative to the Redevelopment Project or any part thereof.

SECTION 14.07. *Disposition of Property.* Except as otherwise required by the Dissolution Act, the Successor Agency will not participate in the disposition of any land or real property in the Project Area to anyone which will result in such property becoming exempt from taxation because of public ownership or use or otherwise (except property dedicated for public right-of-way and except property planned for public ownership or use by the Redevelopment Plan in effect on the date of this Indenture) so that such disposition shall, when taken together with other such dispositions, aggregate more than ten percent (10%) of the land area in the Project Area unless such disposition is permitted as hereinafter provided in this Section 5.09. If the Successor Agency proposes to participate in such a disposition, it shall thereupon appoint an Independent Fiscal Consultant to report on the effect of said proposed disposition. If the report of the Independent Fiscal Consultant concludes that the security of the Bonds or the rights of the Owners will not be materially adversely impaired by said proposed disposition, the Successor Agency may thereafter make such disposition. If such report concludes that such security will be materially adversely impaired by the proposed disposition, the Successor Agency shall not approve the proposed disposition.

SECTION 14.08. *Maintenance of Tax Revenues.* The Successor Agency shall comply with all requirements of the Redevelopment Law and the Dissolution Act to insure the allocation and payment to it of the Tax Revenues. In the event that the applicable property tax revenues provisions of the Dissolution Act are determined by a court in a final judicial decision to be invalid and, in place of the invalid provisions, provisions of the Redevelopment Law or the equivalent become applicable to the Bonds, the Successor Agency shall comply with all requirements of the Redevelopment Law or the equivalent to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and (in the case of supplemental revenues and other amounts payable by the State) appropriate officials of the State of California. The Successor Agency shall manage its fiscal affairs in a manner which ensures that it will have sufficient Tax Revenues in the amounts and at the times required to enable the Successor Agency to pay the principal of and interest and premium (if any) on the Series 2020 Series A Bonds, amounts owing to the Insurer hereunder, and any Parity Debt when due.

SECTION 14.09. *Tax Covenants Relating to the 2020 Series A Bonds.*

(a) Private Activity Bond Limitation. The Successor Agency shall assure that the proceeds of the 2020 Series A Bonds are not so used as to cause 2020 Series A Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the 2020 Series A Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the 2020 Series A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the 2020 Series A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Tax Code.

(d) Maintenance of Tax-Exemption. The Successor Agency shall take all actions necessary to assure the exclusion of interest on the 2020 Series A Bonds from the gross income of the Owners of the 2020 Series A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date. This covenant shall remain in full force and effect following defeasance of 2020 Series A Bonds pursuant to Section 9.03.

(e) Rebate Requirement. The Successor Agency shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the 2020 Series A Bonds.

The Trustee shall have no duty to monitor the compliance by the Successor Agency with any of the covenants contained in this Section 5.10.

SECTION 14.10. *Notice of Insufficiency.* The Successor Agency covenants that it will, on or before May 1 and December 1 of each year, file a Notice of Insufficiency with the County Auditor-Controller if the amount of Tax Revenues available to the Successor Agency from the Redevelopment Property Tax Trust Fund on the upcoming July 1 or January 2, as applicable, is insufficient to pay debt service on the 2020 Series A Bonds, to pay debt service on any Parity Bonds and to deposit into the Reserve Account an amount required in order to maintain in the Reserve Account the amount of the Reserve Requirement.

SECTION 14.11. *Further Assurances.* The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners the rights and benefits provided in this Indenture.

ARTICLE XV

MISCELLANEOUS PROVISIONS

SECTION 15.01. *Benefits Limited to Parties.* Nothing in this Third Supplemental Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee and the Owners of the 2020 Series A Bonds, any right, remedy, claim under or by reason of this Third Supplemental Indenture. Any covenants, stipulations, promises or agreements in this Third Supplemental Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee and the Owners of the 2020 Series A Bonds.

SECTION 15.02. *Reliance on Facsimiles.* The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and delivered using Electronic Means (“Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Successor Agency shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Successor Agency whenever a person is to be added or deleted from the listing. If the Successor Agency elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Successor Agency understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Successor Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Successor Agency and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Successor Agency. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Successor Agency; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

SECTION 15.03. *Execution in Counterparts.* This Third Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15.04. *Governing Law.* This Third Supplemental Indenture shall be construed and governed in accordance with the laws of the State of California.

SECTION 15.05. *Partial Invalidity.* If any Section, paragraph, sentence, clause or phrase of this Third Supplemental Indenture is for any reason held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Third Supplemental Indenture. The Successor Agency hereby declares that it would have entered into this Third Supplemental Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the 2020 Series A Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Third Supplemental Indenture may be held illegal, invalid or unenforceable.

SECTION 15.06. *Execution in Counterparts.* This Third Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15.07. *Effect of Amendment.* In the event of any contradicting provisions between this Third Supplemental Indenture, and the 2005 Bond Indenture, First Supplemental Indenture and the Second Supplemental Indenture, the provisions of this Third Supplemental Indenture shall govern.

(Signature page follows)

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY has caused this Third Supplemental Indenture to be signed in its name by its Executive Director and attested to by its Secretary, and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Third Supplemental Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE
STANTON REDEVELOPMENT AGENCY

By: _____
Executive Director

ATTEST:

Secretary

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Authorized Officer

*-Signature Page-
Third Supplement to
Indenture of Trust*

APPENDIX A

EXHIBIT D TO INDENTURE
FORM OF 2020 SERIES A BOND

No. _____

**\$ _____ **

UNITED STATES OF AMERICA
STATE OF CALIFORNIASUCCESSOR AGENCY TO THE
STANTON REDEVELOPMENT AGENCY

TAX ALLOCATION REFUNDING BOND, 2020 SERIES A

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
_____%	December 1, 20__	_____, 2020	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY, a public body, corporate and politic, duly organized and existing under the laws of the State of California (the "Successor Agency"), as successor to the Stanton Redevelopment Agency (the "Former Agency") for value received, hereby promises to pay (but only out of the Tax Revenues and other moneys and securities hereinafter referred to) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Rate of Interest identified above in like lawful money, such interest to be payable semiannually on June 1 and December 1 in each year, commencing [December 1, 2020] (the "Interest Payment Dates") until payment of such Principal Amount in full. Interest on this Bond is payable from the Interest Payment Date next preceding the date of authentication of this Bond, unless: (a) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the 15th calendar day of the preceding month (a "Record Date"), in which event it will bear interest from such Interest Payment Date, (b) this Bond is authenticated on or before [November 15, 2020], in which event interest hereon will be payable from the Original Issue Date identified above, or (c) interest on this Bond is in default as of the date of authentication hereof, in which event interest hereon will be payable from the date to which interest has been paid in full.

The Principal Amount hereof is payable upon presentation hereof at the corporate office of U.S. BANK NATIONAL ASSOCIATION, as trustee (the "Trustee"), in Los Angeles, California or such other place as designated by the Trustee. Interest hereon is payable by check

of the Trustee mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of such Registered Owner as it appears on the registration books of the Trustee as of the preceding Record Date; provided that at the Request of the owner of at least \$1,000,000 aggregate principal amount of Bonds which Request is on file with the Trustee prior to the Record Date immediately preceding any date, interest on such Bonds shall be paid on such Interest Payment Date by wire transfer to such account within the United States of America as shall be specified in such Request.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as the "Successor Agency to the Stanton Redevelopment Agency Tax Allocation Refunding Bonds, 2020 Series A" (the "Bonds") of an aggregate principal amount of \$ _____, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities or interest rates) and all issued under the provisions of Part 1 of Division 24 of the Health and Safety Code of the State of California, commencing with Section 33000 of said Code (the "Redevelopment Law"). The Bonds have been authorized under an Indenture of Trust dated as of July 1, 2005, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as amended and supplemented (as so amended and supplemented, the "Indenture"). The Bonds have been authorized to be issued by the Successor Agency under a resolution of the Successor Agency adopted on March 24, 2020. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all supplements thereto and to the Redevelopment Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Tax Revenues, as that term is defined in the Indenture, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

This Bond and the interest hereon and all other parity obligations and the interest thereon (to the extent set forth in the Indenture) are payable from, and are secured by a charge and lien on the Tax Revenues. The Successor Agency may issue additional obligations on a parity with the Bonds under and in accordance with the Indenture to refund the Bonds and other parity debt by the First Supplement to the Indenture of Trust dated as of October 1, 2010 by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., the Second Supplement to the Indenture of Trust dated as of March 1, 2011 by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A. and the Third Supplement to the Indenture of Trust dated as of September 1, 2020 by and between the Successor Agency and U.S. Bank National Association. As and to the extent set forth in the Indenture, all of the Tax Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, the Redevelopment Law and the Dissolution Act, to the payment of the principal of and interest on the Bonds and any such parity obligations. Notwithstanding the foregoing, certain amounts out of Tax Revenues may be applied for other purposes as provided in the Indenture.

This Bond is not a debt of the City of Stanton, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions, is liable hereon nor in any event shall this Bond be payable out of any funds or properties other than the Tax Revenues.

The rights and obligations of the Successor Agency and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall permit a change in the terms of maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the rate of interest thereon without the consent of the owner of such Bond, or shall reduce the percentages of the owners required to effect any such modification or amendment.

The Bonds maturing on or before December 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after December 1, 20__, are subject to redemption in whole, or in part at the Request of the Successor Agency among maturities on such basis as the Successor Agency shall designate and by lot within a maturity, at the option of the Successor Agency, on any date on or after December 1, 20__, from any available source of funds, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, without premium.

The Bonds maturing on December 1 in each of the years _____ and _____ are subject to mandatory redemption in part by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on December 1 in the respective years as set forth in the following tables; provided, however, that if some but not all of such Bonds have been redeemed under the optional redemption provisions described above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the Successor Agency to the Trustee).

**Term Bonds Maturing
December 1, 20__**

**Sinking Account
Redemption Date
(December 1)**

**Principal Amount
to be Redeemed**

**Term Bonds Maturing
December 1, 20__**

**Sinking Account
Redemption Date
(December 1)**

**Principal Amount
to be Redeemed**

As provided in the Indenture, the Trustee is required to mail notice of redemption of any Bonds by first class mail, postage prepaid, not less than 30 nor more than 60 days before the redemption date, to the registered owners of the Bonds to be redeemed, but neither failure to receive such notice nor any defect in the notice so mailed affects the sufficiency of the proceedings for redemption or the cessation of accrual of interest thereon. Any notice so given by the Trustee may be rescinded under the circumstances and with the effect set forth in the

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

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

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

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

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

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of

Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This Bond is not entitled to any benefit under the Indenture and is not valid or obligatory for any purpose until the certificate of authentication hereon endorsed has been signed by the Trustee.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Chairman and its facsimile seal impressed hereon and

attested to by the facsimile signature of its Secretary, all as of the Original Issue Date specified above.

SUCCESSOR AGENCY TO THE
STANTON REDEVELOPMENT AGENCY

By: _____
Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Dated: _____

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

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

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

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

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

Dated: _____

Signature Guaranteed: _____

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

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

IRREVOCABLE REFUNDING INSTRUCTIONS

These IRREVOCABLE REFUNDING INSTRUCTIONS (these "Instructions"), dated as of September 1, 2020, are given by the SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY, a public entity existing under the laws of the State of California (the "Successor Agency"), as successor agency to the STANTON REDEVELOPMENT AGENCY (the "Former Agency"), to U.S. BANK NATIONAL ASSOCIATION, as successor trustee to THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, acting as trustee (the "Trustee") for the hereinafter defined Prior Bonds;

WITNESSETH:

WHEREAS, the Former Agency has previously issued the following tax allocation bonds:

(a) the Stanton Consolidated Redevelopment Project Taxable Tax Allocation Bonds in the aggregate original principal amount of \$16,500,000 (the "2005 Series A Bonds") under the Indenture of Trust dated as of July 1, 2005 (the "2005 Bond Indenture") between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee;

(b) the Stanton Consolidated Redevelopment Project Tax Allocation Bonds in the aggregate original principal amount of \$10,000,000 (the "2005 Series B Bonds," collectively with the 2005 Series A Bonds, the "2005 Bonds") under the 2005 Bond Indenture;

(c) the Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2010 Series A in the aggregate principal amount of \$25,280,000 (the "2010 Bonds") under the 2005 Bond Indenture, as supplemented by a First Supplement to Indenture of Trust dated as of October 1, 2010 (the "First Supplemental Indenture"); and

(d) the Stanton Consolidated Redevelopment Project Taxable Tax Allocation Bonds, 2011 Series B in the aggregate principal amount of \$12,480,000 (the "2011 Bonds"), under the 2005 Bond Indenture, as supplemented by the First Supplement to Indenture of Trust dated as of October 1, 2010, and a Second Supplement to Indenture of Trust dated as of March 1, 2011 (the "Second Supplemental Indenture," collectively with the 2005 Bond Indenture and the First Supplemental Indenture, the "Indenture"); and

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the California Redevelopment Law, (found at Health and Safety Code Section 33000, et.seq.) and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, the Former Agency was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 ("AB 26"), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to AB 26, assumed the duties and obligations set forth in AB 26 for the Former Agency, including, without limitation, the obligations of the Former Agency under the Indenture and related documents to which the Former Agency was a party; and

WHEREAS, Section 34177.5 of the California Health and Safety Code authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in said Section 34177.5; and

WHEREAS, the Successor Agency issued its \$7,115,000 Consolidated Redevelopment Project Subordinate Tax Allocation Refunding Bonds, 2016 Series A (the "2016 Series A Bonds") and its \$13,220,000 Stanton Consolidated Redevelopment Project Subordinate Taxable Tax Allocation Refunding Bonds, 2016 Series B (the "2016 Series B Bonds") pursuant to an Indenture of Trust dated as of February 1, 2016, between the Successor Agency and the Trustee in order to refund the 2005 Bonds; and

WHEREAS, the Successor Agency issued its \$10,030,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Tax Allocation Refunding Parity Bonds, 2016 Series C (the "Series 2016C Bonds") and together with its \$26,080,000 aggregate principal amount of Successor Agency to the Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Taxable Tax Allocation Refunding Parity Bonds, 2016 Series D (the "Series 2016D Bonds," collectively with the Series 2016A Bonds, Series 2016B Bonds and Series 2016C Bonds, the "2016 Bonds") in order to refund, on an advance basis, a portion of the outstanding 2010 Series A Bonds and all of the outstanding 2011 Series A Bonds and the 2011 Series B Bonds pursuant to a First Supplemental Indenture of Trust to the 2016 Indenture dated December 1, 2016; and

WHEREAS, the Successor Agency has determined that it is in the best financial interests of the Successor Agency to refund, at this time, the outstanding 2010 Bonds (the "Prior Bonds"); and

WHEREAS, in order to provide funds for such purpose, the Successor Agency is issuing Stanton Consolidated Redevelopment Project Tax Allocation Refunding Bonds, 2020 Series A (the "2020 Series A Bonds") and applying a portion of the proceeds thereof, together with certain other moneys, to defease and redeem the outstanding Prior Bonds; and

WHEREAS, the 2020 Series A Bonds are being issued pursuant to an Indenture of Trust, dated as of September 1, 2020, (the "2020 Indenture") between the Successor Agency and U.S. Bank National Association, as successor trustee; and

WHEREAS, the Successor Agency wishes to give these Instructions to the Trustee for the purpose of providing the terms and conditions relating to the deposit and application of moneys to provide for the payment and redemption of a portion of the outstanding Prior Bonds.

NOW, THEREFORE, the Successor Agency hereby irrevocably instructs the Trustee as follows:

Section 1. Establishment of the Prior Refunding Fund. The Trustee shall establish and hold, separate and apart from all other funds and accounts held by it, a special fund known as the "2010 Series A Bonds Refunding Fund" (the "Refunding Fund"). All amounts on deposit in the Refunding Fund are hereby irrevocably pledged as a special trust fund for the redemption of

the outstanding Prior Bonds, as identified in Schedule 1 attached hereto, on _____, 2020. Neither the Trustee nor any other person shall have a lien upon or right of set off against the amounts at any time on deposit in the Refunding Fund, and such amounts shall be applied only as provided herein.

Section 2. Deposit into the Prior Bonds Refunding Fund; Investment of Amounts. Concurrently with delivery of the 2020 Series A Bonds, the Successor Agency shall cause to be deposited in the Refunding Fund the amount of \$_____ in immediately available funds which represents \$_____ on hand in the funds and accounts relating to the Prior Bonds and \$_____ of 2020 Series A Bonds proceeds. The Successor Agency hereby directs the Trustee to hold all amounts as uninvested cash.

The Successor Agency signifies that by making the deposit described herein, it is discharging a portion of the outstanding Prior Bonds pursuant to Sections 9.03 of the Indenture.

Section 3. Proceedings for Redemption of Prior Bonds. The Successor Agency hereby irrevocably elects, and directs the Trustee, to redeem, on _____ 1, 2020, from amounts on deposit in the Refunding Fund, the outstanding Prior Bonds pursuant to the provisions of the Indenture. The Trustee acknowledges it has given notice of such redemption in accordance with the Indenture, and in substantially similar form as set forth in Exhibit A attached hereto, in order to allow for the redemption of the Prior Bonds on _____ 1, 2020.

Section 4. Application of Funds to Redeem 2005 Series B Bonds. The Trustee shall apply the amounts on deposit in the Refunding Fund to redeem the outstanding Prior Bonds, as identified in Schedule 1 attached hereto, on _____ 1, 2020 at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest, all in accordance with the Indenture.

Section 5. Transfer of Remaining Funds. Any amounts on deposit in the Refunding Fund shall be used for the purpose of paying interest on and the principal of any outstanding Prior Bonds pursuant to the Indenture. Any amounts on deposit in the Refunding Fund or any other funds and accounts related to the Prior Bonds following redemption or defeasance of the Outstanding Prior Bonds shall be transferred to the Interest Account established under the Indenture to be used solely for the purpose of paying interest on the 2020 Series A Bonds.

Section 6. Amendment. These Instructions shall be irrevocable by the Successor Agency. These Instructions may be amended or supplemented by the Successor Agency, but only if the Successor Agency shall file with the Trustee (a) an opinion of nationally recognized bond counsel engaged by the Successor Agency stating that such amendment or supplement will not, of itself, adversely affect the exclusion from gross income of interest on the Prior Bonds or the 2020 Series A Bonds under federal income tax law, and (b) a certification of an independent accountant or independent financial adviser engaged by the Successor Agency stating that such amendment or supplement will not affect the sufficiency of funds invested and held hereunder to make the payments required by Section 4.

Section 7. Application of Certain Terms of the Indenture. All of the terms of the Indenture relating to the payment of principal of and interest and repayment premium, if any, on the 2005 Series B Bonds and the redemption thereof, and the protections, immunities and

limitations from liability afforded the Trustee, are incorporated in these Instructions as if set forth in full herein.

Section 8. Counterparts. These Instructions may be signed in several counterparts, each of which will constitute an original, but all of which will constitute one and the same instrument.

[Signature page follows]

Section 9. Governing Law. These Instructions shall be construed in accordance with and governed by the laws of the State of California.

**SUCCESSOR AGENCY TO THE STANTON
REDEVELOPMENT AGENCY**

By: _____
David J. Shawver
Chairman

ACCEPTED:

U.S. BANK NATIONAL ASSOCIATION,
as successor trustee

By: _____
Authorized Officer

*-Signature Page-
Irrevocable Refunding Instructions
Series B*

Schedule 1

BONDS TO BE REDEEMED

Maturity Date
(December 1)

Principal Amount

CUSIP
(Base CUSIP 854733)

EXHIBIT A

**FORM OF NOTICE OF REDEMPTION
CONDITIONAL NOTICE OF OPTIONAL REDEMPTION**

**STANTON REDEVELOPMENT AGENCY
STANTON CONSOLIDATED REDEVELOPMENT PROJECT
TAX ALLOCATION BONDS, 2010 SERIES A**

Maturity Date (December 1)	<u>Interest Rate</u>	<u>Par Value</u>	<u>CUSIP</u>
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NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (the “**Bonds**”) of the Stanton Redevelopment Agency (the “**Agency**”) in accordance with that certain Indenture of Trust, dated as of July 1, 2005, by and between the Agency and The Bank of New York Mellon Trust Company, N.A., as succeeded in interest by U.S. Bank National Association, as trustee (the “**Trustee**”), as amended and supplemented by the First Supplement to Indenture of Trust dated as of October 1, 2010 pursuant to which such Bonds were issued, that all of the outstanding 2010 Series A Bonds, in the principal amount

of \$_____ have been called for redemption on _____, 2020 (the “**Redemption Date**”), subject to the provisions of the succeeding paragraphs of this notice, and pursuant to the provisions of the governing documents of the Bonds.

This Conditional Notice of Optional Redemption, and the payment of the principal of and interest on the Bonds on the specified Redemption Date, is subject to the receipt of funds resulting from the sale of the Successor Agency to the Stanton Redevelopment Agency Tax Allocation Refunding Bonds, 2020 Series A, which bonds are expected to be issued and delivered prior to the Redemption Date, in an amount sufficient to pay in full the redemption price and accrued interest of all of the Bonds on the Redemption Date.

In the event such funds are not received by the Redemption Date, this notice shall be null and void and of no force and effect. The Bonds delivered for redemption shall be returned to the respective owners thereof, and said Bonds shall remain outstanding as though this Conditional Notice of Optional Redemption had not been given. Notice of failure to receive funds, and cancellation of this redemption, shall be given by the Trustee by first class mail to the registered holders of the Bonds.

Owners of the Bonds should surrender said Bonds on the redemption date at the following address:

By Mail, Hand or Overnight:

Delivery Instructions:

U.S. Bank
Global Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107

Bondholders presenting their bonds in person for same day payment **must** surrender their bond(s) by 1:00 P.M. CST on the Redemption Date and a check will be available for pick up after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. CST will be mailed out to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the Redemption Price.

Interest on the principal amount designated to be redeemed shall cease to accrue on and after the Redemption Date.

For a list of redemption requirements please visit our website at www.usbank.com/corporatetrust and click on the “Bondholder Information” link for Redemption instructions. You may also contact our Bondholder Communications team at **1-800-934-6802** Monday through Friday from 8 A.M. to 6 P.M. CST.

IMPORTANT NOTICE. Under the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (the “Act”), the Trustee may be obligated to withhold 30% of the redemption price from any Bond holder who has failed to furnish the Trustee with a valid taxpayer identification number and a certification that such Bond holder is not subject to backup withholding under the Act. Bond holders who wish to avoid the application of these provisions should submit a completed Form W-9 when presenting their Bonds.

Neither the Successor Agency to the Stanton Redevelopment Agency nor the Trustee shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its corrections indicated in this Conditional Notice of Optional Redemption. It is included solely for convenience of the owners of the Bonds.

DATED: _____, 2020

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

\$ _____
**SUCCESSOR AGENCY TO THE
 STANTON REDEVELOPMENT AGENCY
 Tax Allocation Refunding Bonds, 2020 Series A**

BOND PURCHASE AGREEMENT

August 6, 2020

Successor Agency to the Stanton Redevelopment Agency
 7800 Katella Avenue
 Stanton, CA 90680

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the "Underwriter") offers to enter into this Bond Purchase Agreement (the "Bond Purchase Agreement") with the Successor Agency to the Stanton Redevelopment Agency (the "Successor Agency"), which will be binding upon the Successor Agency and the Underwriter upon the acceptance hereof by the Successor Agency. This offer is made subject to its acceptance by the Successor Agency by execution of this Bond Purchase Agreement and its delivery to the Underwriter on or before 5:00 P.M., California time, on the date hereof.

Terms not otherwise defined herein shall have the same meanings as set forth in the Indenture, described below.

1. *Purchase and Sale.* Upon the terms and conditions and in reliance upon the representations, warranties and covenants herein, the Successor Agency hereby agrees to sell to the Underwriter and the Underwriter hereby agrees to purchase from the Successor Agency for offering to the public, all (but not less than all) of the \$ _____ Successor Agency to the Stanton Redevelopment Agency, Tax Allocation Refunding Bonds, 2020 Series A (the "Bonds"), at the purchase price of \$ _____ (the "Purchase Price") (being the principal amount of the Bonds of \$ _____, less an Underwriter's discount of \$ _____, and plus an original issue premium of \$ _____). The Purchase Price will be delivered to the Trustee, on behalf of the Successor Agency.

The Successor Agency acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the Successor Agency and the Underwriter; (ii) in connection with such transaction, including the process leading thereto, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Successor Agency; (iii) the Underwriter has neither assumed an advisory or fiduciary responsibility in favor of the Successor Agency with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising

the Successor Agency on other matters) nor has it assumed any other obligation to the Successor Agency except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the Successor Agency; and (v) the Successor Agency has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

The Successor Agency hereby acknowledges receipt from the Underwriter of disclosures required by the Municipal Securities Rulemaking Board ("MSRB") Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012)), relating to disclosures concerning the Underwriter's role in the transaction, disclosures concerning the Underwriter's compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

The Purchase Price is to be paid on the Closing Date (as defined in section 6 below), subject to the conditions precedent set forth herein. The Bonds shall be dated the Closing Date, shall bear interest at the rates, shall mature on the dates, in the principal amounts and with the redemption provisions as set forth in the attached Exhibit A.

The Bonds are being issued for the purpose of (a) providing funds to the Successor Agency to refund, on a current basis, the outstanding Stanton Redevelopment Agency Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2010 Series A (the "2010 Bonds"), issued to finance redevelopment activities within and for the benefit of Stanton Consolidated Redevelopment Project of the former Stanton Redevelopment Agency (the "Former Agency"), and (b) paying the costs of issuing the Bonds.

The Bonds are special, limited obligations of the Successor Agency, payable from, and secured by a lien on Tax Revenues (as such term is defined in that certain Indenture of Trust, dated as of July 1, 2005 (the "Original Indenture"), by and between the Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as supplemented by a First Supplement to Indenture of Trust, dated as of October 1, 2010, by and between the Agency and the Trustee (the "First Supplement"), as further supplemented by a Second Supplement to Indenture of Trust, dated as of March 1, 2011, by and between the Agency and the Trustee (the "Second Supplement"), and, as further supplemented by a Third Supplement to Indenture of Trust, dated as of September 1, 2020, by and between the Agency and the Trustee (the "Third Supplement," and, with the Original Indenture, the First Supplement and the Second Supplement, the "Indenture").

The Bonds will be senior, in all respects, as to payment and security, with the outstanding Successor Agency to the Stanton Redevelopment Agency, Stanton Consolidated Redevelopment Project, Consolidated Redevelopment Project, Tax Allocation Refunding Parity Bonds, 2016 Series A, the outstanding Successor Agency to the Stanton Redevelopment Agency, Stanton Consolidated Redevelopment Project, Taxable Tax Allocation Refunding Parity Bonds, 2016 Series B, the outstanding Successor Agency to the Stanton Redevelopment Agency, Stanton Consolidated Redevelopment Project, Tax Allocation Refunding Parity Bonds, 2016 Series C, and the outstanding Successor Agency to the Stanton Redevelopment Agency, Stanton Consolidated Redevelopment Project, Taxable Tax Allocation Refunding Parity Bonds, 2016 Series D.

Pursuant to an irrevocable refunding instructions (the "Refunding Instructions"), by the Successor Agency and accepted by U.S. Bank National Association, as trustee for the 2010 Bonds (the "2010 Trustee"), provision will be made for the defeasance of the 2010 Bonds.

Issuance of the Bonds is authorized by a resolution of the Successor Agency, adopted on March 24, 2020 (the "Successor Agency Resolution"), and a resolution of the Orange Countywide Oversight Board, adopted on April 21, 2020 (the "Oversight Board Resolution").

2. Bona Fide Public Offering. The Underwriter agrees to make a bona fide public offering of all of the Bonds, at prices not in excess of the initial public offering yields or prices set forth on the inside cover page of the Official Statement. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices; provided, however, that the Underwriter may offer a portion of the Bonds for sale to selected dealers who are members of the Financial Industry Regulatory Authority and who agree to resell the Bonds to the public on terms consistent with this Bond Purchase Agreement, and the Underwriter reserves the right to change such offering prices or yields as the Underwriter shall deem necessary in connection with the marketing of the Bonds and to offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices or at yields higher than the initial yields set forth on Exhibit A attached hereto. The Underwriter also reserves the right to over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time. None of such activities shall affect the principal amounts, maturity dates, interest rates, redemption or other provision of the Bonds or the amount to be paid by the Underwriter to the Successor Agency for the Bonds.

3. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Successor Agency in establishing the issue price of the Bonds and shall execute and deliver to the Successor Agency on the Closing Date (hereinafter defined) an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Successor Agency and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Successor Agency under this Section 3 to establish the issue price of the Bonds may be taken on behalf of the Successor Agency by the Successor Agency's municipal advisor identified herein and any notice or report to be provided to the Successor Agency may be provided to the Successor Agency's municipal advisor.

(b) The Successor Agency will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Successor Agency the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Successor Agency the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each

broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Successor Agency acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The Successor Agency further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(d) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this Section 3. Further, for purposes of this Section 3:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Successor Agency (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

4. *Official Statement.* The Successor Agency shall deliver or cause to be delivered to the Underwriter promptly after acceptance of this Bond Purchase Agreement copies of the Official Statement relating to the Bonds, dated the date hereof (the “Official Statement”). The Successor Agency authorizes the Official Statement, including the inside cover page and Appendices thereto and the information contained therein, to be used in connection with the sale of the Bonds and ratifies, confirms and approves the use and distribution by the Underwriter for such purpose, prior to the date hereof, of the Preliminary

Official Statement dated July 29, 2020 (the "Preliminary Official Statement"). The Successor Agency deems such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for information allowed to be omitted by Rule 15c2-12. The Successor Agency also agrees to deliver to the Underwriter, at the Successor Agency's sole cost and at such address as the Underwriter shall specify, as many copies of the Official Statement as the Underwriter shall reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12 with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board. The Successor Agency agrees to deliver such copies of the Official Statement within seven (7) business days after the date hereof.

The Underwriter agrees to promptly file a copy of the final Official Statement, including any supplements prepared by the Successor Agency, with a nationally recognized municipal securities information repository, and to take any and all other actions necessary to comply with applicable Securities and Exchange Commission rules and Municipal Securities Rulemaking Council rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers thereof.

5. *Representations, Warranties and Agreements of the Successor Agency.* The Successor Agency represents and warrants to the Underwriter that, as of the Closing Date:

(a) The Successor Agency is a public body, corporate and politic, organized and existing under the laws of the State of California (the "State"), and is authorized, among other things, (i) to issue the Bonds, and (ii) to secure the Bonds in the manner contemplated by the Indenture.

(b) The Successor Agency has the full right, power and authority (i) to enter into the Indenture, the Refunding Instructions, the Disclosure Certificate (as hereinafter defined) and this Bond Purchase Agreement, (ii) to issue, sell and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out and consummate all other transactions on its part contemplated by each of the aforesaid documents, and the Successor Agency has complied with all provisions of applicable law in all matters relating to such transactions.

(c) The Successor Agency has duly authorized (i) the execution and delivery of the Bonds and the execution, delivery and due performance by the Successor Agency of the Refunding Instructions, the Disclosure Certificate, this Bond Purchase Agreement and the Indenture, (ii) the distribution and use of the "deemed final" Preliminary Official Statement and the execution, delivery and distribution of the final Official Statement, and (iii) the taking of any and all such action as may be required on the part of the Successor Agency to carry out, give effect to and consummate the transactions on its part contemplated by such instruments. All consents or approvals necessary to be obtained by the Successor Agency in connection with the foregoing have been received, and the consents or approvals so received are still in full force and effect.

(d) The information contained in the Preliminary Official Statement (excluding therefrom for any information relating to DTC and its book-entry system included therein and the information therein under the caption "CONCLUDING INFORMATION—Underwriting") is true and correct in all material respects, and the Preliminary Official Statement did not on the date thereof contain any untrue or misleading statement of a material fact relating to the Successor Agency or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) The information contained in the Official Statement (excluding therefrom for any information relating to DTC and its book-entry system included therein and the information therein under the caption "CONCLUDING INFORMATION—Underwriting") will be true and correct in all material respects, and the Official Statement will not contain any untrue or misleading statement of a material fact relating to the Successor Agency or the City or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) Neither the execution and delivery by the Successor Agency of the Indenture, the Refunding Instructions, the Disclosure Certificate, this Bond Purchase Agreement and of the Bonds nor the consummation of the transactions on the part of the Successor Agency contemplated herein or therein or the compliance with the provisions hereof or thereof will conflict with, or constitute on the part of the Successor Agency a violation of, or a breach of or default under, (i) any statute, indenture, mortgage, note or other agreement or instrument to which the Successor Agency is a party or by which it is bound, (ii) any provision of the State Constitution, or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the Successor Agency (or the members of the Successor Agency or any of its officers in their respective capacities as such) is subject.

(g) The Successor Agency has never been in default at any time, as to principal or of interest on any obligation which it has issued except as otherwise specifically disclosed in the Preliminary Official Statement; and the Successor Agency has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Tax Revenues (as defined in the Indenture) pledged to the payment of the Bonds except as is specifically disclosed in the Preliminary Official Statement.

(h) Except as will be specifically disclosed in the Preliminary Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, which has been served on the Successor Agency or, to the best knowledge of the Successor Agency, threatened, which in any way questions the powers of the Successor Agency referred to in paragraph (b) above, or the validity of any proceeding taken by the Successor Agency in connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by the Refunding Instructions, the Disclosure Certificate, this Bond Purchase Agreement or the Indenture, or which, in any way, could adversely affect the validity or enforceability of the Indenture, the Bonds, the Refunding Instructions, the Disclosure Certificate or this Bond Purchase Agreement or, to the knowledge of the Successor Agency, which in any way questions the exclusion from gross income of the recipients thereof the interest on the Bonds for federal income tax purposes or in any other way questions the status of the Bonds under federal or state tax laws or regulations or which in any way could materially adversely affect the availability of Tax Revenues.

(i) Any certificate signed by any official of the Successor Agency and delivered to the Underwriter in connection with the offer or sale of the Bonds shall be deemed a representation and warranty by the Successor Agency to the Underwriter as to the truth of the statements therein contained.

(j) Neither the Former Agency nor the Successor Agency has been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

(k) The Successor Agency will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter and at the expense of the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds, provided; however, that the Successor Agency will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(l) All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the Successor Agency of, its obligations in connection with the Indenture have been duly obtained or made and are in full force and effect.

(m) Between the date of this Bond Purchase Agreement and the Closing Date, other than the Bonds, the Successor Agency will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter.

(n) The Successor Agency will apply the proceeds of the Bonds in accordance with the Indenture and as described in the Official Statement.

(o) Except as described in the Preliminary Official Statement and the Official Statement, neither the Former Agency nor the Successor Agency has failed, within the last five years, to comply in all material respects with any undertaking of the Former Agency or the Successor Agency pursuant to Rule 15c2-12.

(p) If between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, an event occurs which would cause the information contained in 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 required to be stated therein or necessary to make such information herein, in the light of the circumstances under which it was presented, not misleading, the Successor Agency will notify the Underwriter, and, if in the opinion of the Underwriter or the Successor Agency, or respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Successor Agency will cooperate in the preparation of an amendment or supplement to the Official Statement in a form and manner approved by the Underwriter, and shall pay all expenses thereby incurred. For the purposes of this subsection, between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, the Successor Agency will furnish such information with respect to itself as the Underwriters may from time to time reasonably request. As used herein, the term "End of the Underwriting Period" means the later of such time as: (i)

the Successor Agency delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Notwithstanding the foregoing, unless the Underwriter gives notice to the contrary, the "End of the Underwriting Period" shall be the Closing Date.

(q) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (l) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Bonds, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact required to be stated therein or necessary to make such information therein in the light of the circumstances under which it was presented, not misleading.

(r) The Oversight Board has duly adopted the Oversight Board Resolution approving the issuance of the Bonds and no further Oversight Board approval or consent is required for the issuing of the Bonds or the consummation of the transactions described in the Preliminary Official Statement.

(s) The Department of Finance of the State (the "Department of Finance") has issued a letter, dated _____, 2020, approving the issuance of the Bonds. No further Department of Finance approval or consent is required for the issuance of the Bonds or the consummation of the transactions described in the Preliminary Official Statement. The Successor Agency has received its Finding of Completion from the Department of Finance.

6. *Covenants of the Successor Agency.* The Successor Agency covenants with the Underwriter as of the Closing Date as follows:

(a) The Successor Agency covenants and agrees that it will execute a continuing disclosure certificate, constituting an undertaking to provide ongoing disclosure about the Successor Agency, for the benefit of the owners of the Bonds as required by section (b)(5)(i) of Rule 15c2-12, substantially in the form attached to the Preliminary Official Statement (the "Disclosure Certificate").

(b) The Successor Agency agrees to cooperate with the Underwriter in the preparation of any supplement or amendment to the Official Statement deemed necessary by the Underwriter to comply with the Rule and any applicable rule of the Municipal Securities Rulemaking Board.

(c) The Successor Agency will not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Indenture or which would cause the interest on the 2016C Bonds to be includable in gross income for federal income tax purposes.

7. *Closing.* On September 3, 2020, or at such other date and times as shall have been mutually agreed upon by the Successor Agency and the Underwriter (the "Closing Date"), the Successor Agency will deliver or cause to be delivered the Bonds to the Underwriter, and the Successor Agency shall deliver or cause to be delivered to the Underwriter the certificates, opinions and documents hereinafter

mentioned, each of which shall be dated as of the Closing Date. The activities relating to the execution and delivery of the Bonds, opinions and other instruments as described in Section 8 of this Bond Purchase Agreement shall occur on the Closing Date. The delivery of the certificates, opinions and documents as described herein shall be made at the offices Best Best & Krieger LLP, in Riverside, California ("Bond Counsel"), or at such other place as shall have been mutually agreed upon by the Successor Agency and the Underwriter. Such delivery is herein called the "Closing."

The Bonds will be prepared and physically delivered to the Trustee on the Closing Date in the form of a separate single fully registered bond for each of the maturities of the Bonds. The Bonds shall be registered in the name of the Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"). The Bonds will be authenticated by the Trustee in accordance with the terms and provisions of the Indenture and shall be delivered to DTC prior to the Closing Date as required by DTC to assure delivery of the Bonds on the Closing Date. It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for the Bonds in accordance with the terms of this Bond Purchase Agreement.

At or before 8:00 a.m., Pacific Daylight time, on the Closing Date, the Successor Agency will deliver, or cause to be delivered, the Bonds to DTC, in definitive form duly executed and authenticated by the Trustee, and the Underwriter will pay the Purchase Price of the Bonds by delivering to the Trustee, for the account of the Successor Agency a wire transfer in federal funds of the Purchase Price payable to the order of the Trustee.

8. *Closing Conditions.* The obligations of the Underwriter hereunder shall be subject to the performance by the Successor Agency of its obligations hereunder at or prior to the Closing Date and are also subject to the following conditions:

- (a) the representations, warranties and covenants of the Successor Agency contained herein shall be true and correct in all material respects as of the Closing Date;
- (b) as of the Closing Date, there shall have been no material adverse change in the financial condition of the Successor Agency;
- (c) as of the Closing Date, all official action of the Successor Agency relating to this Bond Purchase Agreement, the Disclosure Certificate and the Indenture shall be in full force and effect;
- (d) as of the Closing Date, the Underwriter shall receive the following certificates, opinions and documents, in each case satisfactory in form and substance to the Underwriter:
 - (i) a copy of the Indenture, as duly executed and delivered by the Successor Agency and the Trustee;
 - (ii) a copy of the Disclosure Certificate, as duly executed and delivered by the Successor Agency;
 - (iii) copies of the Refunding Instructions, as duly executed and delivered by the Successor Agency and the 2010 Trustee;

(iv) opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, in the form attached as Appendix E to the Official Statement;

(v) a certificate, dated the Closing Date, of the Successor Agency executed by the Executive Director (or other duly appointed officer of the Successor Agency authorized by the Successor Agency by resolution of the Successor Agency) to the effect that (A) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Successor Agency or, to the knowledge of the Successor Agency, threatened against or affecting the Successor Agency to restrain or enjoin the Successor Agency's participation in, or in any way contesting the existence of the Successor Agency or the powers of the Successor Agency with respect to, the transactions contemplated by the Refunding Instructions, this Bond Purchase Agreement or the Indenture, and consummation of such transactions; and (B) the representations and warranties of the Successor Agency contained in this Bond Purchase Agreement are true and correct in all material respects, and the Successor Agency has complied with all agreements and covenants and satisfied all conditions to be satisfied at or prior to the Closing Date as contemplated by the Indenture and this Bond Purchase Agreement, provided that all references to the Preliminary Official Statement shall be to the Official Statement;

(vi) an opinion of the City Attorney, as counsel to the Successor Agency, dated the Closing Date and addressed to the Successor Agency and the Underwriter to the effect that:

(A) the Successor Agency is a public body, organized and existing under the laws of the State;

(B) the Successor Agency has full legal power and lawful authority to enter into the Indenture, the Refunding Instructions, the Disclosure Certificate and this Bond Purchase Agreement;

(C) the Successor Agency Resolution approving and authorizing the execution and delivery of the Bonds, the Indenture, the Refunding Instructions, the Disclosure Certificate, this Bond Purchase Agreement and the Official Statement has been duly adopted at a meeting of the governing body of the Successor Agency, which was called and held pursuant to the law and with all public notice required by law and at which a quorum was present and acting throughout and the Successor Agency Resolution is in full force and effect and has not been modified, amended or rescinded;

(D) the Indenture, the Refunding Instructions, the Disclosure Certificate and this Bond Purchase Agreement have been duly authorized, executed and delivered by the Successor Agency and, assuming due authorization, execution and delivery by the other parties thereof, constitute the valid, legal and binding agreements of the Successor Agency enforceable in accordance with their terms;

(E) Neither the execution and delivery by the Successor Agency of the Indenture, the Refunding Instructions, the Disclosure Certificate, this Bond

Purchase Agreement and of the Bonds nor the consummation of the transactions on the part of the Successor Agency contemplated herein or therein or the compliance with the provisions hereof or thereof will conflict with, or constitute on the part of the Successor Agency a violation of, or a breach of or default under, (i) any statute, indenture, mortgage, note or other agreement or instrument to which the Successor Agency is a party or by which it is bound, (ii) any provision of the State Constitution, or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the Successor Agency (or the members of the Successor Agency or any of its officers in their respective capacities as such) is subject;

(F) The information in the Official Statement under the captions "SECURITY FOR THE BONDS," "THE SUCCESSOR AGENCY," "THE PROJECT AREA" and "FINANCIAL INFORMATION" (excluding therefrom all reports, financial and statistical data and forecasts therein, as to which counsel expresses no opinion) and insofar as such statements purport to summarize information with respect to the Successor Agency, fairly and accurately summarizes the information presented therein; and

(G) Except as otherwise disclosed in the Official Statement, there is no litigation, action, suit, proceeding or investigation (or any basis therefor) at law or in equity before or by any court, governmental agency or body, pending by way of a summons served against the Successor Agency or, to our knowledge, threatened against the Successor Agency, challenging the creation, organization or existence of the Successor Agency, or the validity of the Indenture, the Refunding Instructions, the Disclosure Certificate or this Bond Purchase Agreement or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby or contesting the authority of the Successor Agency to enter into or perform its obligations under the Indenture, the Refunding Instructions, the Disclosure Certificate or this Bond Purchase Agreement, or under which a determination adverse to the Successor Agency would have a material adverse effect upon the availability of Tax Revenues, or which, in any manner, questions the right of the Successor Agency to enter into, and perform under, the Indenture, the Refunding Instructions, the Disclosure Certificate or this Bond Purchase Agreement;

(vii) an opinion of counsel to the Trustee, dated the Closing Date and addressed to the Successor Agency and the Underwriter, to the effect that:

(A) The Trustee is a national banking association organized and existing under the laws of the United States of America, having full power to enter into, accept and administer the trust created under the Indenture;

(B) The Indenture has been duly authorized, executed and delivered by the Trustee and the Indenture constitutes a legal, valid and binding obligation of the Trustee enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the

enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought; and

(C) 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 Indenture or the consummation of the transactions contemplated by the Indenture;

(viii) an opinion of counsel to the 2010 Trustee, dated the Closing Date and addressed to the Successor Agency and the Underwriter, to the effect that:

(A) The 2010 Trustee is a national banking association organized and existing under the laws of the United States of America, having full power to enter into, accept and administer the trusts created under the Refunding Instructions;

(B) The Refunding Instructions have been duly authorized, executed and delivered by the 2010 Trustee and the Refunding Instructions constitute the legal, valid and binding obligations of the 2010 Trustee enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought; and

(C) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the 2010 Trustee that has not been obtained is or will be required for the execution and delivery of the Refunding Instructions or the consummation of the transactions on the part of the 2010 Trustee with respect to the Refunding Instructions contemplated by the Refunding Instructions;

(ix) a certificate, dated the Closing Date, of the Trustee, signed by a duly authorized officer of the Trustee, to the effect that (A) the Trustee is duly organized and validly existing as a national banking association, with full corporate power to undertake the trust of the Indenture; (B) the Trustee has duly authorized, executed and delivered the Indenture and by all proper corporate action has authorized the acceptance of the trust of the Indenture; and (C) to the best of such officer's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Trustee (either in state or federal courts), or to the knowledge of the Trustee which would restrain or enjoin the execution or delivery of the Indenture, or which would affect the validity or enforceability of the Indenture, or the Trustee's participation in, or in any way contesting the powers or the authority of the Trustee with respect to, the transactions contemplated by the Indenture, or any other agreement, document or certificate related to such transactions;

(x) a certificate, dated the Closing Date, of the 2010 Trustee, signed by a duly authorized officer of the 2010 Trustee, to the effect that (A) the 2010 Trustee is duly

organized and validly existing as a national banking association, with full corporate power to undertake the trust of the Refunding Instructions; (B) the 2010 Trustee has duly authorized, executed and delivered the Refunding Instructions and by all proper corporate action has authorized the acceptance of the trusts of the Refunding Instructions; and (C) to the best of such officer's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the 2010 Trustee (either in state or federal courts), or to the knowledge of the 2010 Trustee which would restrain or enjoin the execution or delivery of the Refunding Instructions, or which would affect the validity or enforceability of the Refunding Instructions or the 2010 Trustee's participation in, or in any way contesting the powers or the authority of the 2010 Trustee with respect to, the transactions contemplated by the Refunding Instructions, or any other agreement, document or certificate related to such transactions;

(xi) a supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Successor Agency, Harrell & Company Advisors, LLC, as Municipal advisor to the Successor Agency (the "Municipal Advisor") and the Underwriter, to the effect that:

(A) this Bond Purchase Agreement, the Refunding Instructions and the Disclosure Certificate have been duly authorized, executed and delivered by the Successor Agency, and assuming the valid execution and delivery by the other parties thereto, are valid and binding upon the Successor Agency, subject to the laws relating to bankruptcy, insolvency, reorganization of creditors' rights generally and to the application of equitable principles;

(B) the Bonds are exempt from registration pursuant to section 3(a)(2) of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

(C) the statements contained in the Official Statement under the captions "THE BONDS," "SECURITY FOR THE BONDS," and "TAX MATTERS" and in APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THIRD SUPPLEMENTAL INDENTURE OF TRUST and in APPENDIX E—PROPOSED FORM OF BOND COUNSEL OPINION thereto are accurate insofar as such statements purport to expressly summarize certain provisions of the Bonds, the Indenture and Bond Counsel's opinion concerning federal tax matters relating to the Bonds;

(xii) an opinion of Quint & Thimmig LLP, as disclosure counsel to the Successor Agency, dated the Closing Date and addressed to the Successor Agency, the Municipal Advisor and the Underwriter stating that based upon its participation in the preparation of the Official Statement and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that, as of the date of the Closing, the Official Statement (excluding therefrom for any information relating to DTC and its book-entry system included therein, the information therein under the caption "CONCLUDING INFORMATION—Underwriting" and the reports, financial and statistical data and

forecasts therein, the information included in the Appendices thereto, as to which no opinion need be expressed) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xiii) the opinion of Kutak Rock LLP, Underwriter's counsel, satisfactory to Underwriter;

(xiv) an Arbitrage Certificate in the form satisfactory to Bond Counsel;

(xv) the final Official Statement executed by an authorized officer of the Successor Agency;

(xvi) certified copies of the Successor Agency Resolution and the Oversight Board Resolution;

(xvii) specimen Bonds;

(xviii) evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing;

(xxiii) satisfactory evidence that the Bonds have been rated assigned the underlying rating of "___" from Standard & Poor's Ratings Services;

(xxiv) evidence of required filings with the California Debt and Investment Advisory Commission;

(xxv) a certificate of the Municipal Advisor, dated the Closing Date and addressed to the Successor Agency, to the effect that, while the Municipal Advisor has not independently verified or undertaken an independent investigation of the information in the Preliminary Official Statement and the Official Statement, based on its participation in the preparation and review of the Preliminary Official Statement and Official Statement (except for any information relating to DTC and its book-entry system included therein, and the information therein under the caption "CONCLUDING INFORMATION—Underwriting," as to which no opinion or view is expressed), no information has come to its attention which would lead it to believe that the information contained in the Preliminary Official Statement as of its date and the Official Statement as of its date, not true or correct in all material respects, or that the Preliminary Official Statement and the Official Statement contains any untrue statement of a material fact or omits to state a material fact where necessary to make a statement not misleading in light of the circumstances under which it was made;

(xxvi) a certificate of the Municipal Advisor, dated the date of the Closing, addressed to the Successor Agency and the Underwriter, to the effect that, to the best of its knowledge, the assessed valuations and other fiscal information contained in the Official Statement are presented fairly and accurately;

(xxvii) a certificate of the Municipal Advisor, dated the date of the Closing, confirming satisfaction of the savings requirements set forth in section 34177.5(a) of the Dissolution Act;

(xxviii) a defeasance opinion of Bond Counsel with respect to the 2010 Bonds, dated the Closing Date and addressed to the Successor Agency, the Trustee, the 2010 Trustee and the Underwriter, in form and substance satisfactory to the Underwriter;

(xxix) a verification report of Robert Thomas CPA, LLC (the "Verification Agent") as to the sufficiency of the moneys and the investment earnings and maturing escrow securities in the Refunding Instructions;

(xxx) such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing Date of the representations and warranties of the Successor Agency contained in this Bond Purchase Agreement and the due performance or satisfaction by the Successor Agency at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Successor Agency pursuant to this Bond Purchase Agreement.

9. *Termination.* The Underwriter shall have the right to cancel its obligations to purchase the Bonds if between the date hereof and the Closing Date:

(a) a decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or be enacted or a decision by a federal court of the United States or the United States Tax Court shall have been rendered, or a ruling, release, order, regulation or offering circular by or on behalf of the United States Treasury Department, the Internal Revenue Service or other governmental agency shall have been made or proposed to be made having the purpose or effect, or any other action or event shall have occurred which has the purpose or effect, directly or indirectly, of adversely affecting the federal income tax consequences of owning the Bonds, including causing interest on the Bonds to be included in gross income for purposes of federal income taxation, or imposing federal income taxation upon revenues other income of the general character to be derived by the Successor Agency or by any similar body under the Indenture or similar documents or upon interest received on obligations of the general character of the Bonds, which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of or market for the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(b) legislation shall have been enacted, or considered for enactment with an effective date prior to the Closing Date, or a decision by a court of the United States shall have been rendered, the effect of which is that of the Bonds, including any underlying obligations, or the Indenture, as the case may be, is not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(c) a stop order, ruling, regulation or offering circular by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, including any underlying obligations, or the execution of the Indenture, as contemplated hereby or by the Official Statement, is or would be in violation of any provisions of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(d) any event shall have occurred or any information shall have become known to the Underwriter which causes the Underwriter to reasonably believe that the Official Statement as then amended or supplemented includes an untrue statement of a material fact, or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; or

(e) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis, including a financial crisis, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(f) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(g) a general banking moratorium shall have been declared by federal, New York or California authorities; or

(h) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the Successor Agency; or

(i) 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; or

(j) the New York Stock Exchange or other national securities exchange, or any governmental or regulatory authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of the Underwriter; or

(k) any downgrade, withdrawal or placement on credit watch of any rating on the Bonds;

(l) any downgrade or withdrawal of the Bond Insurer's rating; or

(m) any change, which in the reasonable opinion of the Underwriter, materially adversely affects the marketability of the Bonds, the financial condition of the Successor Agency or the availability of Tax Revenues.

10. *Contingency of Obligations.* The obligations of the Successor Agency hereunder are subject to the performance by the Underwriter of its obligations hereunder.

11. *Duration of Representations, Warranties, Agreements and Covenants.* All representations, warranties, agreements and covenants of the Successor Agency shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter or the Successor Agency and shall survive the Closing Date.

12. *Expenses.* The Successor Agency will pay or cause to be paid all reasonable expenses incident to the performance of its obligations under this Bond Purchase Agreement, including, but not limited to, mailing or delivery of the Bonds, costs of printing the Bonds, printing, distribution and delivery of the Preliminary Official Statement, the Official Statement and any amendment or supplement thereto, the fees and disbursements of Bond Counsel, Disclosure Counsel, and counsel to the Successor Agency, the fees and expenses of the Successor Agency's accountants and fiscal consultants, fees of the Municipal Advisor, any fees charged by investment rating agencies for the rating of the Bonds and fees of the Trustee. In the event this Bond Purchase Agreement shall terminate because of the default of the Underwriter, the Successor Agency will, nevertheless, pay, or cause to be paid, all of the expenses specified above. The Underwriter shall pay the fees and expenses of any counsel retained by it, all advertising expenses incurred in connection with the public offering of the Bonds, CDIA fees, CUSIP fees and all other expenses incurred by it in connection with the public offering and distribution of the Bonds, fees (including out-of-pocket expenses and related regulatory expenses).

13. *Notices.* Any notice or other communication to be given to the Successor Agency under this Bond Purchase Agreement may be given by delivering the same in writing to the Executive Director, Successor Agency to the Stanton Redevelopment Agency, 7800 Katella Avenue, Stanton, CA 90680, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, CA 94104, Attention: Ms. Sara Oberlies Brown, Managing Director.

14. *Parties in Interest.* This Bond Purchase Agreement is made solely for the benefit of the Successor Agency and the Underwriter (including the successors or assigns of the Underwriter) and no other person, including any purchaser of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

15. *Governing Law.* This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed in California.

16. *Headings.* The headings of the paragraphs of this Bond Purchase Agreement are inserted for convenience of reference only and shall not be deemed to be a part hereof.

17. *Severability.* In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

18. *Effectiveness.* This Bond Purchase Agreement shall become effective upon acceptance hereof by the Successor Agency.

19. *Counterparts.* This Bond Purchase Agreement may be executed in several counterparts which together shall constitute one and the same instrument.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as Underwriter

By _____
Managing Director

Accepted and agreed to as of
the date first above written:

SUCCESSOR AGENCY TO THE
STANTON REDEVELOPMENT AGENCY

By _____
Executive Director

Time of Execution: _____

**EXHIBIT A TO THE
BOND PURCHASE AGREEMENT**

\$ _____
**SUCCESSOR AGENCY TO THE
 STANTON REDEVELOPMENT AGENCY
 Tax Allocation Refunding Bonds, 2020 Series A**

MATURITY SCHEDULE

Maturity Date (December 1)	Principal Amount	Interest Rate	Yield	Price
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c Priced to the 12/1/____ par call date

REDEMPTION PROVISIONS

Optional Redemption. The Bonds maturing on or before December 1, _____, are not subject to optional redemption prior to maturity. The Bonds maturing on or after December 1, _____, are subject to redemption, at the option of the Successor Agency on any date on or after December 1, _____, as a whole or in part, by such maturities as shall be determined by the Successor Agency (and, in lieu of such determination, *pro rata* among maturities), and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

Sinking Account Redemption. The Bonds maturing on December 1, _____ (the "Term Bonds"), are subject to mandatory redemption, in part by lot, from Sinking Account payments set forth in the following schedule on December 1, _____, and on each December 1 thereafter to and including December 1, _____, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however*, that if some but not all of the Term Bonds have been optionally redeemed, the total amount of Sinking Account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the Term Bonds so redeemed by reducing each such future Sinking Account payment on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the Successor Agency with the Trustee.

<u>Redemption Date (December 1)</u>	<u>Principal Amount</u>
---	-----------------------------

† Maturity.

**EXHIBIT B TO THE
BOND PURCHASE AGREEMENT**

**\$ _____
SUCCESSOR AGENCY TO THE
STANTON REDEVELOPMENT AGENCY
Tax Allocation Refunding Bonds, 2020 Series A**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated, as underwriter ("Stifel"), based on the information available to it, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

I. General

1. Stifel and the Successor Agency to the Stanton Redevelopment Agency (collectively, the "Issuer") have executed a bond purchase agreement in connection with the Bonds on the Sale Date. Stifel has not modified the bond purchase agreement since its execution on the Sale Date.

II. Price

1. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

III. Defined Terms

1. Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

2. Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriters or a Related Party to an Underwriters.

3. A person is a "Related Party" to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

4. Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is August 6, 2020.

5. Underwriter means (i) any person that agrees pursuant to a written contract with the Issuer (or with Stifel to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

All terms not defined herein shall have the same meanings as in the Tax Certificate with respect to the Bonds, to which this Certificate is attached.

The Issuer may rely on the statements made herein in connection with its efforts to comply with the conditions imposed by the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel may also rely on this Certificate for purposes of its opinion regarding the treatment of interest on the Bonds as excludable from gross income for federal income tax purposes. However, notwithstanding the foregoing, we remind you that Stifel is not an accountant or actuary, nor is Stifel engaged in the practice of law. Accordingly, while Stifel believes the calculations described above to be correct, it does not warrant their validity for purposes of Sections 103 and 141 through 150 of the Code or make any representation as to the legal sufficiency of the factual matters set forth herein. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

Dated: September 3, 2020

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as Underwriter

By _____
Managing Director

SCHEDULE A TO ISSUE PRICE CERTIFICATE

\$ _____
SUCCESSOR AGENCY TO THE
STANTON REDEVELOPMENT AGENCY
Tax Allocation Refunding Bonds, 2020 Series A

<u>Maturity Date</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>
---	-----------------------------------	--------------------------------	--------------

c Priced to the 12/1/____ par call date

DRAFT PRELIMINARY OFFICIAL STATEMENT DATED MARCH 16, 2020

NEW ISSUE – BOOK-ENTRY**RATING**

S&P: “___”

(See “CONCLUDING INFORMATION - Rating on the Bonds” herein)

In the opinion of Best Best & Krieger LLP, Riverside, California, Bond Counsel, subject to certain qualifications described herein, under existing statutes, regulations, rules and court decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See “TAX MATTERS” herein.

\$8,195,000*

**SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY
TAX ALLOCATION REFUNDING BONDS, 2020 SERIES A**

Dated: Date of Delivery**Due: December 1 as shown on the inside cover page**

Proceeds from the sale of the Successor Agency to the Stanton Redevelopment Agency (the “Successor Agency”) Tax Allocation Refunding Bonds, 2020 Series A (the “Bonds”) will be used to refinance certain outstanding obligations of the former Stanton Redevelopment Agency (the “Former Agency”).

The Bonds will be issued under an Indenture of Trust, dated as of July 1, 2005 (the “2005 Indenture”) between the Successor Agency, as successor to the Former Agency, and U.S. Bank National Association, successor trustee to The Bank of New York Mellon Trust Company, N.A., as Trustee (the “Trustee”) as amended and supplemented by (i) a First Supplement to Indenture of Trust dated as of October 1, 2010, (ii) a Second Supplement to Indenture of Trust, dated as of March 1, 2011 and (iii) a Third Supplement to Indenture of Trust dated as of September 1, 2020 (the “Third Supplement” and, with the 2005 Indenture, the “Indenture”), each by and between the Successor Agency and the Trustee. The Bonds are special obligations of the Successor Agency and are payable solely from and secured by a pledge of certain tax increment revenues of the Former Agency’s Stanton Consolidated Redevelopment Project and a pledge of amounts in certain funds and accounts established under the Indenture (see “SECURITY FOR THE BONDS” and “RISK FACTORS”).

Interest on the Bonds is payable semiannually on each June 1 and December 1, commencing June 1, 2021, until maturity or earlier optional redemption (see “THE BONDS - General Provisions” herein).

The Bonds do not constitute a debt or liability of the City of Stanton, the County of Orange, the State of California or of any political subdivision thereof, other than the Successor Agency. The Successor Agency shall only be obligated to pay the principal of the Bonds, or the interest thereon, from the funds described herein, and neither the faith and credit nor the taxing power of the City of Stanton, the County of Orange, the State of California or any of its political subdivisions is pledged to the payment of the principal of or the interest on the Bonds. The Successor Agency has no taxing power.

The cover page contains certain information for quick reference only. It is not a summary of the issues. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. See “RISK FACTORS” herein for a discussion of special risk factors that should be considered in evaluating the investment quality of the Bonds.

The Bonds are being offered when, as and if issued, subject to the approval as to their legality by Best Best & Krieger LLP, Riverside, California. Certain legal matters will also be passed on for the Successor Agency by Quint & Thimmig LLP, Larkspur, California, as Disclosure Counsel, and by the City Attorney, as Successor Agency Counsel. Certain legal matters will be passed on for the Underwriter by its counsel, Kutak Rock LLP, Los Angeles, California. It is anticipated that the Bonds will be available for delivery through the facilities of The Depository Trust Company on or about September 3, 2020 (see “APPENDIX G - THE BOOK-ENTRY SYSTEM” herein).

The date of the Official Statement is _____.

STIFEL

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. 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 under the securities laws of such jurisdiction.

\$8,195,000*

**SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY
TAX ALLOCATION REFUNDING BONDS, 2020 SERIES A**

MATURITY SCHEDULE

Maturity Date	Principal	Interest			CUSIP®†
<u>December 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>(85473T)</u>
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Successor Agency, the Municipal Advisor or the Underwriter and are included solely for the convenience of the holders of the Bonds. None of the Successor Agency, the Municipal Advisor or the Underwriter is responsible for the selection or use of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended ("Rule 15c2-12"), this Preliminary Official Statement constitutes an "official statement" of the Successor Agency with respect to the Bonds that has been deemed "final" by the Successor Agency as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

No Offering May be Made Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency or the Project Area since the date of this Official Statement.

Use of This Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Bonds.

Preparation of This Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the Successor Agency. All summaries of the Bonds, the Indenture and other documents, are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Successor Agency for further information. See "INTRODUCTION - Summary Not Definitive."

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.

Stabilization of and Changes to Offering Prices. The Underwriter may overallocate or take other steps that stabilize or maintain the market price of the Bonds at levels above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Bonds are Exempt From Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Estimates and Projections. 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," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE 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. THE SUCCESSOR AGENCY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

Website. The City of Stanton maintains an Internet website, but the information on the website is not incorporated in this Official Statement.

**SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY
STANTON, CALIFORNIA**

CITY COUNCIL AND SUCCESSOR AGENCY GOVERNING BOARD

David J. Shawver, *Mayor*
Carol Warren, *Mayor Pro Tem*
Rigoberto A. Ramirez, *Council Member*
Gary Taylor, *Council Member*
Hong Alyce Van, *Council Member*

CITY STAFF

Jarad Hildenbrand, *City Manager*
Michelle Bannigan, *Finance Director*
Amy Stonich, *City Planner*
Zenia Bobadilla, *Community Services Director*
Allan Rigg, *Public Works Director/City Engineer*
Matthew Richardson, *City Attorney*
Patricia A. Vazquez, *City Clerk*

PROFESSIONAL SERVICES

Bond Counsel and Successor Agency Counsel

Best Best & Krieger LLP
Riverside, California

Disclosure Counsel

Quint & Thimmig LLP
Larkspur, California

Municipal Advisor

Harrell & Company Advisors, LLC
Orange, California

Trustee

U.S. Bank National Association
Los Angeles, California

Verification Agent

Robert Thomas CPA, LLC
Overland Park, Kansas

TABLE OF CONTENTS

INTRODUCTION	1	Outstanding Indebtedness and Enforceable	
The Successor Agency and the Former Agency.....	1	Obligations	28
The City	2	Flow of Funds.....	29
Authority and Purpose	2	Projected Tax Revenues and Debt Service	
Tax Allocation Financing Under the Dissolution		Coverage.....	29
Act	2	RISK FACTORS	30
The Project Area	3	Factors Which May Affect Tax Revenues	30
Bonded Debt of the Successor Agency	3	Real Estate and General Economic Risks.....	33
Security for the Bonds	3	Last and Final Recognized Obligation Payment	
No Reserve Fund	4	Schedule	33
Legal Matters.....	5	Cybersecurity.....	33
Offering of the Bonds	5	Risks Related to Coronavirus	34
Summary Not Definitive.....	5	Loss of Tax Exemption.....	34
THE BONDS	6	IRS Audit of Tax-Exempt Bond Issues.....	34
General Provisions.....	6	Secondary Market.....	34
Redemption.....	7	TAX MATTERS	34
Scheduled Debt Service on the Bonds	9	LEGAL MATTERS.....	35
THE FINANCING PLAN.....	10	Enforceability of Remedies	35
The Refunding Plan	10	Approval of Legal Proceedings	36
Estimated Sources and Uses of Funds	10	No Litigation	36
THE DISSOLUTION ACT.....	11	CONCLUDING INFORMATION.....	36
SECURITY FOR THE BONDS	12	Rating on the Bonds	36
Tax Revenues.....	12	The Municipal Advisor.....	36
Redevelopment Property Tax Trust Fund	12	Continuing Disclosure.....	37
Recognized Obligation Payment Schedules	14	Underwriting	37
Pledge of Tax Revenues.....	16	References	37
Redevelopment Obligation Retirement Fund;		Execution.....	37
Deposit of Tax Revenues	17	APPENDIX A - SUMMARY OF CERTAIN	
No Additional Debt Other Than Refunding Bonds..	17	PROVISIONS OF THE INDENTURE	
THE SUCCESSOR AGENCY.....	18	APPENDIX B - MUNICIPAL ADVISOR'S	
Successor Agency Powers	18	PROJECTED TAX REVENUES REPORT	
Redevelopment Plan	19	APPENDIX C - CITY OF STANTON	
SB 107 Effects on Plan Limits.....	19	INFORMATION STATEMENT	
THE PROJECT AREA.....	20	APPENDIX D - CITY AUDITED FINANCIAL	
Description of the Project Area.....	20	STATEMENTS FOR THE FISCAL YEAR ENDED	
Assessed Valuations and Tax Revenues	20	JUNE 30, 2019	
Major Taxpayers	24	APPENDIX E - FORM OF CONTINUING	
Assessment Appeals.....	24	DISCLOSURE CERTIFICATE	
FINANCIAL INFORMATION	25	APPENDIX F - PROPOSED FORM OF BOND	
Successor Agency Accounting Records and		COUNSEL OPINION	
Financial Statements	25	APPENDIX G - THE BOOK-ENTRY SYSTEM	
Property Taxation in California.....	25		
Tax Sharing Agreements and Tax Sharing Statutes ..	28		

OFFICIAL STATEMENT

\$8,195,000*

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY TAX ALLOCATION REFUNDING BONDS, 2020 SERIES A

This Official Statement, which includes the cover page, inside cover page and appendices (the "Official Statement"), is provided to furnish certain information concerning the sale of the Successor Agency to the Stanton Redevelopment Agency Tax Allocation Refunding Bonds, 2020 Series A (the "Bonds").

INTRODUCTION

This Introduction contains only a brief description of this issue and does not purport to be complete. The Introduction is subject in all respects to more complete information in the entire Official Statement and the offering of the Bonds to potential investors is made only by means of the entire Official Statement and the documents summarized herein. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision (see "RISK FACTORS" herein). For definitions of certain capitalized terms used herein and not otherwise defined, and the terms relating to the Bonds, see the summary included in "APPENDIX A - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" herein.

The Successor Agency and the Former Agency

The Former Agency was established in 1979 by the City Council (the "City Council") of the City of Stanton (the "City") pursuant to the Community Redevelopment Law (the "Redevelopment Law"), constituting Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California (the "State"). On June 29, 2011, Assembly Bill No. 26 ("AB X1 26") was enacted as Chapter 5, Statutes of 2011. As a result of AB X1 26 and the decision of the California Supreme Court in *California Redevelopment Association, et al. v. Matosantos, et al.*, 53 Cal. 4th 231 (Cal. 2011), as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Former Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies.

The primary provisions enacted by AB X1 26 relating to the dissolution and wind down of former redevelopment agency affairs are Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 ("AB 1484"), enacted as Chapter 26, Statutes of 2012, and as further amended on September 22, 2015 by Senate Bill No. 107 ("SB 107") enacted as Chapter 325, Statutes of 2015. The provisions of Part 1.85 as amended by AB 1484 and SB 107 are referred to in this Official Statement as the "Dissolution Act." The Redevelopment Law, as amended by the Dissolution Act, is sometimes referred to herein as the "Law."

Pursuant to Section 34173 of the Dissolution Act, the City Council serves as the governing board of the successor agency to the Former Agency. Since the February 1, 2012 dissolution of the Former Agency, the City has served as the Successor Agency to the Stanton Redevelopment Agency (the "Successor Agency"). The City Manager acts as the Successor Agency's chief administrative officer (see "THE SUCCESSOR AGENCY" herein).

* Preliminary, subject to change.

Section 34173(g) of the Dissolution Act expressly affirms that the Successor Agency is a separate public entity from the City, that the two entities shall not merge, and that the liabilities of the Former Agency will not be transferred to the City nor will the assets of the Former Agency become assets of the City (see “THE SUCCESSOR AGENCY” herein).

The City

The City was incorporated in 1956. It encompasses over 3.1 square miles located in central Orange County, approximately 23 miles southeast of Los Angeles. Neighboring communities include Anaheim, Buena Park, Garden Grove, Cypress, and La Palma (see “APPENDIX C - CITY OF STANTON INFORMATION STATEMENT” herein).

Authority and Purpose

The Bonds are being issued pursuant to the Constitution and laws of the State, including Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the “Refunding Law”), the Law and an Indenture of Trust, dated as of July 1, 2005 (the “2005 Indenture”) between the Successor Agency, as successor to the Former Agency, and U.S. Bank National Association, successor trustee to The Bank of New York Mellon Trust Company, N.A., as Trustee (the “Trustee”) as amended and supplemented by (i) a First Supplement to Indenture of Trust dated as of October 1, 2010, (ii) a Second Supplement to Indenture of Trust, dated as of March 1, 2011 and (iii) a Third Supplement to Indenture of Trust dated as of September 1, 2020 (the “Third Supplement” and, with the 2005 Indenture, the “Indenture”), each by and between the Successor Agency and the Trustee.

The Bonds are being issued to refinance the Former Agency’s outstanding Stanton Consolidated Redevelopment Project Tax Allocation Bonds, 2010 Series A (the “2010 Bonds”). See “THE FINANCING PLAN” herein.

Tax Allocation Financing Under the Dissolution Act

Prior to the enactment of AB X1 26, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopted the redevelopment plan became the base year valuation. Assuming the taxable valuation never dropped below the base year level, the Taxing Agencies, as defined herein, thereafter received that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of agency obligations.

Under the Dissolution Act, moneys will be deposited from time to time in a Redevelopment Property Tax Trust Fund (the “Redevelopment Property Tax Trust Fund” or “RPTTF”) held by a county auditor-controller with respect to a successor agency, which are equivalent to the tax increment revenues that were formerly allocated under the Redevelopment Law to the redevelopment agency and formerly authorized under the Redevelopment Law to be used for the financing of redevelopment projects. See “THE DISSOLUTION ACT” herein for additional information.

The Dissolution Act authorizes refunding bonds, including the Bonds, to be secured by a pledge of moneys deposited from time to time in the Redevelopment Property Tax Trust Fund. Pledged Tax Revenues, as defined herein, pledged to pay the Bonds consist of a portion of the amounts deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to and as provided in the Dissolution Act (see “Security for the Bonds” below).

The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the Former Agency, with the same legal effect as if the bonds had been issued prior to the effective date of AB X1 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedules (see "APPENDIX A - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Definitions" and "SECURITY FOR THE BONDS - Recognized Obligation Payment Schedules").

The Project Area

The Stanton Consolidated Redevelopment Project Area of the Former Agency (the "Project Area") is comprised of two component redevelopment projects totaling approximately 1,940 acres. The Stanton Community Development Project ("Original Area") was created in 1983 and originally consisted of approximately 180 acres generally fronting on the Beach Boulevard commercial corridor. Amendment No. 1 to the Original Area ("Amendment No. 1 Area") was adopted in 1987 and added 83 acres to the Original Area. Amendment No. 2 to the Original Area ("Amendment No. 2 Area") was adopted in 1992 and added an additional 164 acres to the Original Area. Together, the Original Area, the Amendment No. 1 Area and the Amendment No. 2 Area are referred to herein as the "Community Development Project." The Stanton 2000 Redevelopment Project (the "2000 Project") was created in 2000 and consists of 1,513 acres, or approximately 77 percent of the total area of the City. The Community Development Project and the 2000 Project were merged to form the Project Area in November 2004. The Project Area encompasses the entire incorporated City with the exception of a 20-acre residential area located west of Knott Avenue.

The Original Area, the Amendment No. 1 Area, the Amendment No. 2 Area and the 2000 Project are each referred to herein individually as a "Constituent Project."

See "THE PROJECT AREA" herein for additional information on the Project Area and "THE SUCCESSOR AGENCY" herein for additional information on the Redevelopment Plan.

Bonded Debt of the Successor Agency

In addition to the 2010 Bonds being refunded with the proceeds of the Bonds, the Successor Agency has the following outstanding bonds:

- Stanton Consolidated Redevelopment Project Subordinate Tax Allocation Refunding Bonds, 2016 Series A ("2016 A Bonds");
- Stanton Consolidated Redevelopment Project Subordinate Taxable Tax Allocation Refunding Bonds, 2016 Series B ("2016 B Bonds");
- Stanton Consolidated Redevelopment Project Tax Allocation Refunding Parity Bonds, 2016 Series C ("2016 C Bonds"); and
- Stanton Consolidated Redevelopment Project Taxable Tax Allocation Refunding Parity Bonds, 2016 Series D ("2016 D Bonds").

The 2016 Series A Bonds, the 2016 Series B Bonds, the 2016 Series C Bonds and the 2016 Series D Bonds are referred to herein collectively as the "2016 Bonds" or the "Subordinate Bonds."

Security for the Bonds

For the security of the Bonds, the Successor Agency grants a pledge of and lien on all of the Tax Revenues. "Tax Revenues" are defined under the Indenture as Tax Increment Revenues allocated to the Project Area excluding (a) all amounts that are required to be deposited into the Low and Moderate Income Housing

Fund of the Former Agency in any Fiscal Year pursuant to Sections 33334.2 and 33334.3 of the Redevelopment Law, (b) all amounts required to be paid to entities other than the Former Agency pursuant to tax-sharing arrangements entered into pursuant to former Section 33401 of the Redevelopment Law except those which are subordinate by their respective terms ("Contractual Tax Sharing Agreements"), and (c) all amounts required to be paid to entities other than the Former Agency pursuant to statutory tax-sharing arrangements imposed by Sections 33607.5 and 33607.7 of the Redevelopment Law ("Statutory Tax Sharing").

Under the Dissolution Act, "Tax Increment Revenues," as used in the definition of Tax Revenues, means taxes that were eligible for allocation to the Former Agency with respect to the Project Area and are allocated to the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and deposited in the Redevelopment Property Tax Trust Fund. By definition, under the Dissolution Act, Tax Revenues are net of the County's administrative costs allowed under Section 34182 of the Dissolution Act and Section 95.3 of the Revenue and Taxation Code. See "FINANCIAL INFORMATION - Property Taxation in California" and "Tax Sharing Agreements and Tax Sharing Statutes" herein.

Since, pursuant to the Dissolution Act, Tax Increment Revenues are not required to be deposited in the Low and Moderate Income Housing Fund but pursuant to the Dissolution Act are deposited in the Redevelopment Property Tax Trust Fund and there are no outstanding bonds secured by such revenues, Tax Revenues shall include such amounts.

The Successor Agency may issue refunding bonds payable from Tax Revenues on a parity with the Bonds ("Parity Debt") to refinance the Bonds. See "SECURITY FOR THE BONDS - No Additional Debt Other Than Refunding Bonds" herein.

The 2016 Bonds are payable from amounts deposited in the Redevelopment Property Tax Trust Fund on a basis subordinate to the Bonds.

Taxes levied on the property within the Project Area on that portion of the taxable valuation over and above the taxable valuation of the base year property tax roll of each Constituent Project of the Project Area, will be deposited in the RPTTF for transfer by the County Auditor-Controller to the Successor Agency's Redevelopment Obligation Retirement Fund, as defined herein, on January 2 and June 1 of each year to the extent required for payments listed in the Successor Agency's Recognized Obligation Payment Schedule in accordance with the requirements of the Dissolution Act. Moneys transferred by the County Auditor-Controller to the Successor Agency will be deposited into the Successor Agency's Redevelopment Obligation Retirement Fund and amounts required for payment of debt service on the Bonds will be transferred by the Successor Agency to the Trustee for deposit in the Debt Service Fund established under the Indenture. See "SECURITY FOR THE BONDS - Recognized Obligation Payment Schedules" herein.

The Bonds do not constitute a debt or liability of the City, the County, the State or of any political subdivision thereof, other than the Successor Agency. The Successor Agency shall only be obligated to pay the principal of the Bonds, or the interest thereon, from the funds described herein, and neither the faith and credit nor the taxing power of the City, the County, the State or any of its political subdivisions is pledged to the payment of the principal of or the interest on the Bonds. The Successor Agency has no taxing power.

No Reserve Fund

The Successor Agency will not fund a reserve fund for the Bonds.

Legal Matters

All legal proceedings in connection with the issuance of the Bonds are subject to the approving opinion of Best Best & Krieger LLP, Riverside, California, as Bond Counsel ("Bond Counsel"). Such opinion, and certain tax consequences incident to the ownership of the Bonds, including certain exceptions to the tax treatment of interest, are described more fully under the heading "TAX MATTERS" herein. Certain legal matters will be passed on for the Successor Agency by Quint & Thimmig LLP, Larkspur, California, as Disclosure Counsel, by the City Attorney, as General Counsel to the Successor Agency, and for the Underwriter by their Counsel, Kutak Rock LLP, Los Angeles, California.

Offering of the Bonds

Authority for Issuance. The Bonds are to be issued and secured pursuant to the Indenture, as authorized by Resolution No. ____ of the Successor Agency adopted on ____, 2020, the Refunding Law and the Law. The Countywide Oversight Board (the "Oversight Board") approved the action taken by the Successor Agency to refinance the 2010 Bonds on ____, 2020. The State Department of Finance approved the Oversight Board action by letter dated ____, 2020.

Offering and Delivery of the Bonds. The Bonds are being sold to Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Bonds are offered, when, as and if issued, subject to the approval as to their legality by Bond Counsel. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of The Depository Trust Company on or about September 3, 2020.

Summary Not Definitive

The summaries and references contained herein with respect to the Indenture, the Bonds and other statutes or documents do not purport to be comprehensive or definitive and are qualified by reference to each such document or statute, and references to the Bonds are qualified in their entirety by reference to the form thereof included in the Indenture. Copies of these documents may be obtained after delivery of the Bonds from the Successor Agency at 7800 Katella Avenue, Stanton, California 90680.

THE BONDS

General Provisions

Repayment of the Bonds. Interest on the Bonds is payable at the rates per annum set forth on the inside cover page hereof. Interest on the Bonds will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Interest on the Bonds will be payable on June 1 and December 1 (each an "Interest Payment Date"), commencing June 1, 2021, and thereafter from the Interest Payment Date next preceding the date of authentication thereof, unless Interest on the Bonds is payable from the Interest Payment Date next preceding the date of authentication thereof unless: (a) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date, (b) a Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date, or (c) interest on any Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full.

The Bonds are authorized to be issued in denominations of \$5,000 or any integral multiple thereof, and will be dated as of the date of their original delivery.

Transfer or Exchange of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of the same interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the transfer or exchange of any Bonds. Whenever any Bond is surrendered for transfer or exchange, the Successor Agency shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of like interest rate, maturity and aggregate principal amount. The Successor Agency shall pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer or exchange of Bonds.

So long as the Bonds are in the book-entry system of The Depository Trust Company ("DTC") as described below, the rules of DTC will apply for the transfer and exchange of Bonds.

Book-Entry System. DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. Interest on and principal of the Bonds will be payable when due by wire of the Trustee to DTC which will in turn remit such interest and principal to DTC Participants, which will in turn remit such interest and principal to Beneficial Owners of the Bonds (see "APPENDIX G - THE BOOK-ENTRY SYSTEM" herein). As long as DTC is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Trustee will send any notices to Bond Owners only to DTC.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Successor Agency or the Trustee. Under such circumstances, if a successor securities depository is not obtained, Bonds are required to be printed and delivered as described in the Indenture. The Successor Agency may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Bonds will be printed and delivered as described in the Indenture.

Redemption

Optional Redemption. The Bonds maturing on or before December 1, ____ are not subject to optional redemption prior to their respective stated maturities. The Bonds maturing on or after December 1, ____ are subject to redemption in whole, or in part at the Request of the Successor Agency among maturities on such basis as the Successor Agency shall designate and by lot within a maturity, at the option of the Successor Agency, on any date on or after December 1, 20____, from any available source of funds, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, without premium.

Mandatory Sinking Fund Redemption of Term Bonds. The Bonds maturing on December 1, ____ (the "Term Bonds") are subject to mandatory redemption in part by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on December 1 in the respective years as set forth in the following table; provided, however, that if some but not all of the Term Bonds have been redeemed pursuant to the optional redemption provisions described above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the Successor Agency to the Trustee).

SINKING FUND SCHEDULE FOR TERM BONDS MATURING DECEMBER 1, ____

Sinking Fund Redemption Date (December 1)	Principal Amount To Be Redeemed
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Notice of Redemption; Rescission. The Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail) notice of any redemption to the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and to the Securities Depositories and to the Information Services, at least 30 but not more than 60 days prior to the date fixed for redemption; provided, however, that neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice must state the date of the notice, the redemption date, the redemption place and the redemption price and must designate the CUSIP numbers, the Bond numbers and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and must require that such Bonds be then surrendered for redemption at the Office of the Trustee identified in such notice, giving notice also that further interest on such Bonds will not accrue from and after the redemption date. In addition, the redemption notice shall state that the Successor Agency has the right to rescind the notice as provided below.

The Successor Agency has the right to rescind any notice of the optional redemption of Bonds by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default. The Successor Agency and the Trustee have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and to the Securities Depositories and to the Information Services.

Partial Redemption Bonds. If only a portion of any Bond is called for redemption, then upon surrender of such Bond the Successor Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new Bond or Bonds of the same maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

Effect of Redemption. From and after the date fixed for redemption, if notice of redemption has been duly mailed and funds available for the payment of the principal of and interest on the Bonds so called for redemption have been duly provided, such Bonds so called shall cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date specified in such notice.

Manner of Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the Bonds of the same maturity, the Trustee shall select the Bonds to be redeemed on a pro rata basis among the Beneficial Owners of the Bonds of such maturity. For purposes of such selection, all Bonds will be deemed to be comprised of separate \$5,000 denominations and such separate denominations will be treated as separate Bonds which may be separately redeemed.

So long as the Bonds are registered in book-entry-only form and so long as DTC or a successor securities depository is the sole registered Owner of the Bonds, partial redemptions will be done in accordance with procedures of DTC. It is the Successor Agency's intent that redemption allocations made by DTC be made in accordance with the proportional provisions described in the Indenture. However, neither the Successor Agency nor the Trustee has a duty to assure, and can provide no assurance, that DTC will allocate redemptions among Beneficial Owners on such a proportional basis, and neither the Successor Agency nor the Trustee shall have any liability whatsoever to Beneficial Owners in the event redemptions are not done on a proportionate basis for any reason. The portion of any registered Bonds of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or any integral multiple thereof.

Purchase in Lieu of Redemption. In lieu of redemption of Bonds, amounts held by the Trustee for such redemption shall, at the Request of the Successor Agency received by the Trustee prior to the selection of Bonds for redemption, be applied by the Trustee to the purchase of Bonds at public or private sale as and when and at such prices (including brokerage, accrued interest and other charges) as the Successor Agency may in its discretion direct, but not to exceed the redemption price which would be payable if such Bonds were redeemed. The aggregate principal amount of Bonds of the same maturity purchased in lieu of redemption may not exceed the aggregate principal amount of Bonds of such maturity which would otherwise be subject to such redemption. Any Bonds so purchased in lieu of redemption shall be treated as if such were redeemed, for all purposes of the Indenture.

Scheduled Debt Service on the Bonds

The following is the scheduled semi-annual and annual debt service on the Bonds (assuming no early redemption).

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Annual Debt Service</u>
June 1, 2021				
December 1, 2021				
June 1, 2022				
December 1, 2022				
June 1, 2023				
December 1, 2023				
June 1, 2024				
December 1, 2024				
June 1, 2025				
December 1, 2025				
June 1, 2026				
December 1, 2026				
June 1, 2027				
December 1, 2027				
June 1, 2028				
December 1, 2028				
June 1, 2029				
December 1, 2029				
June 1, 2030				
December 1, 2030				
June 1, 2031				
December 1, 2031				
June 1, 2032				
December 1, 2032				
June 1, 2033				
December 1, 2033				
June 1, 2034				
December 1, 2034				
June 1, 2035				
December 1, 2035				
Total				

THE FINANCING PLAN

The Refunding Plan

Redemption of 2010 Bonds. On the Closing Date, a portion of the proceeds of the Bonds will be transferred to U.S. Bank National Association., the 2010 Bonds trustee (the “2010 Trustee”) for deposit into the redemption fund (the “Redemption Fund”) established for the 2010 Bonds, under certain Irrevocable Refunding Instructions dated as of September 3, 2020 (the “Refunding Instructions”) delivered by the Successor Agency to 2010 Trustee. The amount deposited in the Redemption Fund, together with other available money and interest earnings thereon, will be sufficient pay the principal and interest due on the 2010 Bonds on December 1, 2020 and to pay the redemption price of the \$10,645,000 remaining 2010 Bonds on December 1, 2020, at a redemption price equal to the principal amount thereof, without premium.

Amounts deposited in the Redemption Fund will be pledged to the payment of principal and interest when due or to the payment of the redemption price of the 2010 Bonds on the redemption date and the sufficiency of the amounts deposited for such purpose will be verified by the Verification Agent as described below. The lien of the 2010 Bonds will be discharged, terminated and of no further force and effect upon the deposit with the 2010 Trustee of the amounts required pursuant to the Refunding Instructions.

The amounts deposited in the Redemption Fund are pledged solely to the payment of amounts due and payable by the Successor Agency pursuant to the Refunding Instructions. The funds deposited in the Redemption Fund will not be available for the payment of debt service on the Bonds.

Verifications of Mathematical Computations. Robert Thomas CPA, LLC will verify from the information provided to them the mathematical accuracy as of the date of the closing on the Bonds of (1) the computations contained in the provided schedules to determine that the cash and investments listed in the schedules prepared by the Municipal Advisor, deposited in the Redemption Fund, will be sufficient to pay, when due, the principal, and interest requirements or redemption price of the 2010 Bonds, and (2) the computation of yield on the Bonds contained in the provided schedules used by Bond Counsel in its determination that the interest with respect to the Bonds is exempt from federal taxation.

Estimated Sources and Uses of Funds

Under the provisions of the Indenture, the Trustee will receive the proceeds from the sale of the Bonds and other available funds and will apply them as shown below.

Sources of Funds

Par Amount of Bonds
Original Issue Premium
Funds Held for the 2010 Bonds
Total Source of Funds

Uses of Funds

Transfer to 2010 Trustee
Underwriter’s Discount
Costs of Issuance Fund ⁽¹⁾
Total Use of Funds

⁽¹⁾ Costs of issuance include fees and expenses of Bond Counsel, the Municipal Advisor, Disclosure Counsel, Verification Agent, Trustee and Escrow Bank, costs of printing the Official Statement, rating fee and other costs of issuance of the Bonds.

THE DISSOLUTION ACT

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former Agency (pursuant to subdivision (b) of Section 16 of Article XVI of the State Constitution) had the Former Agency not been dissolved pursuant to the operation of AB XI 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund for the Successor Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act.

The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the Former Agency, with the same lien priority and legal effect as if the bonds had been issued prior to the effective date of AB XI 26, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedules (see "SECURITY FOR THE BONDS - Recognized Obligation Payment Schedules").

The Dissolution Act further provides that bonds authorized by the Dissolution Act to be issued by the Successor Agency will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund, and that property tax revenues pledged to any bonds authorized to be issued by the Successor Agency under the Dissolution Act, including the Bonds, are taxes allocated to the Successor Agency pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the State Constitution.

Pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the State Constitution and as provided in the Redevelopment Plan, taxes levied upon taxable property in the Project Area each year by or for the benefit of the State, any city, county, city and county, district, or other public corporation (herein sometimes collectively called "taxing agencies") after the effective date of the ordinance approving the related Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the Redevelopment Plan that added territory to the Project Area, if any, are to be divided as follows:

- (a) To Taxing Agencies: That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the Project Area as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency last equalized prior to the effective date of the ordinance adopting the Redevelopment Plan (the "base year valuation"), will be allocated to, and when collected will be paid into, the funds of the respective taxing agencies as taxes by or for the taxing agencies on all other property are paid; and
- (b) To the Former Agency/Successor Agency: Except for that portion of the taxes in excess of the amount identified in (a) above which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989 for the acquisition or improvement of real property, which portion shall be allocated to, and when collected shall be paid into, the fund of that taxing agency, that portion of the levied taxes each year in excess of such amount, annually allocated within limitations established by the Redevelopment Plan, following the date of issuance of the Bonds, when collected will be paid into a special fund of the Successor Agency. Section 34172 of the Dissolution Act provides that, for purposes of Section 16 of Article XVI of the State Constitution, the Redevelopment Property Tax Trust Fund shall be deemed to be a special fund of the Successor Agency to pay the debt service on indebtedness incurred by the Former Agency or the Successor Agency to finance or refinance the redevelopment projects of the Former Agency.

That portion of the levied taxes described in paragraph (b) above, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the County Auditor-Controller, constitute the amounts required under the Dissolution Act to be deposited by the County Auditor-Controller into the Redevelopment Property Tax Trust Fund. In addition, Section 34183 of the Dissolution Act effectively eliminates the January 1, 1989 date from paragraph (b) above. Pursuant to SB 107, effective September 22, 2015, debt service override revenues approved by the voters for the purpose of supporting pension programs or capital projects, and programs related to the State Water Project, that are not pledged to or needed for debt service on successor agency obligations are allocated and paid to the entity that levies the override and will not be deposited into the Redevelopment Property Tax Trust Fund. Within the Project Area, voters within the Metropolitan Water District ("MET") approved debt service override tax rates, the revenues from which were pledged as security for the payment of debt service on the 2010 Bonds. However, neither such overrides levied by MET nor any other overrides levied within the Project Area, are pledged to the payment of debt service on the Bonds.

SECURITY FOR THE BONDS

Tax Revenues

Pledged Tax Revenues. For the security of the Bonds, the Successor Agency grants a pledge of and lien on all of the Tax Revenues. "Tax Revenues" are defined under the Indenture as Tax Increment Revenues allocated to the Project Area excluding (a) all amounts that are required to be deposited into the Low and Moderate Income Housing Fund of the Former Agency in any Fiscal Year pursuant to Sections 33334.2 and 33334.3 of the Redevelopment Law, (b) all amounts required to be paid to entities other than the Former Agency pursuant to Contractual Tax Sharing Agreements, and (c) all amounts required to be paid to entities other than the Former Agency pursuant to Statutory Tax Sharing.

Under the Dissolution Act, "Tax Increment Revenues," as used in the definition of Tax Revenues, means taxes that were eligible for allocation to the Former Agency with respect to the Project Area and are allocated to the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and deposited in the Redevelopment Property Tax Trust Fund. By definition, under the Dissolution Act, Tax Revenues are net of the County's administrative costs allowed under Section 34182 of the Dissolution Act and Section 95.3 of the Revenue and Taxation Code.

See "Pledge of Tax Revenues" below and "FINANCIAL INFORMATION - Tax Sharing Agreements and Tax Sharing Statutes" herein.

Elimination of the 20% Housing Set-Aside. Revenues pledged to the 2010 Bonds did not include amounts otherwise required to be deposited in the Former Agency's Low and Moderate Income Housing Fund (the "20% Housing Set-Aside"). The Dissolution Act eliminated the 20% Housing Set-Aside requirement and none of the property tax revenues deposited in the Redevelopment Property Tax Trust Fund is designated as 20% Housing Set-Aside. In effect, after the Former Agency's dissolution, the 2010 Bonds have been paid from Redevelopment Property Tax Trust Fund disbursements without any allocation of the 20% Housing Set-Aside, and Tax Revenues pledged to the Bonds include the former 20% Housing Set-Aside.

Redevelopment Property Tax Trust Fund

Deposits to the Redevelopment Property Tax Trust Fund. Section 34172 of the Dissolution Act provides that, for purposes of Section 16 of Article XVI of the State Constitution, the Redevelopment Property Tax Trust Fund shall be deemed to be a special fund of the Successor Agency to pay the debt service on indebtedness incurred by the Former Agency or the Successor Agency to finance or refinance the redevelopment projects of the Former Agency.

Disbursements From the Redevelopment Property Tax Trust Fund. The Redevelopment Law authorized redevelopment agencies to make payments to Taxing Agencies to alleviate any financial burden or detriments to such Taxing Agencies caused by a redevelopment project. The Former Agency entered into a number of agreements with the Taxing Agencies for this purpose ("Contractual Tax Sharing Agreements"). Additionally, Sections 33607.5 and 33607.7 of the Redevelopment Law required mandatory tax sharing applicable to redevelopment projects adopted on or after January 1, 1994 or amended after January 1, 1994 in a manner specified in such section (the "Statutory Tax Sharing"). The Successor Agency is also obligated to make certain Statutory Tax Sharing payments. See "FINANCIAL INFORMATION - Tax Sharing Agreements and Tax Sharing Statutes" herein).

Typically, under the Redevelopment Property Tax Trust Fund distribution provisions of the Dissolution Act, a county auditor-controller is to distribute funds for each six-month period in the following order specified in Section 34183 of the Dissolution Act:

- (i) first, subject to certain adjustments (as described below) for subordinations to the extent permitted under the Dissolution Act (if any, as described below under "FINANCIAL INFORMATION - Tax Sharing Agreements and Tax Sharing Statutes") and no later than each January 2 and June 1, to each local taxing agency and school entity, to the extent applicable, amounts required for pass-through payments such entity would have received under provisions of the Redevelopment Law, as those provisions read on January 1, 2011, including the Contractual Tax Sharing Agreements and the Statutory Tax Sharing Amounts;
- (ii) second, on each January 2 and June 1, to the successor agency for payments listed in its Recognized Obligation Payment Schedule, with debt service payments (and amounts required to replenish the related reserve funds, if any) scheduled to be made for tax allocation bonds having the highest priority over payments scheduled for other debts and obligations listed on the Recognized Obligation Payment Schedule;
- (iii) third, on each January 2 and June 1, to the successor agency for the administrative cost allowance, as defined in the Dissolution Act; and
- (iv) fourth, on each January 2 and June 1, to taxing entities any moneys remaining in the Redevelopment Property Tax Trust Fund after the payments and transfers authorized by clauses (i) through (iii), in an amount proportionate to such taxing entity's share of property tax revenues in the tax rate area in that fiscal year (without giving effect to any pass-through obligations that were established under the Redevelopment Law).

The Dissolution Act requires the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund amounts required to be distributed under any Contractual Tax Sharing Agreements and Statutory Tax Sharing to the Taxing Agencies on each January 2 and June 1 before amounts are distributed by the County Auditor-Controller from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund, unless: (i) pass-through payment obligations have been made subordinate to debt service payments for the bonded indebtedness of the Former Agency, as succeeded to by the Successor Agency; (ii) the Successor Agency has reported, no later than the December 1 and May 1 preceding the applicable January 2 or June 1 distribution date, that the total amount available to the Successor Agency from the Redevelopment Property Tax Trust Fund allocation to the Successor Agency's Redevelopment Obligation Retirement Fund, from other funds transferred from the Former Agency and from funds that have or will become available through asset sales and all redevelopment operations is insufficient to fund the Successor Agency's enforceable obligations, pass-through payments and the Successor Agency's administrative cost allowance for the applicable Recognized Obligation Payment Schedule period; and (iii) the State Controller has concurred with the Successor Agency that there are insufficient funds for such purposes.

If the requirements set forth in clauses (i) through (iii) of the foregoing paragraph have been met, the Dissolution Act provides for certain modifications in the distributions otherwise calculated to be distributed on the applicable January 2 or June 1 property tax distribution date (as adjusted for weekends and holidays). To provide for calculated shortages to be paid to the Successor Agency for enforceable obligations, the amount of the deficiency will first be deducted from the residual amount otherwise calculated to be distributed to the taxing entities under the Dissolution Act after payment of the Successor Agency's enforceable obligations, pass-through payments and the Successor Agency's administrative cost allowance. If such residual amount is exhausted, the amount of the remaining deficiency will be deducted from amounts available for distribution to the Successor Agency for administrative costs for the applicable Recognized Obligation Payment Schedule period in order to fund the enforceable obligations. Finally, funds required for servicing bond debt may be deducted from the amounts to be distributed under subordinated Contractual Tax Sharing Agreements, in order to be paid to the Successor Agency for enforceable obligations, but only after the amounts described in the previous two sentences have been exhausted. Pursuant to Contractual Tax Sharing Agreements with certain County taxing entities, such payments are subordinate to any bonds of the Successor Agency in accordance with the terms of such agreements. However, the Successor Agency cannot guarantee that the process prescribed by the Dissolution Act for administering any subordinations provided in the Contractual Tax Sharing Agreements.

The Dissolution Act provides for a procedure by which the Successor Agency may make the payment of Statutory Tax Sharing Amounts subordinate to the Bonds. The Successor Agency had not previously undertaken proceedings to subordinate such payments to the 2010 Bonds. The Successor Agency will not undertake any procedure to subordinate the Statutory Tax Sharing Amounts to the Bonds, and therefore, Statutory Tax Sharing Amounts are not subordinate to the Bonds.

See "FINANCIAL INFORMATION" and "APPENDIX B - MUNICIPAL ADVISORS' PROJECTED TAX REVENUES REPORT" for additional information regarding the Contractual Tax Sharing Agreements, the Statutory Tax Sharing Amounts applicable to the Successor Agency and the revenues derived from the Project Area.

Recognized Obligation Payment Schedules

Enforceable Obligations. The Dissolution Act requires successor agencies to prepare and approve, and submit to the successor agency's oversight board and the State Department of Finance for approval, a Recognized Obligation Payment Schedule pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation. As defined in the Dissolution Act, "enforceable obligation" includes bonds, including the debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency, as well as other obligations such as loans, judgments or settlements against the former redevelopment agency, any legally binding and enforceable agreement that is not otherwise void as violating the debt limit or public policy, contracts necessary for the administration or operation of the successor agency, and amounts borrowed from the Low and Moderate Income Housing Fund and from the city. A reserve may be included on the Recognized Obligation Payment Schedule and held by the successor agency when required by the bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bond for the next payment due in the following six-month period (see "APPENDIX A - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Covenants of the Successor Agency"). The Successor Agency has covenanted to request such reserves as described below.

Under the Dissolution Act, the categories of sources of payments for enforceable obligations listed on a Recognized Obligation Payment Schedule are the following: (i) the former low and moderate income housing fund, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, (v) the Redevelopment Property Tax Trust Fund (but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or otherwise required under the Dissolution Act), or (vi) other revenue sources (including rents, concessions, asset sale proceeds,

interest earnings, and any other revenues derived from the former redevelopment agency, as approved by the oversight board). Other than amounts deposited in the Redevelopment Property Tax Trust Fund and amounts held in funds and accounts under the Indenture, the Successor Agency does not expect to have any other funds available to pay the Bonds.

The Dissolution Act provides that only those payments listed in the Recognized Obligation Payment Schedule may be made by the Successor Agency from the funds specified in the Recognized Obligation Payment Schedule.

Required Approvals. As provided in SB 107, the Recognized Obligation Payment Schedule, with respect to each fiscal year, and segregated into each six-month period beginning July 1 and January 1, must be submitted by the Successor Agency, after approval by the Oversight Board, to the County Auditor-Controller, the State Department of Finance, and the State Controller by each February 1. For information regarding procedures under the Dissolution Act relating to late Recognized Obligation Payment Schedules and implications thereof on the Bonds, see "RISK FACTORS - Last and Final Recognized Obligation Payment Schedule."

Commencing on September 22, 2015, successor agencies that have received a Finding of Completion and the concurrence of the Department of Finance as to the items that qualify for payment, among other conditions, may at their option, file a "Last and Final" Recognized Obligation Payment Schedule. If approved by the Department of Finance, the Last and Final Recognized Obligation Payment Schedule will be binding on all parties, and the Successor Agency will no longer submit a Recognized Obligation Payment Schedule to the Department of Finance or the Oversight Board. The County Auditor-Controller will remit the authorized funds to the Successor Agency in accordance with the approved Last and Final Recognized Obligation Payment Schedule until each remaining enforceable obligation has been fully paid.

A Last and Final Recognized Obligation Payment Schedule may only be amended twice, and only with approval of the Department of Finance and the County Auditor-Controller. On January 2, 2020, the Department of Finance approved the Successor Agency's Last and Final Recognized Obligation Payment Schedule. Upon issuance of the Bonds, the Successor Agency will request the Department of Finance to approve an amendment to the Last and Final Recognized Obligation Payment Schedule, to reflect the reduced debt service on the Bonds compared to the debt service approved for the 2010 Bonds.

Determination of Available Funding. In connection with the allocation and distribution by the County Auditor-Controller of property tax revenues deposited in the Redevelopment Property Tax Trust Fund, under the Dissolution Act the County Auditor-Controller must prepare estimates of the amounts of (i) property tax to be allocated and distributed, and (ii) the amounts of pass-through payments to be made in the upcoming six-month period, and provide those estimates to the entities receiving the distributions and the State Department of Finance no later than April 1 and October 1 of each year, as applicable.

If, after receiving such estimate from the County Auditor-Controller, the Successor Agency determines and reports, no later than December 1 or May 1, as applicable, that the total amount available to the Successor Agency from the Redevelopment Property Tax Trust Fund allocation to the Successor Agency's Redevelopment Obligation Retirement Fund, from other funds transferred from the Former Agency, and from funds that have or will become available through asset sales and all redevelopment operations, is insufficient to fund the payment of pass-through obligations, the Successor Agency's enforceable obligations listed on the Recognized Obligation Payment Schedule, and the Successor Agency's administrative cost allowance, the County Auditor-Controller must notify the State Controller and the State Department of Finance no later than 10 days from the date of the Successor Agency's notification. If the State Controller concurs that there are insufficient funds to pay required debt service, the Dissolution Act provides for certain adjustments to be made to the estimated distributions, as described in more detail under "Redevelopment Property Tax Trust Fund" above.

Debt Service. In the Indenture, the Successor Agency covenants to comply with all of the requirements of the Dissolution Act, including taking all actions required under the Dissolution Act to prepare and file an amendment to the Last and Final Recognized Obligation Payment Schedule so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund all Tax Revenues as shall be required to enable the Successor Agency to pay timely principal of, and interest on, the Bonds coming due in the related Bond Year.

Pursuant to the Indenture, without limiting the generality of the foregoing covenant, the Successor Agency will take all actions required under the Dissolution Act to amend the Last and Final Recognized Obligation Payment Schedule by December 31, 2020 such that for the semiannual period ending each June 30, the Recognized Obligation Payment Schedule which includes such period shall include the payment to the Successor Agency of an amount of Tax Revenues which is at least equal to 100% of the amount of principal of and interest on the Bonds and the 2016 Bonds coming due and payable on the next succeeding June 1 and December 1.

The Successor Agency further agrees) not to submit the final amendment permitted for its Last and Final Recognized Obligation Payment Schedule under the Dissolution Act without the prior written consent of the insurers of the 2016 Bonds.

The Successor Agency has no power to levy and collect taxes, and various factors beyond its control could affect the amount of Tax Revenues available in any six-month period (or otherwise) to pay the principal of and interest on the Bonds. See "RISK FACTORS."

Pledge of Tax Revenues

The Bonds shall be secured by a first pledge of and lien on all of the Tax Revenues in the Special Fund, the Debt Service Fund and accounts therein created under the Indenture. The Bonds shall be also equally secured by the pledge and lien created with respect to the Bonds by Section 34177.5(g) of the Law on moneys deposited from time to time in the Redevelopment Property Tax Trust Fund, provided, however, that such pledge and lien shall only be with respect to the amounts on deposit in the Redevelopment Property Tax Trust Fund after amounts on deposit therein have been set aside and reserved, in the manner required in the applicable indentures or other relevant documents, to pay amounts due pursuant to Contractual Tax Sharing Agreements and Statutory Tax Sharing payments that are senior to the payment of the debt service on the Bonds. For the avoidance of doubt, the Bonds are secured by the pledge and lien created with respect to the Bonds by Section 34177.5(g) of the Law on moneys deposited from time to time in the Redevelopment Property Tax Trust Fund to the extent set forth in the foregoing sentence. Additionally, the 2016 Bonds are also payable from monies on deposit in the Redevelopment Property Tax Trust Funds on a subordinate basis to the Bonds.

The Successor Agency has established the Redevelopment Obligation Retirement Fund pursuant to Section 34170.5(a) of the Law which the Successor Agency shall continue to hold and maintain so long as any of the Bonds are Outstanding.

The Successor Agency shall deposit all of the Tax Revenues received into the Redevelopment Obligation Retirement Fund immediately upon receipt thereof. The Successor Agency shall within 15 Business Days thereafter transfer such Tax Revenues from the Redevelopment Obligation Retirement Fund to the Trustee to pay debt service on the Bonds coming due in the then current Bond Year. All Tax Revenues received by the Successor Agency in excess of the amount needed to pay debt service on the Bonds in the then current Bond Year and except as may be provided to the contrary in the Indenture shall be released from the pledge and lien of the Indenture and shall be applied in accordance with the Law, including but not limited to the payment of debt service on the 2016 Bonds. Prior to the payment in full of the principal of and interest on the Bonds and the payment in full of all other amounts payable under the Indenture and under any supplemental indentures, the Successor Agency shall not have any beneficial right or interest in the moneys

on deposit in the Redevelopment Obligation Retirement Fund, except as may be provided in the Indenture and in any supplemental indenture.

Also see “No Additional Debt Other Than Refunding Bonds” below.

The Tax Revenues are pledged to the payment of principal of and interest on the Bonds pursuant to the Indenture until the Bonds have been paid, or until moneys have been set-aside irrevocably for that purpose. The Trustee will covenant to exercise such rights and remedies as may be necessary to enforce the payment of the Tax Revenues when due under the Indenture, and otherwise to protect the interests of the Bondholders in the event of default by the Successor Agency.

The Bonds are special obligations of the Successor Agency. The Bonds do not constitute a debt or liability of the City, the County, the State or of any political subdivision thereof, other than the Successor Agency. The Successor Agency shall only be obligated to pay the principal of the Bonds, or the interest thereon, from the funds described herein, and neither the faith and credit nor the taxing power of the City, the County, the State or any of its political subdivisions is pledged to the payment of the principal of or the interest on the Bonds. The Successor Agency has no taxing power.

The State Legislature has amended the Dissolution Act several times. The Successor Agency expects, but cannot guarantee, that the processes for funding of enforceable obligations prescribed by any new legislative change in the Dissolution Act will not interfere with its administering of the Tax Revenues in accordance with the Indenture and will effectively result in adequate Tax Revenues for the timely payment of principal of and interest on the Bonds when due.

Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues

The Successor Agency has established a Redevelopment Obligation Retirement Fund in accordance with the Dissolution Act. The Successor Agency shall deposit all of the Tax Revenues received in any Bond Year in the Redevelopment Obligation Retirement Fund promptly upon receipt thereof by the Successor Agency, until such time during such Bond Year as the amounts on deposit equal the aggregate amounts required to be transferred to the Trustee in such Bond Year pursuant to the Indenture (generally being the amount required to pay debt service in such Bond Year on the Bonds).

If the amount of Tax Revenues available in such Bond Year is insufficient to deposit the full amount required to be deposited, the Trustee shall apply such amounts to debt service, ratably based on the full amounts required to be deposited without preference or priority for series as further described in “APPENDIX A - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Events of Default and Remedies.”

All Tax Revenues received by the Successor Agency during any Bond Year in excess of the amount required to be transferred to the Trustee during such Bond Year shall be released from the pledge and lien of the Indenture for the security of the Bonds and shall be applied by the Successor Agency for any lawful purposes of the Successor Agency.

No Additional Debt Other Than Refunding Bonds

So long as the Bonds are Outstanding, the Successor Agency shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Tax Revenues, excepting only as provided in the Indenture. The Successor Agency will not otherwise encumber, pledge or place any charge or lien upon any of the Tax Revenues or other amounts pledged to the Bonds superior to the pledge and lien created for the benefit of the Bonds; provided, that the Successor Agency (a) may issue and sell refunding bonds as Parity Debt payable from Tax Revenues on a parity with Outstanding Bonds (as determined by the Successor Agency, in its sole discretion) to refund a portion of the Outstanding Bonds, provided further that, with respect to any such refunding (i) annual debt service on such Parity Debt is lower than annual debt service on the obligations

being refunded during every year the obligations would otherwise be outstanding and (ii) the final maturity of any such Parity Debt does not exceed the final maturity of the obligations being refunded.

THE SUCCESSOR AGENCY

As described in "INTRODUCTION," the Former Agency was dissolved as of February 1, 2012 pursuant to the Dissolution Act. Thereafter, the City became the Successor Agency and the City Council serves as the governing board of the Successor Agency.

Section 34173(g) of the Dissolution Act expressly affirms that the Successor Agency is a separate public entity from the City, that the two entities shall not merge, and that the liabilities of the Former Agency will not be transferred to the City nor will the assets of the Former Agency become assets of the City.

The City performs certain general administrative functions for the Successor Agency. The City Manager serves as the Successor Agency's chief administrative officer, the City Clerk serves as the Successor Agency secretary and the City's Treasurer serves as the Successor Agency treasurer. The costs of such functions, as well as additional services performed by City staff are allocated annually to the Successor Agency, within certain limitations established by the Dissolution Act. Such reimbursement is subordinate to payment on any outstanding bonds of the Successor Agency.

Successor Agency Powers

All powers of the Successor Agency are vested in its members, who are the elected members of the City Council. Pursuant to the Dissolution Act, the Successor Agency is a separate public body from the City and succeeds to the organizational status of the Former Agency but without any legal authority to participate in redevelopment activities, except to complete any work related to an approved enforceable obligation. The Successor Agency is tasked with expeditiously winding down the affairs of the Former Agency, pursuant to the procedures and provisions of the Dissolution Act. Under the Dissolution Act, many Successor Agency actions are subject to approval by the Oversight Board, as well as review by the State Department of Finance.

Section 34179.5 of the Dissolution Act established a due diligence review process for determining the unobligated balances that redevelopment agencies had available as of June 30, 2012 to remit to their respective county auditor-controllers for distribution to affected Taxing Agencies within project areas of the former redevelopment agencies. The Successor Agency has remitted to the County Auditor-Controller all of the unobligated balances as determined by the State Department of Finance. On April 26, 2013, the Successor Agency received its Finding of Completion from the State Department of Finance. Receipt of the Finding of Completion allows the Successor Agency to do several things, among them, developing a plan for the disposition of any properties held by the Successor Agency and spending proceeds of bonds issued prior to December 31, 2010, all requiring approval of the Oversight Board.

After receiving the finding of completion, each successor agency was required to submit a Long Range Property Management Plan (a "Long Range Property Management Plan") detailing what it intends to do with its inventory of properties. Successor agencies were not required to immediately dispose of their properties but are limited in terms of what they can do with the retained properties. Permissible uses include: sale of the property, use of the property to fulfill an enforceable obligation, retention of the property for future redevelopment, and retention of the property for governmental use. These plans must be filed by successor agencies with the State Department of Finance within six months of receiving a finding of completion. The State Department of Finance approved the Successor Agency's Long Range Property Management Plan on October 3, 2014. The Successor Agency has disposed of all property held at the time of dissolution.

Redevelopment Plan

The Stanton Community Development Project (Original Area) was originally formed by the adoption of Ordinance No. 582 on December 13, 1983 and was expanded twice by amendments approved by Ordinance 653 adopted on July 14, 1987 (Amendment No. 1 Area) and by Ordinance No. 773 adopted on July 13, 1992 (Amendment No. 2 Area). The 2000 Project was created by Ordinance No. 831 on July 7, 2000. The two areas were merged to form the Project Area in November 2004.

SB 107 Effects on Plan Limits

In accordance with the Redevelopment Law, redevelopment plans were required to include certain limits on the financing of redevelopment projects. These limits could include a time limit on the life of the redevelopment plan, a time limit to incur debt, a time limit on the receipt of Tax Increment Revenues and the repayment of debt, and a limit on the amount of bonded indebtedness outstanding at any time.

SB 107, which was enacted in September 2015, contains provisions (the “SB 107 Plan Limits Provisions”) which generally provide that, for the purpose of paying enforceable obligations (as such term is defined by the Dissolution Act), such as the Bonds, the Successor Agency is no longer subject to the Plan Limits. In contrast, for all other purposes, including pass-through payments to taxing entities (which are not “enforceable obligations” because they are now paid not by the Successor Agency but by the County Auditor-Controller directly from Redevelopment Property Tax Trust Fund disbursements), the County Auditor-Controller has confirmed that it will continue to recognize the Plan Limits (whether they apply to a Constituent Project or the Project Area). As a matter of practical implementation of the SB 107 Plan Limits Provisions, the County Auditor-Controller will deposit into the Redevelopment Property Tax Trust Fund an amount of property tax revenues derived from a Constituent Project or the Project Area above the Plan Limits only in a situation where there would not be sufficient moneys in the Redevelopment Property Tax Trust Fund to make payments on outstanding enforceable obligations.

See “APPENDIX B - MUNICIPAL ADVISORS’ PROJECTED TAX REVENUES REPORT.”

THE PROJECT AREA

Description of the Project Area

As described herein, the Project Area is comprised of two merged component redevelopment projects totaling 1,940 acres and encompasses the entire incorporated City with the exception of a 20-acre residential area located west of Knott Avenue. The components of the Stanton Community Development Project Area are further segregated into the Original Area, Amendment No. 1 Area and Amendment No. 2 Area.

Assessed Valuations and Tax Revenues

Approximately __% of the 2019-20 assessed value is derived from residential land uses and another __% is derived from commercial and industrial land uses. The remaining assessed value is derived from vacant land, possessory interests or unsecured property.

A history of total assessed value for the Project Area since 2007-08 is shown in Table No. 1 below.

**TABLE NO. 1
THE PROJECT AREA
HISTORICAL ASSESSED VALUATIONS**

<u>Tax Year</u>	<u>Assessed Value⁽¹⁾</u>	<u>Change</u>
2007-08	\$2,156,248,302	
2008-09	2,167,843,536	0.5%
2009-10	2,046,014,390	(5.6%)
2010-11	2,016,641,917	(1.4%)
2011-12	2,038,053,816	1.1%
2012-13	2,048,302,001	0.5%
2013-14	2,111,706,982	3.1%
2014-15	2,262,834,525	7.2%
2015-16	2,391,584,556	5.7%
2016-17	2,521,337,743	5.4%
2017-18	2,616,647,993	3.8%
2018-19	2,769,904,841	5.9%
2019-20	2,946,988,756	6.4%

⁽¹⁾ Based on the August 20 equalized roll.

Source: Orange County Auditor-Controller.

The current base year assessed value of the Project Area and Constituent Projects and the total assessed value (taxable valuation as of the annual August 20 equalized tax roll) of the Project Area and Constituent Projects between Fiscal Years 2015-16 and 2019-20 are shown in the following tables.

TABLE NO. 2
STANTON CONSOLIDATED PROJECT AREA
BASE YEAR AND HISTORICAL ASSESSED VALUATIONS BY COMPONENT PROJECT
2015-16 through 2019-20

	<u>Base Year</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Community Development:						
Original Area	\$ 32,240,832	\$ 336,812,483	\$ 359,349,369	\$ 368,827,777	\$ 385,142,753	\$ 414,992,091
Amendment No. 1	30,769,081	105,142,100	113,129,024	110,802,244	117,385,463	115,230,594
Amendment No. 2	80,166,013	199,117,196	205,541,497	215,899,160	236,643,270	258,863,366
2000 Project	<u>792,334,374</u>	<u>1,750,512,777</u>	<u>1,843,317,853</u>	<u>1,921,118,812</u>	<u>2,030,733,355</u>	<u>2,157,902,705</u>
Total	\$935,510,300	\$2,391,584,556	\$2,521,337,743	\$2,616,647,993	\$2,769,904,841	\$2,946,988,756

Source: Orange County Auditor-Controller.

TABLE NO. 3
STANTON COMMUNITY DEVELOPMENT PROJECT
ORIGINAL AREA
HISTORICAL ASSESSED VALUATIONS
2015-16 through 2019-20

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Secured	\$318,648,320	\$340,661,910	\$350,680,514	\$366,632,472	\$394,505,474
Unsecured	<u>18,164,163</u>	<u>18,687,459</u>	<u>18,147,263</u>	<u>18,510,281</u>	<u>20,486,617</u>
Total	\$336,812,483	\$359,349,369	\$368,827,777	\$385,142,753	\$414,992,091

Source: Orange County Auditor-Controller.

TABLE NO. 4
STANTON COMMUNITY DEVELOPMENT PROJECT
AMENDMENT NO. 1 AREA
HISTORICAL ASSESSED VALUATIONS
2015-16 through 2019-20

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Secured	\$ 96,015,387	\$101,153,228	\$102,714,380	\$107,546,025	\$109,394,130
Unsecured	<u>9,126,713</u>	<u>11,975,796</u>	<u>8,087,864</u>	<u>9,839,438</u>	<u>5,836,464</u>
Total	\$105,142,100	\$113,129,024	\$110,802,244	\$117,385,463	\$115,230,594

Source: Orange County Auditor-Controller.

TABLE NO. 5
STANTON COMMUNITY DEVELOPMENT PROJECT
AMENDMENT NO. 2 AREA
HISTORICAL ASSESSED VALUATIONS
2015-16 through 2019-20

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Secured	\$173,579,380	\$180,591,906	\$193,887,920	\$210,542,594	\$231,015,224
Unsecured	<u>25,537,816</u>	<u>24,949,591</u>	<u>22,011,240</u>	<u>26,100,676</u>	<u>27,848,142</u>
Total	\$199,117,196	\$205,541,497	\$215,899,160	\$236,643,270	\$258,863,366

Source: Orange County Auditor-Controller.

TABLE NO. 6
STANTON 2000 REDEVELOPMENT PROJECT
HISTORICAL ASSESSED VALUATIONS
2015-16 through 2019-20

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Secured	\$1,721,285,599	\$1,809,444,705	\$1,892,780,152	\$1,998,040,106	\$2,119,586,396
Unsecured	<u>29,227,178</u>	<u>33,873,148</u>	<u>28,338,660</u>	<u>32,693,249</u>	<u>38,316,309</u>
Total	\$1,750,512,777	\$1,843,317,853	\$1,921,118,812	\$2,030,733,355	\$2,157,902,705

Source: Orange County Auditor-Controller.

Actual Gross Tax Increment Revenues available to the Successor Agency from the Project Area are shown below.

TABLE NO. 7
HISTORICAL TAX REVENUES

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Incremental Value ⁽¹⁾	\$1,331,116,060	\$1,459,866,091	\$1,589,586,132	\$1,684,896,382	\$1,834,790,670
Tax Rate	<u>1.0000%</u>	<u>1.000%</u>	<u>1.0000%</u>	<u>1.0000%</u>	<u>1.0000%</u>
Tax Increment Revenues	13,311,161	14,598,661	15,895,861	16,848,964	18,347,907
Unitary Revenues	<u>47,417</u>	<u>62,598</u>	<u>73,626</u>	<u>74,343</u>	<u>102,414</u>
Total Tax Revenues	\$ 13,358,578	\$ 14,661,259	\$ 15,969,487	\$ 16,923,306	\$ 18,450,321
Tax Revenues Collected ⁽²⁾	\$ 13,937,972	\$ 15,135,059	\$ 16,311,957	\$ 17,482,534	\$ 19,361,504
Gross RPTTF Deposits ⁽³⁾	\$ 13,823,019	\$ 15,243,915	\$ 16,267,020	\$ 17,452,359	\$ 19,338,038

⁽¹⁾ Represents Gross Assessed Value less Base Year Value.

⁽²⁾ Taxes collected from September through the following August each year. Before deduction for County Auditor-Controller administrative costs or Tax Sharing. Includes supplemental taxes, penalties, interest, prior years' delinquent collections, net of refunds.

⁽³⁾ See Table No. 8.

Source: Orange County Auditor-Controller.

TABLE NO. 8
REDEVELOPMENT PROPERTY TAX TRUST FUND DEPOSITS

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
January RPTTF Deposit	\$ 7,662,853	\$ 8,638,829	\$ 9,168,479	\$ 9,784,898	\$10,463,415
June RPTTF Deposit	<u>6,160,166</u>	<u>6,605,086</u>	<u>7,098,541</u>	<u>7,667,461</u>	<u>8,874,623</u>
Gross RPTTF Deposits	13,823,019	15,243,915	16,267,020	17,452,359	19,338,038
County Administrative Fees	(144,305)	(130,718)	(87,854)	(132,595)	(121,570)
Tax Sharing ⁽¹⁾	<u>(3,097,715)</u>	<u>(3,635,392)</u>	<u>(4,039,418)</u>	<u>(4,411,184)</u>	<u>(5,043,305)</u>
RPTTF Available	<u>\$10,580,999</u>	<u>\$11,477,805</u>	<u>\$12,139,748</u>	<u>\$12,908,580</u>	<u>\$14,173,163</u>

⁽¹⁾ Includes payments under the County's Contractual Tax Sharing Agreements with respect to the Original Area and the Amendment No. 1 Area, which are subordinate to the Bonds and the 2016 Bonds, but withheld by Auditor-Controller prior to distribution of RPTTF unless required to pay enforceable obligations.

Source: Orange County Auditor-Controller.

The estimated Tax Revenues for 2019-20, based on the 2019-20 assessed value for the Project Area is as follows:

Gross Assessed Value	\$2,946,988,756
Base Year Value	<u>(935,510,300)</u>
Incremental Value	\$2,011,478,456
Tax Rate	<u>1.0000%</u>
Tax Increment Revenue	20,114,785
Unitary Revenue	<u>103,559</u>
Total Tax Revenue	\$ 20,218,344
County Administrative Fees	(158,800)
Tax Sharing	<u>(5,517,700)</u>
RPTTF Available	<u>\$ 14,541,844</u>

Source: Municipal Advisor.

Major Taxpayers

The ten largest property taxpayers represent 8.8% of the 2019-20 total assessed value of the Project Area and 12.9% of the incremental assessed value of the Project Area.

TABLE NO. 9
TEN LARGEST TAXPAYERS AS A PERCENT OF 2019-20 TOTAL
AND INCREMENTAL ASSESSED VALUE

<u>Taxpayer</u>	<u>2019-20</u> <u>Total</u> <u>Assessed</u> <u>Value</u>	<u>% of</u> <u>Total</u> <u>Assessed</u> <u>Value</u>	<u>% of</u> <u>Incremental</u> <u>Assessed</u> <u>Value</u>	<u>Land Use</u>
CR and R Inc.	\$ 53,113,772	1.8%	2.6%	Transfer Station
Briarwood Square LP	43,956,706	1.5%	2.2%	Multi-Family
Arrowhead Apartment Investments LLC	30,014,180	1.0%	1.5%	Multi-Family
12131 Beach Boulevard LLC	23,009,160	0.8%	1.1%	Commercial
Garden Terrace MHC LLC	21,012,125	0.7%	1.0%	Multi-Family
Stanton Capital LP	19,632,348	0.7%	1.0%	Commercial
Icon Pool 1 LA Business Parks LLC	18,867,275	0.6%	0.9%	Industrial
Continental Gardens LP	18,250,667	0.6%	0.9%	Multi-Family
Brookfield Village Way LLC	17,500,000	0.6%	0.9%	Commercial
Thomas Thongvan Nguyen Trust	<u>15,999,261</u>	<u>0.5%</u>	<u>0.8%</u>	Multi-Family
Total	\$261,355,494	8.8%	12.9%	

Source: Successor Agency.

Assessment Appeals

As of December 2019, there were a total 57 pending appeals filed in the last 5 years by property owners in the Project Area as shown below. The total value of property under appeal for all years is \$76.7 million. Some appeals have been filed for multiple years for the same property. A summary of all pending appeals is shown below.

<u>Tax Year</u>	<u>Pending</u> <u>Appeals</u>	<u>Value of Property</u> <u>Under Appeal</u>	<u>% of</u> <u>Tax Roll</u>
2015-16	4	\$ 1,805,281	0.1%
2016-17	7	4,746,580	0.2%
2017-18	13	3,960,490	0.2%
2018-19	18	25,772,044	0.9%
2019-20	<u>15</u>	<u>40,413,717</u>	1.4%
	57	\$76,698,112	

Source: Municipal Advisor.

For Fiscal Years 2014-15 to 2018-19, 48 of 84 (57%) of resolved appeals were successful, with an average reduction in assessed value of 14.2%. The Successor Agency cannot predict the outcome of any pending appeals.

While the Successor Agency expects some decline in total assessed valuation as a result of pending or potential future appeals, no prediction can be made as to the amount of the decline in total assessed valuation, if any, within the Project Area. No reduction for pending appeals in the Project Area has been incorporated in the projections. Reductions in revenue for refunds resulting from successful appeals or current or prior year appeals have also not been incorporated into the projections. The success rate of appeals, reductions granted and refunds may vary from historical averages.

See "APPENDIX B - MUNICIPAL ADVISORS' PROJECTED TAX REVENUES REPORT."

FINANCIAL INFORMATION

Successor Agency Accounting Records and Financial Statements

The activities of the Successor Agency are reported as a fiduciary trust fund as part of the City's basic financial statements. The Successor Agency does not prepare separate financial statements.

The City's financial statements for the Fiscal Year ended June 30, 2019, attached hereto as "APPENDIX D" have been audited by White Nelson Diehl Evans LLP, Irvine, California (the "Auditor"). The City's audited financial statements are public documents and are included within this Official Statement without the prior approval of the Auditor. The Auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

Property Taxation in California

Manner in Which Property Valuations and Assessments are Determined (Article XIII A). On June 6, 1978, California voters approved an amendment (commonly known as both Proposition 13 and the Jarvis-Gann Initiative) to the State Constitution which imposes certain limitations on taxes that may be levied against real property. This amendment, which added Article XIII A to the State Constitution, among other things, defines full cash value of property to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value,' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." This full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or any reduction in the consumer price index or comparable local data, or any reduction in the event of declining property value caused by substantial damage, destruction or other factors. The amendment further limits the amount of any *ad valorem* tax on real property to 1% of the full cash value of that property, except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and on any bonded indebtedness for the acquisition or improvement of real property which is approved after July 1, 1978 by two-thirds of the votes cast by voters voting on such indebtedness. However, pursuant to an amendment to the State Constitution, redevelopment agencies were prohibited from receiving any of the tax increment revenue attributable to tax rates levied to finance bonds approved by the voters on or after January 1, 1989 for the acquisition or improvement of real property. Moreover, Section 34183 of the Dissolution Act effectively eliminates the January 1, 1989 date from such prohibitions and SB 107 further states that pre-1989 tax override rates are no longer distributed to successor agencies except in limited circumstances (see "SECURITY FOR THE BONDS - Tax Revenues," "Property Tax Rate" below and "RISK FACTORS - Factors Which May Affect Tax Revenues - Reduction in Inflationary Rate").

In the general election held November 4, 1986, voters in the State approved two measures, Propositions 58 and 60, which further amend the terms "purchase" and "change of ownership," for purposes of determining full cash value of property under Article XIII A, to not include the purchase or transfer of (1) real property between spouses and (2) the principal residence and the first \$1,000,000 of other property between parents and children. Proposition 60 amends Article XIII A to permit the Legislature to allow persons over age 55 who sell their residence and buy or build another of equal or lesser value within two years in the same

county (or in certain cases, another county), to transfer the old residence's assessed value to the new residence.

Proposition 8 Adjustments. Proposition 8, approved in 1978, provides for the assessment of real property at the lesser of its originally determined (base year) full cash value compounded annually by the inflation factor, or its full cash value as of the lien date, taking into account reductions in value due to damage, destruction, obsolescence or other factors causing a decline in market value. Reductions based on Proposition 8 do not establish new base year values, and the property may be reassessed as of the following lien date up to the lower of the then-current fair market value or the factored base year value. The State Board of Equalization has approved this reassessment formula and such formula has been used by county assessors statewide, and such methodology has been upheld by the California courts. During the last recession, the Former Agency saw a reduction in property values of approximately 6% between 2008-09 and 2011-12, which the Successor Agency attributes to Proposition 8 reductions.

Unsecured and Secured Property. In California, property which is subject to *ad valorem* taxes is classified as "secured" or "unsecured." The secured classification includes property on which any property tax levied by a county becomes a lien on that property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property, arising pursuant to State law, has priority over all other liens on the secured property, regardless of the time of the creation of the other liens.

Property in the Project Area is assessed by the Orange County Assessor except for public utility property which is assessed by the State Board of Equalization.

The valuation of secured property is determined as of January 1 each year for taxes owed with respect to the succeeding fiscal year. The tax rate is equalized during the following September of each year, at which time the tax rate is determined. Secured and unsecured property is entered on separate parts of the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of the fiscal year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment in addition to a \$20 cost on the second installment. On July 1 of each fiscal year any property which is delinquent will become defaulted. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty of 1½% per month to the time of redemption, together with any other charges permitted by law. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County Tax Collector. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Property taxes on the unsecured roll 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 1½% per month begins to accrue on November 1 of the fiscal year. The County has four ways of collecting delinquent unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the 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 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 assessee.

Supplemental Assessments. Legislation adopted in 1984 (Section 75, *et seq.* of the Revenue and Taxation Code of the State of California) provides for the supplemental assessment and taxation of property at its full cash value as of the date of a change of ownership or the date of completion of new construction (the "Supplemental Assessments"). To determine the amount of the Supplemental Assessment the County Auditor applies the current year's tax rate to the supplemental assessment roll and computes the amount of

taxes that would be due for the full year. The taxes due are then adjusted by a proration factor to reflect the portion of the tax year remaining as determined by the date on which the change in ownership occurred or the new construction was completed. Supplemental Assessments become a lien against the real property on the date of the change of ownership or completion of new construction.

Unitary Property. Commencing in the 1988-89 Fiscal Year, the Revenue and Taxation Code of the State of California changed the method of allocating property tax revenues derived from state assessed utility properties. It provides for the distribution of state assessed values to tax rate areas by a county-wide mathematical formula rather than assignment of state assessed value according to the location of those values in individual tax rate areas.

Commencing with the 1988-89 Fiscal Year, each county has established one county-wide tax rate area. The assessed value of all unitary property in the county has been assigned to this tax rate area and one tax rate is levied against all such property ("Unitary Revenues").

The property tax revenue derived from the assessed value assigned to the county-wide tax rate area shall be allocated as follows: (1) each jurisdiction will be allocated up to 2% of the increase in Unitary Revenues on a pro rata basis county-wide; and (2) any decrease in Unitary Revenues or increases less than 2%, or any increase in Unitary Revenues above 2% will be allocated among jurisdictions in the same proportion of each jurisdiction's Unitary Revenues received in the prior year to the total Unitary Revenues county-wide. The estimated Unitary Revenues allocated to the Project Area in Fiscal Year 2019-20 are \$103,559.

Legislation adopted in 2006 (SB 1317, Chapter 872) provides that, commencing with Fiscal Year 2007-08, certain property related to new electrical facilities shall be allocated entirely to the county in which such property is located and property tax revenues derived from such property shall be allocated to such county and certain Taxing Agencies with such county.

Property Tax Rate. The difference between the \$1.00 general tax levy provided under Article XIII A tax rate and those actually levied (referred to as the "tax override rate") represents the tax levied by overlapping entities to pay debt service on bonded indebtedness approved by the voters.

Section 34183 of the Dissolution Act effectively eliminated the tax override rate from the calculation of tax increment revenues with respect to tax override rates authorized by voters for the purpose of repaying bonded indebtedness for the acquisition or improvement of real property. Future Tax Increment Revenues have been projected by applying a tax rate of \$1.00 per \$100 of taxable value general levy to incremental taxable values.

Administrative Costs. In 1990, the Legislature enacted SB 2557 (Chapter 466, Statutes of 1990) which allows counties to charge for the cost of assessing, collecting and allocating property tax revenues to local government jurisdictions on a prorated basis. SB 1559 (Chapter 697, Statutes of 1992) explicitly includes redevelopment agencies among the jurisdictions which are subject to such charges. In addition, Sections 34182(e) and 34183(a) of the Dissolution Act allow administrative costs of the County Auditor-Controller for the cost of administering the provisions of the Dissolution Act, as well as the foregoing SB 1559 amounts, to be deducted from property tax revenues before moneys are deposited into the Redevelopment Property Tax Trust Fund. For Fiscal Year 2019-20, the County administrative fees charged to the Project Area including administration of the Redevelopment Property Tax Trust Fund were \$ _____. In total, the fees represent approximately ____% of gross Tax Increment Revenues.

Tax Sharing Agreements and Tax Sharing Statutes

Tax Sharing Agreements

Pursuant to prior Section 33401(b) of the Redevelopment Law, a redevelopment agency was authorized to enter into an agreement to pay tax increment revenues to any taxing agency that has territory located within a redevelopment project to alleviate any financial burden or detriment caused by the redevelopment project. These agreements are commonly referred to as “tax sharing agreements” or “pass-through agreements.”

The tax sharing agreements (“Contractual Tax Sharing Agreements”) entered into with respect to each Constituent Project are described in “APPENDIX B - MUNICIPAL ADVISORS’ PROJECTED TAX REVENUES REPORT.”

Since dissolution, the County Auditor-Controller calculates and pays the Contractual Tax Sharing Agreement amounts. These amounts are deducted from tax increment revenue deposited in the Redevelopment Property Tax Trust Fund.

Tax Sharing Statutes

Certain provisions were added to the Redevelopment Law by the adoption of AB 1290 in 1994. If new territory was added to a redevelopment project, under Section 33607.5 of the Redevelopment Law, any affected taxing entity would share in the tax increment revenues generated by such added area pursuant to a statutory formula (“Statutory Tax Sharing”).

In addition, pursuant to Section 33333.6(e)(2) of the Redevelopment Law, if the Former Agency deleted the time limit to incur indebtedness in a redevelopment project (as amended pursuant to SB 211) or increased the total amount of tax increment revenues to be allocated to the project area or increased the duration of the redevelopment plan and the period for receipt of tax increment revenues, Statutory Tax Sharing is required under Section 33607.7 of the Redevelopment Law with all affected taxing entities not already a party to a tax sharing agreement, once the original limitations have been reached.

The Dissolution Act provides for a procedure by which the Successor Agency may make Statutory Tax Sharing amounts subordinate to the Bonds. Except for the City’s Statutory Tax Sharing amounts, the Former Agency had not previously undertaken proceedings to subordinate such payments to the 2010 Bonds. The Successor Agency will not undertake such procedure to subordinate such payments (including the City’s share of such payments) with respect to the Bonds.

The Statutory Tax Sharing calculations with respect to each Constituent Project are described in “APPENDIX B - MUNICIPAL ADVISORS’ PROJECTED TAX REVENUES REPORT.” Since dissolution, the County Auditor-Controller calculates and pays the Statutory Tax Sharing amounts. These amounts are deducted from tax increment revenue deposited in the Redevelopment Property Tax Trust Fund.

Outstanding Indebtedness and Enforceable Obligations

In addition to the 2010 Bonds being refunded with the Bonds, the Successor Agency has the following bonded indebtedness:

- 2016 Series A Bonds, issued in the principal amount of \$7,115,000 and outstanding as of June 1, 2020 in the principal amount of \$6,160,000 and maturing December 1, 2035;
- 2016 Series B Bonds, issued in the principal amount of \$13,220,000 and outstanding as of June 1, 2020 in the principal amount of \$11,395,000 and maturing December 1, 2035;
- 2016 Series C Bonds, issued in the principal amount of \$10,030,000 and outstanding as of June 1, 2020 in the principal amount of \$9,285,000 and maturing December 1, 2040; and

- 2016 Series D Bonds, issued in the principal amount of \$26,080,000 and outstanding as of June 1, 2020 in the principal amount of \$22,875,000 and maturing December 1, 2040.

Flow of Funds

Under the Indenture, in the Last and Final Recognized Obligation Payment Schedule period beginning January 2 of each year, the Successor Agency is required to request funding of 100% of the principal and interest due on the Bonds in the calendar year. The Successor Agency is also required to request funding of 100% of the principal and interest due on the 2016 Bonds in the calendar year, payable on a basis subordinate to the Bonds.

Projected Tax Revenues and Debt Service Coverage

Receipt of projected Tax Revenues shown in Table No. 10 in the amounts and at the times projected depends on the realization of certain assumptions relating to the Tax Increment Revenues. The Municipal Advisor has projected taxable valuation and Tax Revenues in the Project Area. The Successor Agency believes the assumptions set forth in "APPENDIX B - MUNICIPAL ADVISORS' PROJECTED TAX REVENUES REPORT" upon which the projections are based are reasonable; however, some assumptions may not materialize and unanticipated events and circumstances may occur (see "RISK FACTORS"). Therefore, the actual Tax Revenues received during the forecast period may vary from the projections and the variations may be material, affecting the Successor Agency's ability to timely pay principal of and interest on the Bonds.

TABLE NO. 10
PROJECTED TAX REVENUES AND DEBT SERVICE COVERAGE

	Tax Revenues⁽¹⁾	Debt Service*	Coverage Ratio*
2021	\$14,541,500	\$698,000	20.83
2022	14,889,200	703,000	21.18
2023	15,243,100	878,000	17.36
2024	15,605,300	875,000	17.83
2025	15,970,600	872,000	18.31
2026	16,344,600	877,000	18.64
2027	16,726,100	882,000	18.96
2028	17,113,900	875,000	19.56
2029	17,510,600	872,000	20.08
2030	17,915,000	879,000	20.38
2031	18,327,500	549,000	33.38
2032	18,689,800	551,000	33.92
2033	19,060,300	557,000	34.22
2034	19,438,400	557,000	34.90
2035	19,824,400	556,000	35.66

⁽¹⁾ Payments under the County's Contractual Tax Sharing Agreements with respect to the Original Area and the Amendment No. 1 Area, which are subordinate to the Bonds and the 2016 Bonds, have been deducted from Tax Revenues. See "APPENDIX B - MUNICIPAL ADVISORS' PROJECTED TAX REVENUES REPORT" for all assumptions relating to the projected Tax Revenues.

Source: Municipal Advisor.

* Preliminary, subject to change.

The projected Tax Revenues shown above are subject to several variables described herein. See "RISK FACTORS" herein. The Successor Agency provides no assurance that the projected Tax Revenues will be achieved.

RISK FACTORS

The purchase of the Bonds involves investment risk. If a risk factor materializes to a sufficient degree, it could delay or prevent payment of principal of and/or interest on the Bonds. Such risk factors include, but are not limited to, the following matters and should be considered, along with other information in this Official Statement, by potential investors.

Factors Which May Affect Tax Revenues

The ability of the Successor Agency to pay principal of and interest on the Bonds depends on the timely receipt of Tax Revenues as projected herein (see "FINANCIAL INFORMATION - Projected Tax Revenues and Debt Service Coverage" herein). Projections of Tax Revenues are based on the underlying assumptions relating to Tax Increment Revenues of the Project Area. Tax Revenues allocated to the Successor Agency (which constitute the ultimate source of payment of principal of and interest on the Bonds, as discussed herein) are determined by the amount of incremental valuation of taxable property in the Project Area, taxed at a rate of \$1.00 per \$100 of assessed value (1%) and the percentage of taxes collected in the Project Area, adjusted to reflect prior claims on the Tax Increment Revenues. A number of factors which may affect Tax Increment Revenues, and consequently, Tax Revenues, are outlined below.

Reductions in Assessed Value. Tax Increment Revenues allocated to the Redevelopment Property Tax Trust Fund are determined by the amount of incremental taxable value in the Project Area taxed at a rate of \$1.00 per \$100 of assessed value (1%). The reduction of taxable values of property in the Project Area caused by economic factors beyond the Successor Agency's control, such as relocation out of the Project Area by one or more major property owners, sale of property to a non-profit corporation exempt from property taxation, or the complete or partial destruction of such property caused by, among other eventualities, earthquake or other natural disaster, could cause a reduction in the Tax Revenues that provide for the repayment of and secure the Bonds. Such reduction of Tax Revenues could have an adverse effect on the Successor Agency's ability to make timely payments of principal of and interest on the Bonds.

Article XIII A. Pursuant to the California voter initiative process, on June 6, 1978, California voters approved Proposition 13 which added Article XIII A to the California Constitution. This amendment imposed certain limitations on taxes that may be levied against real property to 1% of the full cash value of the property, adjusted annually for inflation at a rate not exceeding 2% annually. Full cash value is determined as of the 1975-76 assessment year, upon change in ownership (acquisition) or when newly constructed (see "FINANCIAL INFORMATION - Property Taxation in California" herein for a more complete discussion of Article XIII A). Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by substantial damage, destruction or other factors, and to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other special circumstances.

Reduction in Inflationary Rate. The annual inflationary adjustment, while limited to 2%, is determined annually and may not exceed the percentage change in the California Consumer Price Index (CCPI).

Because the Revenue and Taxation Code does not distinguish between positive and negative changes in the CCPI used for purposes of the inflation factor, there was a decrease of 0.237% in 2009-10 – applied to the 2010-11 tax roll – reflecting the actual change in the CCPI, as reported by the State Department of Finance. For each fiscal year since Article XIII A has become effective (the 1978-79 Fiscal Year), the annual increase for inflation has been at least 2% except in ten fiscal years as shown below:

<u>Tax Roll</u>	<u>Percentage</u>	<u>Tax Roll</u>	<u>Percentage</u>
1981-82	1.000%	2010-11	(0.237)%
1995-96	1.190%	2011-12	0.753%
1996-97	1.110%	2014-15	0.454%
1998-99	1.853%	2015-16	1.998%
2004-05	1.867%	2016-17	1.525%

Proposition 8 Adjustments. Proposition 8, approved in 1978, provides for the assessment of real property at the lesser of its originally determined (base year) full cash value compounded annually by the inflation factor, or its full cash value as of the lien date, taking into account reductions in value due to damage, destruction, obsolescence or other factors causing a decline in market value. Reductions based on Proposition 8 do not establish new base year values, and the property may be reassessed as of the following lien date up to the lower of the then-current fair market value or the factored base year value. The State Board of Equalization has approved this reassessment formula and such formula has been used by county assessors statewide. This methodology has been approved by the Fourth District Court of Appeals in a case in which the California Supreme Court declined further review. See "FINANCIAL INFORMATION - Property Taxation in California - Proposition 8 Adjustments" herein.

If Proposition 8 adjustments are made by the County Assessor in future years because of declines in the fair market value of properties caused by the lack of real estate development in the area generally or other economic factors, Tax Revenues may be adversely affected and as a possible consequence may have an adverse effect on the Successor Agency's ability to pay debt service on the Bonds.

Assessment Appeals. Assessment appeals may be filed by property owners seeking a reduction in the assessed value of their property. After the property owner files an appeal, the County's Appeals Board will hear the appeal and make a determination as to whether or not there should be a reduction in assessed value for a particular property and the amount of the reduction, if any. To the extent that any reductions are made to the assessed valuation of such properties with appeals currently pending, or appeals subsequently filed, Tax Increment Revenues, and correspondingly, Tax Revenues will be reduced. Such reductions may have an adverse effect on the Successor Agency's ability to pay debt service on the Bonds. As of June 2020, there were ___ pending appeals within the Project Area relating to \$___ million of 2019-20 or prior years' assessed value. This amount includes, in some cases, appeals filed by owners for multiple years for the same property. See "THE PROJECT AREA - Assessment Appeals" herein. To the extent these appeals are resolved in favor of any property owner, Tax Revenues will be reduced.

Natural Hazards. Any natural disaster or other physical calamity, including earthquake, may have the effect of reducing Tax Increment Revenues through reduction in the aggregate assessed valuation within the boundaries of the Project Area.

Seismic Activity. According to the Public Safety Element of the City's General Plan, the City is located in a seismically active region and the Project Area could be impacted by a major earthquake originating from the numerous faults in the area including the Whittier Fault and the Newport-Inglewood Fault. The Public Safety Element of the City's General Plan lists groundshaking and liquefaction as the primary seismic risk to Stanton from a major earthquake along 3 faults located 8 miles or less away from the City.

A major earthquake could cause widespread destruction and significant loss of life in a populated area such as the City. If an earthquake were to substantially damage or destroy taxable property within the Project Area, a reduction in taxable values of property in the Project Area and a reduction in Tax Revenues available to pay debt service on the Bonds would be likely to occur.

Flooding Hazard. The City lies outside the boundaries of the identified 100-year flood plain of the Santa Ana River and the Santiago River. However, like most of Orange County, the City lies within the dam inundation area for failure of the Prado Dam and Reservoir.

Wildfire. Risk of wildfire is not a significant hazard within the boundaries of the Project Area due to the urbanized nature of the immediate area.

The City's Emergency Operations Plan includes a hazard analysis for earthquake, flood, and fire risk required to comply with FEMA requirements for disaster relief funding.

The occurrence of one or more natural disasters could occur and could result in damage to improvements and property within the Project Area of varying seriousness. Such damage may significantly reduce Tax Increment Revenues received by the Successor Agency and may adversely impact the Successor Agency's ability to pay debt service on the Bonds.

Hazardous Substances. An additional environmental condition that may result in the reduction in the assessed value of parcels would be the discovery of a hazardous substance that would limit the beneficial use of a property within the Project Area. In general, the owners and operators of a property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The owner (or operator) may be required to remedy a hazardous substance condition of property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within the Project Area be affected by a hazardous substance would be to reduce the marketability and value of the property, perhaps by an amount in excess of the costs of remedying the condition. The Successor Agency can give no assurance that future development will not be limited by these conditions.

Certain Bankruptcy Risks. The enforceability of the rights and remedies of the Owners of the Bonds and the obligations of the Successor Agency may become subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equitable principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State of California and its governmental bodies in the interest of servicing a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of their rights.

Levy and Collection of Taxes. The Successor Agency has no power to levy and collect property taxes, and any property tax limitation, legislative measure, voter initiative or provision of additional sources of income to Taxing Agencies having the effect of reducing the property tax rate must necessarily reduce the amount of Tax Increment Revenues, and consequently, Tax Revenues that would otherwise be available to pay the principal of, and interest on the Bonds.

The County has not implemented the Teeter Plan. The amount of the levy of property tax revenue that could be allocated to the Successor Agency depends upon the actual collections of taxes within the Project Area. Substantial delinquencies in the payment of property taxes could impair the timely receipt by the Successor Agency of Tax Revenues.

Interpretation of and Future Changes in the Law; Voter Initiatives. The Redevelopment Law and the Dissolution Act are complex bodies of law and their application to the Successor Agency, the Redevelopment Plan and the Project Area may be subject to different interpretations by the Successor Agency, the Department of Finance, the County Auditor-Controller, Taxing Agencies and other interested parties, including with respect to Contractual Tax Sharing Agreements and Statutory Tax Sharing obligations and enforceable obligations. Since the effectiveness of the Dissolution Act, the State Department of Finance and various successor agencies have from time to time disagreed about the interpretation of different language contained in the Dissolution Act, as well as whether or not the State Department of Finance has exceeded its authority in rejecting items from Recognized Obligation Payment

Schedules submitted by successor agencies, as evidenced by numerous lawsuits. While the Successor Agency has covenanted in the Indenture to preserve and protect the security of the Bonds and the rights of the Bondholders (see "APPENDIX A - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Covenants of the Successor Agency"), any such action taken by the Successor Agency could incur substantial time and cost that may have a detrimental effect on the Successor Agency's ability to timely pay debt service on the Bonds. Moreover, the Successor Agency cannot guarantee the outcome of any such action taken by the Successor Agency to preserve and protect the security of the Bonds and the rights of the Bondholders.

In addition to the existing limitations on Tax Increment Revenues described in this Official Statement under "FINANCIAL INFORMATION - Property Taxation in California," the California electorate or Legislature could adopt future limitations with the effect of reducing Tax Increment Revenues payable to the Successor Agency.

Real Estate and General Economic Risks

Tax Increment Revenues as presented herein as available for payment of any indebtedness of the Successor Agency are based upon the latest actual assessed values for the 2019-20 Fiscal Year. Redevelopment of real property within the Project Area by the City, as well as private development in the Project Area, may be adversely affected by changes in general economic conditions, fluctuations in the real estate markets and interest rates, unexpected increases in development costs, changes in or new governmental policies including governmental policies to restrict or control certain kinds of development and by other similar factors. If development and redevelopment activities in the Project Area encounters significant obstacles of the kind described herein or other impediments, the economy of the area in and around the Project Area could be adversely affected, causing reduced taxable valuation of property in the Project Area a reduction of the Tax Increment Revenues and a consequent reduction in Tax Revenues available to repay the Bonds. Due to the future decline in the general economy of the region, owners of property within the Project Area may be less able or less willing to make timely payments of property taxes, causing a delay or reduction of Tax Increment Revenues and consequently a reduction in Tax Revenues available to repay the Bonds.

Last and Final Recognized Obligation Payment Schedule

The Dissolution Act provides that only those payments listed in the Recognized Obligation Payment Schedule may be made by the Successor Agency from the funds specified in the Recognized Obligation Payment Schedule. It also provides that a successor agency may file a Last and Final Recognized Obligation Payment Schedule showing all remaining payments to be made for enforceable obligations. The Successor Agency's Last and Final Recognized Obligation Payment Schedule was approved by the Department of Finance on January 2, 2020. The Successor Agency is permitted to amend the Last and Final Recognized Obligation Payment Schedule twice. After issuance of the Bonds, the Successor Agency expects to amend the Last and Final Recognized Obligation Payment Schedule to reduce the amount included therein for the 2010 Bonds and add the debt service payable for the Bonds.

[to be completed].

Cybersecurity

As a recipient and provider of personal, private and sensitive information, the City faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems.

No assurance can be given that the City's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City or the Successor Agency, or the administration of the Bonds. The Successor Agency is also reliant on other entities

and service providers in connection with the administration of the Bonds, including without limitation the County Tax Collector for the levy and collection of Tax Revenues, the Fiscal Agent, and the Dissemination Agent. No assurance can be given that the City, the Successor Agency and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Risks Related to Coronavirus

[to be completed]

Loss of Tax Exemption

As discussed under the caption "TAX MATTERS" herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were executed and delivered as a result of future acts or omissions of the Successor Agency in violation of its covenants contained in the Indenture. Should such an event of taxability occur, the Bonds are not subject to special redemption or any increase in interest rate and will remain outstanding until maturity.

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service ("IRS") has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Bonds is commenced, under current procedures, the IRS is likely to treat the Successor Agency as the "taxpayer," and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the Successor Agency may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

TAX MATTERS

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Bonds 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. Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of calculating federal alternative minimum tax imposed on individuals.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Successor Agency has covenanted to comply with certain restrictions designed to insure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in federal gross income, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not

occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Bond Owners from realizing the full current benefit of the tax status of such interest. For example, legislative proposals are announced from time to time which, generally would limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Certain requirements and procedures contained or referred to in the Indenture, the Tax Certificate, and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to the exclusion from gross income of interest on any Bond if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than Best Best & Krieger LLP.

The IRS has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of other similar bonds).

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Bond Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Bondholder or the Bond Owner's other items of income or deduction, and Bond Counsel expresses no opinion regarding any such other tax consequences.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX F.

LEGAL MATTERS

Enforceability of Remedies

The remedies available to the Trustee and the Owners of the Bonds upon an event of default under the Indenture or any other document described herein are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under such documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Bonds and the Indenture are subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Approval of Legal Proceedings

Best Best & Krieger LLP, Riverside, California, as Bond Counsel, will render opinions with respect to the Bonds which state that the Indenture is a valid and binding obligation of the Successor Agency and enforceable in accordance with its terms. The legal opinions of Bond Counsel will be subject to the effect of bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights and to the exercise of judicial discretion in accordance with general principles of equity. See "APPENDIX F" for the proposed forms of Bond Counsel's opinions with respect to the Bonds.

The Successor Agency has no knowledge of any fact or other information which would indicate that the Indenture is not so enforceable against the Successor Agency, except to the extent such enforcement is limited by principles of equity and by state and federal laws relating to bankruptcy, reorganization, moratorium or creditors' rights generally.

Certain legal matters will be passed on for the Successor Agency by the City Attorney, as General Counsel to the Successor Agency. Quint & Thimmig LLP, Larkspur, California, will also pass on certain legal matters for the Successor Agency as Disclosure Counsel. Certain legal matters will be passed on for the Underwriter by its counsel, Kutak Rock LLP, Los Angeles, California. Fees payable to Bond Counsel, Disclosure Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

No Litigation

There is no action, suit or proceeding known to the Successor Agency to be pending and notice of which has been served upon and received by the Successor Agency, or threatened, restraining or enjoining the execution or delivery of the Bonds or the Indenture or in any way contesting or affecting the validity of the foregoing or any proceedings of the Successor Agency taken with respect to any of the foregoing.

CONCLUDING INFORMATION

Rating on the Bonds

S&P Global Ratings ("S&P") has assigned a rating of "___" to the Bonds. Such rating reflects only the views of S&P, and any desired explanation of the significance of such rating may be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own.

There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. Except as otherwise required in the Continuing Disclosure Certificate, the Successor Agency undertakes no responsibility either to bring to the attention of the owners of any Bonds any downward revision or withdrawal of any rating obtained or to oppose any such revision or withdrawal. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

The Municipal Advisor

The material contained in this Official Statement was prepared by the Successor Agency with the assistance of Harrell & Company Advisors, LLC, Orange, California, an independent financial consulting firm, which advised the Successor Agency as to the financial structure and certain other financial matters relating to the Bonds. The information set forth herein has been obtained by the Successor Agency from sources which are believed to be reliable, but such information is not guaranteed by the Municipal Advisor as to accuracy or completeness, nor has it been independently verified.

Continuing Disclosure

The Successor Agency will provide annually certain financial information and data relating to the Bonds by not later than February 28 in each year commencing February 28, 2021 (the "Annual Report"), and to provide notices of the occurrence of certain other listed events. The Municipal Advisor will act as Dissemination Agent. The specific nature of the information to be contained in the Annual Report or the notices of listed events and certain other terms of the continuing disclosure obligation are found in the form of the Successor Agency's Disclosure Certificate attached in "APPENDIX E - FORM OF CONTINUING DISCLOSURE CERTIFICATE."

In the previous 5 years, the City believes it has complied in all material respects with any undertaking made pursuant to the Rule.

Underwriting

The Bonds were sold to Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), who is offering the Bonds at the prices set forth on the inside cover page hereof. The initial offering prices may be changed from time to time and concessions from the offering prices may be allowed to dealers, banks and others.

The Underwriter has purchased the Bonds at a price equal to \$_____, which amount represents the principal amount of the Bonds plus a net original issue premium of \$_____ less an Underwriter's discount of \$_____. The Underwriter will pay certain of its expenses relating to the offering from the Underwriter's discount.

References

All statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Successor Agency and the purchasers or Owners of any of the Bonds.

Execution

The execution and delivery of this Official Statement by the City Manager acting as the chief administrative officer of the Successor Agency has been duly authorized by the Successor Agency.

**SUCCESSOR AGENCY TO THE
STANTON REDEVELOPMENT AGENCY**

By: /s/ _____
City Manager

APPENDIX A
SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE
[TO BE PROVIDED BY BOND COUNSEL]

APPENDIX B
MUNICIPAL ADVISOR'S
PROJECTED TAX REVENUES REPORT



PROJECTED TAX REVENUES

Dissolution Act

On June 29, 2011, Assembly Bill No. 26 ("AB X1 26") was enacted as Chapter 5, Statutes of 2011. As a result of AB X1 26 and the decision of the California Supreme Court in *California Redevelopment Association, et al. v. Matosantos, et al.*, 53 Cal. 4th 231 (Cal. 2011), as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Former Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies.

AB X1 26 was amended on June 27, 2012 by Assembly Bill No. 1484 ("AB 1484"), enacted as Chapter 26, Statutes of 2012 and by Senate Bill No. 107 ("SB 107") enacted as Chapter 325, Statutes of 2015 (as amended from time to time, the "Dissolution Act").

Pursuant to Section 34173 of the Dissolution Act, the City Council serves as the governing board of the successor agency to the Former Agency. Since the February 1, 2012 dissolution of the Former Agency, the City has served as the Successor Agency to the Stanton Redevelopment Agency (the "Successor Agency").

Tax Allocation Financing

Prior to the enactment of AB X1 26, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues. First, the assessed valuation of the taxable property in a project area, as last equalized prior to adoption of the redevelopment plan, was established and became the base roll. Thereafter, except for any period during which the assessed valuation dropped below the base year level, the taxing agencies, on behalf of which taxes are levied on property within the project area, receive the taxes produced by the levy of the then current tax rate upon the base roll. Taxes collected upon any increase in the assessed valuation of the taxable property in a project area over the levy upon the base roll could be pledged by a redevelopment agency to the repayment of any indebtedness incurred in financing the redevelopment project. Redevelopment agencies themselves had no authority to levy taxes on property.

The Dissolution Act now requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former Agency had the Former Agency not been dissolved pursuant to the operation of AB X1 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund for the Successor Agency established and held by the County Auditor-Controller (the "Redevelopment Property Tax Trust Fund") pursuant to the Dissolution Act. The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same legal effect as if the bonds had been issued prior to effective date of AB X1 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedule.

Tax Increment Revenues

Pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and Section 16 of Article XVI of the State Constitution and as provided in the Redevelopment Plan, taxes levied upon taxable property in the Project Area each year by or for the benefit of the State, any city, county, city and county, district, or other public corporation (herein sometimes collectively called "taxing agencies") after the effective date of the ordinance approving the related Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the Redevelopment Plan that added territory to the Project Area, if any, are to be divided as follows:

- (a) To Taxing Agencies: That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the Project Area as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency last equalized prior to the effective date of the ordinance adopting the Redevelopment Plan (the "base year valuation"), will be allocated to, and when collected will be paid into, the funds of the respective taxing agencies as taxes by or for the taxing agencies on all other property are paid; and
- (b) To the Former Agency/Successor Agency: Except for that portion of the taxes in excess of the amount identified in (a) above which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989 for the acquisition or improvement of real property, which portion shall be allocated to, and when collected shall be paid into, the fund of that taxing agency, that portion of the levied taxes each year in excess of such amount, annually allocated within limitations established by the Redevelopment Plan, following the date of issuance of the Bonds, when collected will be paid into a special fund of the Successor Agency. Section 34172 of the Dissolution Act provides that, for purposes of Section 16 of Article XVI of the State Constitution, the Redevelopment Property Tax Trust Fund shall be deemed to be a special fund of the Successor Agency to pay the debt service on indebtedness incurred by the Former Agency or the Successor Agency to finance or refinance the redevelopment projects of the Former Agency.

That portion of the levied taxes described in paragraph (b) above, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the County Auditor-Controller, constitute the amounts required under the Dissolution Act to be deposited by the County Auditor-Controller into the Redevelopment Property Tax Trust Fund. In addition, Section 34183 of the Dissolution Act effectively eliminates the January 1, 1989 date from paragraph (b) above. Pursuant to SB 107, effective September 22, 2015, debt service override revenues approved by the voters for the purpose of supporting pension programs or capital projects, and programs related to the State Water Project, that are not pledged to or needed for debt service on successor agency obligations are allocated and paid to the entity that levies the override and will not be deposited into the Redevelopment Property Tax Trust Fund. Within the Project Area, voters within the Metropolitan Water District ("MET") approved debt service override tax rates, the revenues from which were pledged as security for the payment of debt service on the 2010 Bonds. However, neither such overrides levied by MET nor any other overrides levied within the Project Area, are pledged to the payment of debt service on the Bonds.

The amounts calculated in accordance with the provisions described above are referred to herein as "Tax Increment Revenues."

Redevelopment Plan

The Former Agency had adopted 2 separate Redevelopment Plans and Redevelopment Project Areas. In 2004, the Former Agency merged the Redevelopment Project Areas, creating the Stanton Consolidated Redevelopment Project ("Consolidated Redevelopment Project" or "Project Area"). The two constituent projects are: (i) the Stanton Community Development Project Area (the "Community Development Project") and (ii) Stanton 2000 Project Area IV ("200 Project"). The Community Development Project is comprised of the original Community Development Project ("Original Area") and additional territories added pursuant to subsequent amendments to the redevelopment plan for the Community Development Project. ("Amendment No. 1 Area" and "Amendment No. 2 Area").

Constituent Project Areas Comprising the Consolidated Redevelopment Project

The City Council approved and adopted the Redevelopment Plan for the Original Area on December 13, 1983, pursuant to Ordinance No. 582. It was subsequently amended on July 14, 1987 pursuant to Ordinance No. 653 to include additional area (referred to herein as "Amendment Area No. 1") and again on July 14, 1992 pursuant to Ordinance No. 733 to include additional area (referred to herein as "Amendment No. 2 Area"). The Redevelopment Plan was also amended on November 22, 1994 pursuant to Ordinance No. 762 to add limitations prescribed by AB 1290 (see "Plan Limitations" below), on January 25, 2005 pursuant to Ordinance No. 906 to eliminate the time limit to incur debt, on July 27, 2004 pursuant to Ordinance No. 899 to extend the plan limits by one year under the provisions of SB 1045.

The City Council also adopted Ordinance No. 884 on March 4, 2004 reinstating and extending the authority of the Agency to use eminent domain in the Community Development Project except for properties designated for residential land use.

The City Council approved and adopted the Redevelopment Plan for the Stanton 2000 Redevelopment Project on July 5, 2000, pursuant to Ordinance No. 831. The Redevelopment Plan was amended on January 25, 2005 to eliminate the time limit to incur debt.

The City Council concluded proceedings to merge the two redevelopment projects on November 23, 2004 pursuant to Ordinance No. 903, creating the Stanton Consolidated Redevelopment Project.

Plan Limitations

Under prior law, a redevelopment plan was required to specify certain limits (commonly referred to as "Plan Limits") with respect to the relevant project area (or component of the project area). Such Plan Limits specify, among other matters, the maximum amount of dollars that the redevelopment agency may receive as tax increment. For reference, the table below sets forth some of the original Plan Limits for the constituent projects.

	Community Development Project			2000 Project
	<u>Original Area</u>	<u>Amendment No. 1</u>	<u>Amendment No. 2</u>	
Last Date to Repay Debt with Tax Increment	12/13/2034	7/14/2038	7/14/2043	7/5/2046
Tax Increment Limit	\$150 Million	\$35 Million	\$115 Million	No limit

The Redevelopment Plan also established a total bonded indebtedness limit for the Project Area of \$149,000,000.

SB 107, which was enacted in September 2015, contains provisions (the “SB 107 Plan Limits Provisions”) which generally provide that, for the purpose of paying enforceable obligations (as such term is defined by the Dissolution Act), such as the Bonds, the Successor Agency is no longer subject to the Plan Limits. In contrast, for all other purposes, including pass-through payments to taxing entities (which are not “enforceable obligations” because they are now paid not by the Successor Agency but by the County Auditor-Controller directly from Redevelopment Property Tax Trust Fund disbursements), the County Auditor-Controller has confirmed that it will continue to recognize the Plan Limits (whether they apply to an individual constituent redevelopment project or the Project Area). As a matter of practical implementation of the SB 107 Plan Limits Provisions, the County Auditor-Controller will deposit into the Redevelopment Property Tax Trust Fund an amount of property tax revenues derived from a constituent redevelopment project or the Project Area above the Plan Limits only in a situation where there would not be sufficient moneys in the Redevelopment Property Tax Trust Fund to make payments on outstanding enforceable obligations.

As of June 30, 2019, the Former Agency and the Successor Agency had received Tax Increment Revenues of approximately \$64.4 million with respect to the Original Area, \$11.4 million with respect to the Amendment No. 1 Area, and \$12.2 million with respect to the Amendment No. 2 Area.

Based on the current projections, the Successor Agency does not expects that the Plan Limit on Tax Increment Revenues for the Original Area, Amendment No. 1 Area or Amendment No. 2 Area will be reached prior to the maturity date of the Bonds. However, the time limit to receive Tax Increment Revenues from the Original Area will occur in 2034, one year prior to maturity of the Bonds. Because the remaining Redevelopment Property Tax Trust Fund deposits from Amendment No. 1 Area, Amendment No. 2 Area and the 2000 Project are anticipated to be greater than total payments for enforceable obligations (including the debt service payments the Bonds), the Successor Agency expects the County Auditor Controller will not need to make deposits into the Redevelopment Property Tax Trust Fund from the Original Area after December 13, 2034 once the original time limit for that constituent redevelopment project has been reached. The projections of Tax Revenues take that limitation into account.

No Low and Moderate Income Housing Set-Aside

Prior to the Dissolution Act, not less than 20% of Tax Increment Revenues was required to be set aside annually for the purpose of increasing and improving the community’s supply of low and moderate income housing available at affordable housing costs to persons and families of very low, low or moderate income households (the “Housing Set-Aside”). The Dissolution Act eliminated the 20% Housing Set-Aside requirement and none of the property tax revenues deposited in the Redevelopment Property Tax Trust Fund is designated as 20% Housing Set-Aside. There are currently no obligations with a prior claim on the former Housing Set-Aside.

Historical Assessed Value and Tax Increment Revenues

The current base year assessed value of the Project Area and Constituent Projects and the total assessed value (taxable valuation as of the annual August 20 equalized tax roll) of the Project Area and Constituent Projects between Fiscal Years 2015-16 and 2019-20 are shown in the following tables.

TABLE NO. B-1
CONSOLIDATED REDEVELOPMENT PROJECT
BASE YEAR AND HISTORICAL ASSESSED VALUATIONS BY CONSTITUENT PROJECT
2015-16 through 2019-20

	<u>Base Year⁽¹⁾</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Community Development:						
Original Area	\$ 32,240,832	\$ 336,812,483	\$ 359,349,369	\$ 368,827,777	\$ 385,142,753	\$ 414,992,091
Amendment No. 1	30,769,081	105,142,100	113,129,024	110,802,244	117,385,463	115,230,594
Amendment No. 2	80,166,013	199,117,196	205,541,497	215,899,160	236,643,270	258,863,366
2000 Project	<u>792,334,374</u>	<u>1,750,512,777</u>	<u>1,843,317,853</u>	<u>1,921,118,812</u>	<u>2,030,733,355</u>	<u>2,157,902,705</u>
Total	\$935,510,300	\$2,391,584,556	\$2,521,337,743	\$2,616,647,993	\$2,769,904,841	\$2,946,988,756

⁽¹⁾ Base year assessed values may vary from year to year based on changes in property ownership of agencies exempt from property tax.

Source: Orange County Auditor-Controller.

TABLE NO. B-2
STANTON COMMUNITY DEVELOPMENT PROJECT
ORIGINAL AREA
HISTORICAL ASSESSED VALUATIONS
2015-16 through 2019-20

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Secured	\$318,648,320	\$340,661,910	\$350,680,514	\$366,632,472	\$394,505,474
Unsecured	<u>18,164,163</u>	<u>18,687,459</u>	<u>18,147,263</u>	<u>18,510,281</u>	<u>20,486,617</u>
Total	\$336,812,483	\$359,349,369	\$368,827,777	\$385,142,753	\$414,992,091

Source: Orange County Auditor-Controller.

TABLE NO. B-3
STANTON COMMUNITY DEVELOPMENT PROJECT
AMENDMENT NO. 1 AREA
HISTORICAL ASSESSED VALUATIONS
2015-16 through 2019-20

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Secured	\$ 96,015,387	\$101,153,228	\$102,714,380	\$107,546,025	\$109,394,130
Unsecured	<u>9,126,713</u>	<u>11,975,796</u>	<u>8,087,864</u>	<u>9,839,438</u>	<u>5,836,464</u>
Total	\$105,142,100	\$113,129,024	\$110,802,244	\$117,385,463	\$115,230,594

Source: Orange County Auditor-Controller.

TABLE NO. B-4
STANTON COMMUNITY DEVELOPMENT PROJECT
AMENDMENT NO. 2 AREA
HISTORICAL ASSESSED VALUATIONS
2015-16 through 2019-20

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Secured	\$173,579,380	\$180,591,906	\$193,887,920	\$210,542,594	\$231,015,224
Unsecured	<u>25,537,816</u>	<u>24,949,591</u>	<u>22,011,240</u>	<u>26,100,676</u>	<u>27,848,142</u>
Total	\$199,117,196	\$205,541,497	\$215,899,160	\$236,643,270	\$258,863,366

Source: Orange County Auditor-Controller.

TABLE NO. B-5
STANTON 2000 REDEVELOPMENT PROJECT
HISTORICAL ASSESSED VALUATIONS
2015-16 through 2019-20

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Secured	\$1,721,285,599	\$1,809,444,705	\$1,892,780,152	\$1,998,040,106	\$2,119,586,396
Unsecured	<u>29,227,178</u>	<u>33,873,148</u>	<u>28,338,660</u>	<u>32,693,249</u>	<u>38,316,309</u>
Total	\$1,750,512,777	\$1,843,317,853	\$1,921,118,812	\$2,030,733,355	\$2,157,902,705

Source: Orange County Auditor-Controller.

Tax increment revenues based on the historical assessed values in Table Nos. B-2 through B-5 are shown in the table below.

TABLE NO. B-6
CONSOLIDATED REDEVELOPMENT PROJECT
HISTORICAL TAX REVENUES

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Incremental Value	\$1,459,866,091	\$1,589,586,132	\$1,684,896,382	\$1,834,790,670	\$2,011,478,456
Tax Rate	<u>1.000%</u>	<u>1.0000%</u>	<u>1.0000%</u>	<u>1.0000%</u>	<u>1.0000%</u>
Tax Increment Revenues	14,598,661	15,895,861	16,848,964	18,347,907	20,114,785
Unitary Revenues	<u>62,598</u>	<u>73,626</u>	<u>74,343</u>	<u>102,414</u>	<u>103,559</u>
Total Tax Revenues ⁽¹⁾	\$ 14,661,259	\$ 15,969,487	\$ 16,923,306	\$ 18,450,321	\$ 20,218,344
Tax Revenues Collected ⁽²⁾	\$ 15,135,059	\$ 16,311,957	\$ 17,482,534	\$ 19,361,504	
Gross RPTTF Deposits	\$ 15,243,915	\$ 16,267,020	\$ 17,452,359	\$ 19,338,038	

⁽¹⁾ Based on the August 20 equalized roll, and includes unitary revenue, but not supplemental assessments, refunds and other adjustments. See Table No. B-10 below for tax levy as adjusted.

⁽²⁾ Taxes collected from September through the following August each year. Before deduction for County Auditor-Controller administrative costs or Tax Sharing. Includes supplemental taxes, penalties, interest, prior years' delinquent collections, net of refunds.

Source: Orange County Auditor-Controller.

**TABLE NO. B-7
REDEVELOPMENT PROPERTY TAX TRUST FUND DEPOSITS**

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
January RPTTF Deposit	\$ 8,638,829	\$ 9,168,479	\$ 9,784,898	\$10,463,415	
June RPTTF Deposit	<u>6,605,086</u>	<u>7,098,541</u>	<u>7,667,461</u>	<u>8,874,623</u>	
Gross RPTTF Deposits	15,243,915	16,267,020	17,452,359	19,338,038	
County Administrative Fees	(130,718)	(87,854)	(132,595)	(121,570)	
Tax Sharing ⁽¹⁾	<u>(3,635,392)</u>	<u>(4,039,418)</u>	<u>(4,411,184)</u>	<u>(5,043,305)</u>	
RPTTF Available	<u>\$11,477,805</u>	<u>\$12,139,748</u>	<u>\$12,908,580</u>	<u>\$14,173,163</u>	

⁽¹⁾ Includes County Tax Sharing Agreement, which is subordinate to the Bonds and the 2016 Bonds, but withheld by Auditor-Controller prior to distribution of RPTTF unless required to pay enforceable obligations.

Source: Orange County Auditor-Controller.

Major Taxpayers

The ten largest property taxpayers represent 8.8% of the 2019-20 total assessed value of the Consolidated Redevelopment Project and 12.9% of the incremental assessed value of the Consolidated Redevelopment Project.

**TABLE NO. B-8
CONSOLIDATED REDEVELOPMENT PROJECT
TEN LARGEST TAXPAYERS AS A PERCENT OF 2019-20 TOTAL
AND INCREMENTAL ASSESSED VALUE**

<u>Taxpayer</u>	<u>2019-20</u> <u>Total</u> <u>Assessed</u> <u>Value</u>	<u>% of</u> <u>Total</u> <u>Assessed</u> <u>Value</u>	<u>% of</u> <u>Incremental</u> <u>Assessed</u> <u>Value</u>	<u>Land Use</u>
CR and R Inc.	\$ 53,113,772	1.8%	2.6%	Transfer Station
Briarwood Square LP	43,956,706	1.5%	2.2%	Multi-Family
Arrowhead Apartment Investments LLC	30,014,180	1.0%	1.5%	Multi-Family
12131 Beach Boulevard LLC	23,009,160	0.8%	1.1%	Commercial
Garden Terrace MHC LLC	21,012,125	0.7%	1.0%	Multi-Family
Stanton Capital LP	19,632,348	0.7%	1.0%	Commercial
Icon Pool 1 LA Business Parks LLC	18,867,275	0.6%	0.9%	Industrial
Continental Gardens LP	18,250,667	0.6%	0.9%	Multi-Family
Brookfield Village Way LLC	17,500,000	0.6%	0.9%	Commercial
Thomas Thongvan Nguyen Trust	<u>15,999,261</u>	<u>0.5%</u>	<u>0.8%</u>	Multi-Family
Total	\$261,355,494	8.8%	12.9%	

Source: Successor Agency.

Assessment Appeals

In the last five years, 57% of properties for which appeals were filed and heard (not withdrawn) were successful in obtaining a reduction in value and that reduction has averaged approximately 14.2% of the original assessment. Some appeals have been filed for multiple years for the same property. A summary of appeals as of December 2019 is shown below.

<u>Tax Year</u>	<u>Pending Appeals</u>	<u>Value of Property Under Appeal</u>	<u>% of Tax Roll</u>
2015-16	4	\$ 1,805,281	0.1%
2016-17	7	4,746,580	0.2%
2017-18	13	3,960,490	0.2%
2018-19	18	25,772,044	0.9%
2019-20	<u>15</u>	<u>40,413,717</u>	1.4%
	57	\$76,698,112	

Source: Harrell & Company Advisors, LLC.

As described below, appeals are pending for one of the ten largest property owners listed in the table "Ten Largest Taxpayers as a Percent of 2019-20 Total and Incremental Assessed Value."

CR and R Inc. is appealing the 2019-20 assessed value of 8 of the 9 parcels it owns (with a total value of \$26,975,273) and the 2018-19 assessed value of 1 of the parcels it owns (with a total value of \$2,922,104). This owner is requesting a \$10.8 million reduction in the 2019-20 assessed values and a \$1.2 million reduction in the 2018-19 assessed value.

CR and R Inc. had a small reduction in 2018-19 assessed value granted on 1 of its 9 parcels (\$378,432). Any appeals filed CR and R Inc. in prior years and not described above have been withdrawn.

No reduction for pending appeals in the Project Area has been incorporated in the projections. Reductions in revenue for refunds resulting from successful appeals or current or prior year appeals have also not been incorporated into the projections. The success rate of appeals, reductions granted and refunds may vary from historical averages.

Tax Sharing Agreements

Pursuant to prior Section 33401(b) of the Redevelopment Law, a redevelopment agency could enter into an agreement to pay tax increment revenues to any taxing agency that has territory located within a redevelopment project to alleviate any financial burden or detriment caused by the redevelopment project. These agreements are commonly known as "tax sharing agreements" or "pass-through agreements" and are referred to herein as "Contractual Tax Sharing Agreements." The following describes the agreements entered into with respect to the Constituent Project Areas.

In addition, pursuant to former Section 33676 of the Redevelopment Law, any affected taxing agency that had not entered into a tax sharing agreement with the redevelopment agency prior to the adoption of a redevelopment plan could elect, by resolution adopted prior to the adoption of a redevelopment plan, to receive the portion of Tax Increment Revenues attributed to one or both of the following:

- (a) Increases in the rate of tax imposed for the benefit of the taxing agency which levy occurs after the tax year in which the ordinance adopting the redevelopment plan becomes effective; and
- (b) Increases in the assessed value of the taxable property in the redevelopment project area, as the assessed value is established by the assessment roll last equalized prior to the effective date of the ordinance adopting the redevelopment plan pursuant to subdivision (a) of Section 33670, which are, or otherwise would be, calculated annually pursuant to subdivision (f) of Section 110.1 of the Revenue and Taxation Code.

Payments due under Section 33676(b) are referred to herein as "inflationary growth."

For the purpose of calculating tax sharing under either Section 33401 or 33607 of the Redevelopment Law (described under the caption "Tax Sharing Statutes"), the Dissolution Act provides that, if applicable, the amount of tax sharing payments shall be computed as though the requirement to set aside funds for the Low and Moderate Income Housing Fund was still in effect.

Community Development Project – Original Area

Orange County Water District. Orange County Water District receives 0.37294% of the general levy tax increment.

Orange County General Fund, Flood Control District and Parks, Beaches and Harbors. Orange County taxing entities receive a combined 10.14% of the general levy tax increment. Payment of the amounts due to the Orange County taxing entities are subordinated to bond indebtedness.

Anaheim Union High School District. The Anaheim Union High School District receives tax increment generated by tax rate increases levied by the Anaheim Union High School District for the purpose of paying any of its voter-approved bonded indebtedness. The agreement provided that in the event that, in any future year(s), the current system of state school district financing changes such that the Anaheim Union High School District was adversely affected by the allocation of and payment to the Former Agency of tax increment revenues generated by the application of the general levy to the incremental assessed valuation in the Redevelopment Project, the Former Agency, upon written request by the Anaheim Union High School District satisfactorily documenting any amounts which may thereafter be due, shall pay to the Anaheim Union High School District, from Tax Revenues thereafter received by the Former Agency an amount equal to the lesser of (i) the Anaheim Union High School District's 1.355% share of the general levy tax increment or (ii) an amount equal to the actual financial loss of the Anaheim Union High School District from such cause. No such payments are being made.

Community Development Project – Amendment No. 1 Area

Orange County Water District. Orange County Water District receives 80% of its 0.83% share of the general levy tax increment.

Orange County General Fund, Flood Control District and Parks, Beaches and Harbors. Orange County taxing entities receive a combined 9.94% of the general levy tax increment. Payment of the amounts due to the Orange County taxing entities are subordinated to bond indebtedness.

Local Educational Agencies. The following local educational agencies receive their weighted average proportionate share of inflationary growth:

- Coast Community College District
- North Orange County Community College District
- Orange County Department of Education
- Savanna Elementary School District
- Magnolia Elementary School District
- Anaheim Union High School District
- Garden Grove Unified School District

The weighted average of the local educational agencies share of the inflationary approximately 55.4%.

Community Development Project – Amendment No. 2 Area

Orange County Water District. Orange County Water District receives 80% of its 0.67% share of the general levy tax increment.

Orange County Sanitation District. Orange County Sanitation District receives 80% of its 3.10% share of the general levy tax increment.

Coast Community College District. Coast Community College District receives its 0.32% weighted average share of inflationary growth plus 35% of its 1.63% weighted average share of general levy tax increment net of the inflationary amount.

North Orange County Community College District. North Orange County Community College District receives its 6.00 % weighted average share of inflationary growth plus 35% of its 5.09% weighted average share of general levy tax increment net of the inflationary amount.

Orange County Department of Education. Orange County Department of Education receives its 2.78% share of inflationary growth plus 35% of its 2.78% share of general levy tax increment net of the inflationary amount.

Savanna Elementary School District. Savanna Elementary School District receives its 3.51% weighted average share of inflationary growth.

Magnolia Elementary School District. Magnolia Elementary School District receives 30% of its 16.17% weighted average share of the general levy tax increment.

Anaheim Union High School District. Anaheim Union High School District receives 30% of its 10.54% weighted average share of the general levy tax increment.

Garden Grove Unified School District. Garden Grove Unified School District receives its 10.1% weighted average share of inflationary growth plus 40% of its 14.03% weighted average share of general levy tax increment net of the inflationary amount.

Orange County General Fund, Flood Control District and Parks, Beaches and Harbors. Orange County taxing entities receive 75% of their combined 10.77% share of the general levy tax increment.

Tax Sharing Statutes

Certain provisions were added to the Redevelopment Law by the adoption of AB 1290 in 1994. A discussion of these provisions as they relate to the Project Area follows. If new territory was added to a Redevelopment Project, under Section 33607.5 of the Redevelopment Law, any affected taxing entity would share in the tax increment revenues generated by such added area pursuant to a statutory formula ("Statutory Tax Sharing").

In addition, pursuant to Section 33333.6(e)(2) of the Redevelopment Law, if the Former Agency deleted the time limit to incur indebtedness in a Redevelopment Project or increased the total amount of Tax Increment Revenues to be allocated to a Redevelopment Project or increases the duration of the redevelopment plan for a Redevelopment Project and the period for receipt of tax increment revenues, Statutory Tax Sharing will also be required under Section 33607.7 of the Redevelopment Law with all affected taxing agencies not already a party to a Contractual Tax Sharing Agreement, once the original limitations have been reached. The original limitation is shown in the following table, and payments to taxing entities pursuant to Section 33607.7, commenced in the fiscal year shown below.

<u>Constituent Project Area</u>	<u>Last Date to Incur Debt Prior to Elimination</u>	<u>Payments Under Tax Sharing Statutes Commenced</u>
Original Area	1/1/2004	2004-05
Amendment No. 1 Area	7/14/2007	2008-09
Amendment No. 2 Area	7/14/2012	2013-14

Source: Successor Agency.

In general, the amounts to be paid pursuant to Statutory Tax Sharing are as follows:

- (a) commencing in the first fiscal year after the limitation has been reached, an amount equal to 25% of tax increment revenues generated by the incremental increase of the current year assessed valuation over the assessed valuation in the fiscal year that the limitation had been reached, after the amount required to be deposited in the Low and Moderate Income Housing Fund has been deducted;
- (b) in addition to amounts payable as described in (a) above, commencing in the 11th fiscal year after the limitation has been reached, an amount equal to 21% of tax increment revenues generated by the incremental increase of the current year assessed valuation over the assessed valuation in the preceding 10th fiscal year that the limitation had been reached, after the amount required to be deposited in the Low and Moderate Income Housing Fund has been deducted; and
- (c) in addition to amounts payable as described in (a) and (b) above, commencing in the 31st fiscal year after the limitation has been reached, an amount equal to 14% of tax increment revenues generated by the incremental increase of the current year assessed valuation over the assessed valuation in

the preceding 30th fiscal year that the limitation had been reached, after the amount required to be deposited in the Low and Moderate Income Housing Fund has been deducted.

- (d) The City could elect to receive a portion of the tax increment generated in (a) above, after the amount required to be deposited in the Low and Moderate Income Housing Fund has been deducted.
- (e) The Successor Agency may subordinate the amount required to be paid to an affected taxing entity to any indebtedness after receiving the consent of the taxing entity.

With respect to a taxing entity that is a party to a tax sharing agreement, tax sharing payments would continue pursuant to the Contractual Tax Sharing Agreement after the original limitations in the Redevelopment Plan were passed.

The City has elected to receive its portion of the tax increment revenue as described in (d) above. The City has not subordinated the payment of such amounts to the Bonds or the 2016 Bonds.

Since dissolution, the County Auditor-Controller calculates and pays the Statutory Tax Sharing amounts.

Projected Tax Revenues

Deposits in the Redevelopment Property Tax Trust Fund in the amounts and at the times projected by the Successor Agency depends on the realization of certain assumptions relating to the Tax Increment Revenues. The projections of Tax Increment Revenues and the corresponding Tax Revenues from the Project Area shown on the following tables were based on the assumptions shown below. The Municipal Advisor believes the assumptions upon which the projections are based are reasonable; however, some assumptions may not materialize and unanticipated events and circumstances may occur.

- (a) The 2019-20 secured roll was increased by 2% annually for inflation in future years.
- (b) The values of unsecured personal property have been maintained throughout the projections at the 2019-20 unsecured roll value.
- (c) The amount of unitary revenues have been maintained throughout the projections at their 2019-20 amount of \$103,559.
- (d) For the purposes of the projections, it was assumed that no additional assessed value would be added to the tax rolls as a result of new construction.
- (e) No potential future Proposition 8 adjustments or potential reductions in value as a result of pending assessment appeals are reflected in the projections.
- (f) A tax rate of \$1.00 per \$100 of assessed value applied to the taxable property in the Project Area was used to determine Tax Increment Revenues.
- (g) Projected Tax Revenues do not reflect supplemental property taxes.
- (h) Projected Tax Revenues include a deduction for administrative costs charged by Orange County.
- (i) Projected Tax Revenues include a deduction for payments due to taxing agencies under Contractual Tax Sharing Agreements or applicable Tax Sharing Statutes, including the subordinate payments to certain County taxing entities.
- (j) No Tax Increment Revenues are projected to be deposited in the Redevelopment Property Tax Trust Fund from the Original Area after December 13, 2034.

TABLE NO. B-10
PROJECTED TAX REVENUES
CONSOLIDATED PROJECT AREA

	Community Development Project				County		Subordinate
	Original	Amendment	Amendment	2000	Admin		Tax
	Area	No. 1 Area	No. 2 Area	Project	Charge	Total	Sharing ⁽¹⁾
2020	\$2,932,700	\$610,800	\$1,278,800	\$ 9,878,000	\$(158,800)	\$14,541,500	\$473,800
2021	2,977,700	620,500	1,307,600	10,146,000	(162,600)	14,889,200	483,800
2022	3,023,300	630,100	1,337,100	10,419,000	(166,400)	15,243,100	493,900
2023	3,070,700	639,400	1,367,900	10,697,700	(170,400)	15,605,300	504,300
2027	3,118,200	648,600	1,396,100	10,982,100	(174,400)	15,970,600	515,600
2028	3,167,300	658,500	1,425,000	11,272,200	(178,400)	16,344,600	526,300
2026	3,216,900	669,400	1,454,400	11,568,000	(182,600)	16,726,100	537,100
2027	3,267,800	679,000	1,484,500	11,869,400	(186,800)	17,113,900	549,100
2028	3,319,100	690,600	1,514,900	12,177,200	(191,200)	17,510,600	560,200
2029	3,372,300	700,800	1,546,200	12,491,300	(195,600)	17,915,000	572,600
2030	3,425,900	712,100	1,577,900	12,811,700	(200,100)	18,327,500	584,100
2031	3,480,700	723,000	1,610,200	13,080,000	(204,100)	18,689,800	596,800
2032	3,536,700	733,800	1,643,800	13,354,100	(208,100)	19,060,300	609,700
2033	3,593,900	745,800	1,677,100	13,633,800	(212,200)	19,438,400	621,700
2034	3,652,100	757,900	1,711,900	13,918,900	(216,400)	19,824,400	635,000
2035	-	770,300	1,747,000	14,210,000	(180,700)	16,546,600	121,000

⁽¹⁾ Informational only. Subordinate Tax Sharing Payments have been deducted from Total Tax Revenues.

**TABLE NO. B-11
PROJECTED TAX REVENUES
ORIGINAL AREA**

	Gross Tax <u>Increment</u>	Senior Tax Sharing <u>Agreements</u>	Statutory Tax <u>Sharing</u>	Subordinate Tax Sharing <u>Agreements</u>	Tax <u>Revenue</u>	<u>Cumulative</u>
2020	\$3,861,000	\$(14,400)	\$(524,100)	\$(389,800)	\$2,932,700	\$ 68,245,000
2021	3,940,000	(14,700)	(549,800)	(397,800)	2,977,700	72,185,000
2022	4,020,000	(15,000)	(575,800)	(405,900)	3,023,300	76,205,000
2023	4,103,000	(15,300)	(602,700)	(414,300)	3,070,700	80,308,000
2024	4,186,000	(15,600)	(629,600)	(422,600)	3,118,200	84,494,000
2025	4,272,000	(15,900)	(657,500)	(431,300)	3,167,300	88,766,000
2026	4,359,000	(16,300)	(685,700)	(440,100)	3,216,900	93,125,000
2027	4,448,000	(16,600)	(714,500)	(449,100)	3,267,800	97,573,000
2028	4,538,000	(16,900)	(743,800)	(458,200)	3,319,100	102,111,000
2029	4,631,000	(17,300)	(773,800)	(467,600)	3,372,300	106,742,000
2030	4,725,000	(17,600)	(804,400)	(477,100)	3,425,900	111,467,000
2031	4,821,000	(18,000)	(835,500)	(486,800)	3,480,700	116,288,000
2032	4,919,000	(18,300)	(867,300)	(496,700)	3,536,700	121,207,000
2033	5,019,000	(18,700)	(899,700)	(506,700)	3,593,900	126,226,000
2034	5,121,000	(19,100)	(932,800)	(517,000)	3,652,100	131,347,000

TABLE NO. B-12
PROJECTED TAX REVENUES
AMENDMENT NO. 1 AREA

	Gross Tax <u>Increment</u>	33676 Inflationary <u>Growth</u>	Senior Tax Sharing <u>Agreements</u>	Statutory Tax <u>Sharing</u>	Subordinate Tax Sharing <u>Agreements</u>	Tax <u>Revenue</u>	<u>Cumulative</u>
2020	\$ 850,000	\$ (71,000)	\$ (7,100)	\$ (77,100)	\$ (84,000)	\$610,800	\$12,132,000
2021	872,000	(74,000)	(7,200)	(84,300)	(86,000)	620,500	12,930,000
2022	894,000	(77,000)	(7,400)	(91,500)	(88,000)	630,100	13,747,000
2023	917,000	(81,000)	(7,600)	(99,000)	(90,000)	639,400	14,583,000
2024	940,000	(84,000)	(7,800)	(106,600)	(93,000)	648,600	15,439,000
2025	964,000	(88,000)	(8,000)	(114,500)	(95,000)	658,500	16,315,000
2026	988,000	(91,000)	(8,200)	(122,400)	(97,000)	669,400	17,212,000
2027	1,013,000	(95,000)	(8,400)	(130,600)	(100,000)	679,000	18,130,000
2028	1,038,000	(98,000)	(8,600)	(138,800)	(102,000)	690,600	19,070,000
2029	1,064,000	(102,000)	(8,800)	(147,400)	(105,000)	700,800	20,032,000
2030	1,090,000	(106,000)	(9,000)	(155,900)	(107,000)	712,100	21,016,000
2031	1,117,000	(110,000)	(9,300)	(164,700)	(110,000)	723,000	22,023,000
2032	1,144,000	(114,000)	(9,500)	(173,700)	(113,000)	733,800	23,053,000
2033	1,171,000	(118,000)	(9,700)	(182,500)	(115,000)	745,800	24,106,000
2034	1,200,000	(122,000)	(10,000)	(192,100)	(118,000)	757,900	25,184,000
2035	1,229,000	(126,000)	(10,200)	(201,500)	(121,000)	770,300	26,287,000

TABLE NO. B-13
PROJECTED TAX REVENUES
AMENDMENT AREA NO. 2

	Gross Tax <u>Increment</u>	Senior Tax <u>Sharing</u>	Statutory Tax <u>Sharing</u>	Tax <u>Revenue</u>	<u>Cumulative</u>
2020	\$1,793,000	\$(459,400)	\$ (54,800)	\$1,278,800	\$13,989,000
2021	1,839,000	(473,900)	(57,500)	1,307,600	15,828,000
2022	1,886,000	(488,700)	(60,200)	1,337,100	17,714,000
2023	1,935,000	(504,000)	(63,100)	1,367,900	19,649,000
2024	1,984,000	(519,500)	(68,400)	1,396,100	21,633,000
2025	2,034,000	(535,200)	(73,800)	1,425,000	23,667,000
2026	2,085,000	(551,300)	(79,300)	1,454,400	25,752,000
2027	2,137,000	(567,700)	(84,800)	1,484,500	27,889,000
2028	2,190,000	(584,400)	(90,700)	1,514,900	30,079,000
2029	2,244,000	(601,400)	(96,400)	1,546,200	32,323,000
2030	2,299,000	(618,800)	(102,300)	1,577,900	34,622,000
2031	2,355,000	(636,400)	(108,400)	1,610,200	36,977,000
2032	2,413,000	(654,600)	(114,600)	1,643,800	39,390,000
2033	2,471,000	(673,000)	(120,900)	1,677,100	41,861,000
2034	2,531,000	(691,800)	(127,300)	1,711,900	44,392,000
2035	2,592,000	(711,100)	(133,900)	1,747,000	46,984,000

TABLE NO. B-14
PROJECTED TAX REVENUES
2000 PROJECT

	Gross Tax <u>Increment</u>	Statutory Tax <u>Sharing</u>	Tax <u>Revenue</u>
2020	\$13,714,000	\$(3,836,000)	\$ 9,878,000
2021	14,138,000	(3,992,000)	10,146,000
2022	14,570,000	(4,151,000)	10,419,000
2023	15,011,000	(4,313,300)	10,697,700
2024	15,461,000	(4,478,900)	10,982,100
2025	15,920,000	(4,647,800)	11,272,200
2026	16,388,000	(4,820,000)	11,568,000
2027	16,865,000	(4,995,600)	11,869,400
2028	17,352,000	(5,174,800)	12,177,200
2029	17,849,000	(5,357,700)	12,491,300
2030	18,356,000	(5,544,300)	12,811,700
2031	18,872,000	(5,792,000)	13,080,000
2032	19,399,000	(6,044,900)	13,354,100
2033	19,937,000	(6,303,200)	13,633,800
2034	20,485,000	(6,566,100)	13,918,900
2035	21,045,000	(6,835,000)	14,210,000

APPENDIX C

CITY OF STANTON INFORMATION STATEMENT

The following information concerning the City of Stanton is presented as general background data. The Bonds are payable solely from Tax Revenues, as described in the Official Statement. The Bonds are not an obligation of the City, and the taxing power of the City is not pledged to the payment of the Bonds.

General Information

The City of Stanton was incorporated on June 4, 1956 as a general law city and operates under the council-manager form of government. The City encompasses 3.1 square miles and is located in central Orange County, approximately 23 miles southeast of Los Angeles and 9 miles northwest of Santa Ana. Nearby cities include Anaheim, Buena Park, Garden Grove, Cypress, and La Palma.

Population

The following table provides population growth for the City of Stanton and Orange County between 2015 and 2019.

**TABLE NO. C-1
CHANGE IN POPULATION
CITY OF STANTON AND ORANGE COUNTY
2015 – 2019**

January 1 <u>Year</u>	<u>CITY OF STANTON</u>		<u>ORANGE COUNTY</u>	
	<u>Population</u>	<u>Percentage Change</u>	<u>Population</u>	<u>Percentage Change</u>
2015	39,348		3,155,578	
2016	39,562	0.5%	3,174,945	0.6%
2017	39,644	0.2%	3,199,509	0.8%
2018	39,483	(0.4)%	3,213,275	0.4%
2019	39,307	(0.4)%	3,222,498	0.3%
% Change Between 2015 - 2019		(0.1)%	2.1%	

Source: State of California, Department of Finance, "E-4 Population Estimates for Cities, Counties and the State, 2011-2019, with 2010 Census Benchmark" Sacramento, California, May 2019.

Per Capita Personal Income

Per capita personal income information for Orange County, the State of California and the United States are summarized in the following table. Per capita personal income for the City is not available.

TABLE NO. C-2
PER CAPITA PERSONAL INCOME
ORANGE COUNTY, STATE OF CALIFORNIA AND UNITED STATES
2014 – 2018

<u>Year</u>	<u>Orange County ⁽¹⁾</u>	<u>State of California ⁽¹⁾</u>	<u>United States ⁽¹⁾</u>
2014	\$57,165	\$52,324	\$47,058
2015	61,219	55,758	48,978
2016	63,086	57,739	49,870
2017	65,709	60,156	51,885
2018	69,268	63,557	54,446

⁽¹⁾ For Orange County, State of California and United States, per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 2010-2018 reflect county population estimates available as of March 2019.

Note: All dollar estimates are in thousands of current dollars (not adjusted for inflation). Calculations are performed on unrounded data.

Last updated: November 14, 2019, new statistics for 2018; revised statistics for 2014-2017.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Employment

As of December 2019, the civilian labor force for the City was approximately 18,800 of whom 18,300 were employed. The unadjusted unemployment rate as of December 2019 was 2.7% for the City as compared to 2.4% for the County and 3.7% for the State. Civilian labor force, employment and unemployment statistics for the City, County, the State and the nation, for the years 2014 through 2018 are shown in the following table:

**TABLE NO. C-3
CITY OF STANTON
CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
ANNUAL AVERAGES**

<u>Year</u>	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
<u>2014</u>				
City of Stanton	18,700	17,300	1,300	7.2%
Orange County	1,569,000	1,482,900	86,100	5.5%
California	18,714,700	17,310,900	1,403,800	7.5%
United States	155,922,000	146,305,000	9,617,000	6.2%
<u>2015</u>				
City of Stanton	18,700	17,600	1,100	5.9%
Orange County	1,585,800	1,514,900	70,900	4.5%
California	18,851,100	17,681,800	1,169,200	6.2%
United States	157,130,000	148,834,000	8,296,000	5.3%
<u>2016</u>				
City of Stanton	18,600	17,700	800	4.4%
Orange County	1,598,800	1,534,100	64,700	4.0%
California	19,044,500	18,002,800	1,041,700	5.5%
United States	159,187,000	151,436,000	7,751,000	4.9%
<u>2017</u>				
City of Stanton	18,195	17,800	700	3.9%
Orange County	1,609,800	1,553,400	56,400	3.5%
California	19,205,300	18,285,500	919,800	4.8%
United States	160,320,000	153,337,000	6,982,000	4.4%
<u>2018</u>				
City of Stanton	18,700	18,100	600	3.2%
Orange County	1,625,400	1,577,900	47,500	2.9%
California	19,398,200	18,582,800	815,400	4.2%
United States	162,075,000	155,761,000	6,314,000	3.9%

Source: California State Employment Development Department and United States Bureau of Labor Statistics.

Industry

The City is located in the Anaheim-Santa Ana-Irvine Metropolitan Division. The December 2019 unemployment rate in the Anaheim-Santa Ana-Irvine Metropolitan Division was 2.4%. The State of California December 2019 unemployment rate (unadjusted) was 3.7%.

TABLE NO. C-4
ANAHEIM-SANTA ANA-IRVINE METROPOLITAN DIVISION
WAGE AND SALARY WORKERS BY INDUSTRY ⁽¹⁾
(in thousands)

<u>Industry</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Government	161.5	163.0	163.6	164.6	165.8
Other Services	49.4	50.6	50.6	51.0	49.8
Leisure and Hospitality	207.2	212.8	219.6	223.7	231.4
Educational and Health Services	204.2	213.1	222.2	227.6	228.9
Professional and Business Services	295.1	307.7	311.5	319.5	327.9
Financial Activities	118.1	120.4	121.0	119.2	122.0
Information	25.1	26.5	27.1	26.9	27.0
Transportation, Warehousing and Utilities	28.1	28.0	29.9	30.8	31.1
Service Producing					
Retail Trade	159.9	160.3	161.1	159.3	158.1
Wholesale Trade	79.3	79.1	79.6	80.4	81.6
Manufacturing					
Nondurable Goods	41.7	42.9	43.1	42.5	41.0
Durable Goods	117.0	118.1	118.4	117.8	118.8
Goods Producing					
Construction	95.3	99.0	104.9	104.0	109.3
Mining and Logging	<u>0.3</u>	<u>0.4</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
Total Nonfarm	1,582.2	1,621.9	1,653.1	1,667.8	1,693.2
Farm	<u>2.0</u>	<u>2.1</u>	<u>1.7</u>	<u>1.7</u>	<u>1.5</u>
Total (all industries)	<u>1,584.2</u>	<u>1,624.0</u>	<u>1,654.8</u>	<u>1,669.5</u>	<u>1,694.7</u>

⁽¹⁾ Annually, as of December.

Note: The unemployment rate is calculated using unrounded data. Data may not add due to rounding.

Source: State of California Employment Development Department, Labor Market Information Division, "Industry Employment & Labor Force - by month, March 2018 Benchmark."

The major employers operating within the City and their respective number of employees as of June 30, 2019 are shown in Table No. C-5. The City is not aware of any changes in the major employers since that date.

**TABLE NO. C-5
CITY OF STANTON
MAJOR EMPLOYERS**

<u>Name of Company</u>	<u>Employment</u>	<u>Type of Business/Service</u>
Rowntree Gardens (formerly Quaker Gardens)	320	Senior Living Community
Home Depot	150	Home Improvement Retailer
Great Scott Tree Service	146	Tree Care Services
All Metals Processing	130	Fabricated Metal Products
Super King Market	128	Supermarket
CR Transfer Inc.	122	Waste Disposal
USS Cal Builders	120	General Contractor
Adventure City	113	Amusement Park
Custom Pipe & Coupling	91	Pipe Bending and Fabricating
Wal-Mart #4134	80	Retail Store

Source: City of Stanton.

Commercial Activity

Taxable transactions by type of business for the City of Stanton for 2015 through 2018 (the most recent year for which statistics are available from the Department of Tax and Fee Administration for the full year) are summarized in Table No. C-6.

TABLE NO. C-6
CITY OF STANTON
TAXABLE TRANSACTIONS BY TYPE OF BUSINESS
(in \$ thousands)
2015 – 2018

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Clothing and Clothing				
Accessories Stores	\$ 3,642	\$ 3,724	\$ 3,529	\$ 3,326
General Merchandise Stores	32,100	33,714	34,483	12,569
Food and Beverage Stores	22,095	22,505	23,078	24,046
Food Services and Drinking Places	51,273	52,040	51,250	52,775
Home Furnishings and				
Appliance Stores	6,798	6,205	6,866	6,789
Building Materials and Garden				
Equipment and Supplies	55,427	54,795	58,563	55,886
Motor Vehicles and Parts Dealers	37,933	37,762	39,310	47,263
Gasoline Stations	55,508	50,099	56,977	63,499
Other Retail Group	<u>15,259</u>	<u>17,751</u>	<u>19,055</u>	<u>20,378</u>
Total Retail and Food Services	280,035	278,595	293,111	286,531
<i>All Other Outlets</i>	<u>70,444</u>	<u>70,285</u>	<u>72,496</u>	<u>80,490</u>
Total All Outlets	<u>\$350,479</u>	<u>\$348,880</u>	<u>\$365,607</u>	<u>\$367,021</u>

Note: Detail may not compute to total due to rounding.

Source: California Department of Tax and Fee Administration, "Taxable Sales in California Cities, by Type of Business."

Building Activity

The following table summarizes building activity valuations for the City of Stanton for the five fiscal years 2014-15 through 2018-19.

TABLE NO. C-7
CITY OF STANTON
BUILDING ACTIVITY AND VALUATION
2014-15 - 2018-19

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Estimated Valuation	\$9,628,253	\$10,879,744			
Building Permits Issued	314	264			

Source: Community Development Department, City of Stanton.

APPENDIX D
CITY AUDITED FINANCIAL STATEMENTS FOR THE FISCAL
YEAR ENDED JUNE 30, 2019

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Successor Agency to the Stanton Redevelopment Agency (the “Successor Agency”) in connection with the issuance of its Tax Allocation Refunding Bonds, 2020 Series A (“Bonds”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of July 1, 2005 (the “2005 Indenture”) between the Successor Agency, as successor to the Former Agency, and U.S. Bank National Association, successor trustee to The Bank of New York Mellon Trust Company, N.A., as Trustee (the “Trustee”) as amended and supplemented by (i) a First Supplement to Indenture of Trust dated as of October 1, 2010, (ii) a Second Supplement to Indenture of Trust, dated as of March 1, 2011 and (iii) a Third Supplement to Indenture of Trust dated as of September 1, 2020 (the “Third Supplement” and, with the 2005 Indenture, the “Indenture”), each by and between the Successor Agency and the Trustee (collectively, the “Indenture”). The Successor Agency covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Successor Agency for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the Successor Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means February 1 in each year, beginning February 28, 2021.

“*Dissemination Agent*” means Harrell & Company Advisors, LLC, or any successor Dissemination Agent designated in writing by the Successor Agency and which has filed with the Successor Agency a written acceptance of such designation.

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Official Statement*” means the final official statement executed by the Successor Agency in connection with the issuance of the Bonds.

“*Participating Underwriter*” means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Successor Agency shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing February 28, 2021 with the report for the 2019-20 Fiscal Year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with

the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Successor Agency may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the Successor Agency fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If the Successor Agency does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the Successor Agency, in a timely manner, shall provide (or cause the Dissemination Agent to provide) a notice to the MSRB, in an electronic format as prescribed by the MSRB.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the Successor Agency, file a report with the Successor Agency certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The Successor Agency's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements 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 the Successor Agency's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the Successor Agency for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

- (i) Table Nos. 2 - 6 - Historical Assessed Valuations;
- (ii) Table No. 7 - Historical Tax Revenues;
- (iii) Table No. 8 - Redevelopment Property Tax Trust Fund Deposits;
- (iv) Table No. 9 - Ten Largest Taxpayers; and
- (v) Table No. 10 - Debt Service Coverage.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the Successor Agency shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) 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 Successor Agency or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange

Commission. The Successor Agency shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The Successor Agency shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (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 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) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the Successor Agency or other obligated person.
- (13) The consummation of a merger, consolidation, or acquisition involving the Successor Agency or an obligated person, or the sale of all or substantially all of the assets of the Successor Agency or an obligated person (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.
- (15) Incurrence of a financial obligation of the Successor Agency, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Successor Agency, any of which affect security holders, if material.
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Successor Agency, any of which reflect financial difficulties.

(b) The Successor Agency shall, or shall cause the Dissemination Agent (if not the Successor Agency) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The Successor Agency acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The Successor Agency shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the Successor Agency obtains knowledge of the occurrence of any of these Listed Events, the Successor Agency will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the Successor Agency will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Successor Agency in a proceeding under the United States 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 Successor 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 Successor Agency.

(e) The term financial obligation means a (1) debt obligation; (2) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (3) guarantee of (e)(1) or (e)(2). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Successor Agency's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Section 8. Dissemination Agent. The Successor Agency may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Harrell & Company Advisors, LLC. Any Dissemination Agent may resign by providing 30 days' written notice to the Successor Agency.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Successor Agency may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations and further provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), 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 an obligated person with respect to the Bonds, 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 Bonds, 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 either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto 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 this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report 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 Successor Agency to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Successor Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate 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 Certificate. If the Successor 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 Certificate, the Successor Agency shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the Successor Agency fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Successor Agency to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall be entitled to the protections and limitations afforded to the Trustee under the Indenture. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Successor Agency agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, 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 Dissemination Agent shall have no duty or obligation to review any information provided to it by the Successor Agency hereunder, and shall not be deemed to be acting in any fiduciary capacity for the Successor Agency, the Bond holders or any other party. The obligations of the Successor Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the Successor Agency for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Successor Agency, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: _____, 2020

SUCCESSOR AGENCY TO THE
STANTON REDEVELOPMENT AGENCY

By: _____

Name: _____

Title: _____

AGREED AND ACCEPTED:
HARRELL & COMPANY ADVISORS, LLC,
as Dissemination Agent

By: _____

Authorized Officer

APPENDIX F
PROPOSED FORM OF BOND COUNSEL OPINION
[TO BE PROVIDED BY BOND COUNSEL]

APPENDIX G

THE BOOK-ENTRY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the Bonds (the "Issuer") nor the trustee, fiscal agent or paying agent appointed with respect to the Bonds (the "Agent") take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of

AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on such Internet site is not incorporated herein by reference.*

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

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

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

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or

Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

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

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

SOURCES AND USES OF FUNDS

Successor Agency to the Stanton Redevelopment Agency
2020 Tax Allocation Refunding Bonds

Sources:

Bond Proceeds:	
Par Amount	8,195,000.00
Premium	<u>1,515,980.95</u>
	9,710,980.95
Other Sources of Funds:	
Debt Service Fund	673,959.40
Debt Service Reserve Fund	<u>1,134,906.00</u>
	1,808,865.40
	<u>11,519,846.35</u>

Uses:

Refunding Escrow Deposits:	
Cash Deposit	0.77
SLGS Purchases	<u>11,300,497.00</u>
	11,300,497.77
Delivery Date Expenses:	
Cost of Issuance	156,000.00
Underwriter's Discount	<u>61,462.50</u>
	217,462.50
Other Uses of Funds:	
Additonal Proceeds	1,886.08
	<u>11,519,846.35</u>

Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020
Interest Rates as of March 12, 2020

SUMMARY OF REFUNDING RESULTS

Successor Agency to the Stanton Redevelopment Agency
2020 Tax Allocation Refunding Bonds

Dated Date	09/03/2020
Delivery Date	09/03/2020
Arbitrage yield	2.315401%
Escrow yield	0.668902%
Value of Negative Arbitrage	45,055.33
Bond Par Amount	8,195,000.00
True Interest Cost	2.629243%
Net Interest Cost	2.936216%
Average Coupon	5.000000%
Average Life	8.600
Par amount of refunded bonds	11,085,000.00
Average coupon of refunded bonds	4.365686%
Average life of refunded bonds	8.056
PV of prior debt to 09/03/2020 @ 2.315401%	12,819,028.17
Net PV Savings	1,143,279.77
Percentage savings of refunded bonds	10.313755%
Percentage savings of refunding bonds	13.950943%

Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020
Interest Rates as of March 12, 2020

SAVINGS

Successor Agency to the Stanton Redevelopment Agency
2020 Tax Allocation Refunding Bonds

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 09/03/2020 @ 2.3154009%
12/01/2020	673,959.38	673,959.40	-0.02		-0.02	-3,781.98
12/01/2021	900,318.76		900,318.76	729,911.11	170,407.65	164,696.40
12/01/2022	909,006.26		909,006.26	738,750.00	170,256.26	161,876.43
12/01/2023	1,131,193.76		1,131,193.76	916,750.00	214,443.76	199,195.44
12/01/2024	1,127,593.76		1,127,593.76	915,000.00	212,593.76	192,974.64
12/01/2025	1,127,993.76		1,127,993.76	917,000.00	210,993.76	187,156.67
12/01/2026	1,132,193.76		1,132,193.76	917,500.00	214,693.76	186,095.41
12/01/2027	1,134,993.76		1,134,993.76	921,500.00	213,493.76	180,838.70
12/01/2028	1,130,343.76		1,130,343.76	918,750.00	211,593.76	175,142.52
12/01/2029	1,128,368.76		1,128,368.76	914,500.00	213,868.76	172,982.76
12/01/2030	1,134,906.26		1,134,906.26	923,750.00	211,156.26	166,890.98
12/01/2031	709,531.26		709,531.26	575,750.00	133,781.26	103,353.99
12/01/2032	713,400.00		713,400.00	578,250.00	135,150.00	102,018.53
12/01/2033	715,881.26		715,881.26	584,500.00	131,381.26	96,902.40
12/01/2034	716,975.00		716,975.00	584,250.00	132,725.00	95,649.91
12/01/2035	716,681.26		716,681.26	582,750.00	133,931.26	94,306.88
	15,103,340.76	673,959.40	14,429,381.36	11,718,911.11	2,710,470.25	2,276,299.69

Savings Summary

PV of savings from cash flow	2,276,299.69
Less: Prior funds on hand	-1,134,906.00
Plus: Refunding funds on hand	1,886.08
Net PV Savings	1,143,279.77

Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020
Interest Rates as of March 12, 2020

BOND PRICING

Successor Agency to the Stanton Redevelopment Agency
2020 Tax Allocation Refunding Bonds

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price
Serial Bonds:								
	12/01/2021	220,000	5.000%	1.660%	104.094			
	12/01/2022	340,000	5.000%	1.720%	107.188			
	12/01/2023	535,000	5.000%	1.800%	110.038			
	12/01/2024	560,000	5.000%	1.850%	112.798			
	12/01/2025	590,000	5.000%	1.910%	115.347			
	12/01/2026	620,000	5.000%	2.030%	117.333			
	12/01/2027	655,000	5.000%	2.160%	118.947			
	12/01/2028	685,000	5.000%	2.280%	120.334			
	12/01/2029	715,000	5.000%	2.330%	122.086			
	12/01/2030	760,000	5.000%	2.380%	123.690			
	12/01/2031	450,000	5.000%	2.430%	123.179 C	2.608%	12/01/2030	100.000
	12/01/2032	475,000	5.000%	2.480%	122.670 C	2.800%	12/01/2030	100.000
	12/01/2033	505,000	5.000%	2.530%	122.163 C	2.964%	12/01/2030	100.000
	12/01/2034	530,000	5.000%	2.580%	121.659 C	3.106%	12/01/2030	100.000
	12/01/2035	555,000	5.000%	2.600%	121.459 C	3.209%	12/01/2030	100.000
		8,195,000						

Dated Date	09/03/2020	
Delivery Date	09/03/2020	
First Coupon	06/01/2021	
Par Amount	8,195,000.00	
Premium	1,515,980.95	
Production	9,710,980.95	118.498852%
Underwriter's Discount	-61,462.50	-0.750000%
Purchase Price	9,649,518.45	117.748852%
Accrued Interest		
Net Proceeds	9,649,518.45	

Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020
Interest Rates as of March 12, 2020

BOND DEBT SERVICE

Successor Agency to the Stanton Redevelopment Agency
2020 Tax Allocation Refunding Bonds

Period Ending	Principal	Coupon	Interest	Debt Service
12/01/2021	220,000	5.000%	509,911.11	729,911.11
12/01/2022	340,000	5.000%	398,750.00	738,750.00
12/01/2023	535,000	5.000%	381,750.00	916,750.00
12/01/2024	560,000	5.000%	355,000.00	915,000.00
12/01/2025	590,000	5.000%	327,000.00	917,000.00
12/01/2026	620,000	5.000%	297,500.00	917,500.00
12/01/2027	655,000	5.000%	266,500.00	921,500.00
12/01/2028	685,000	5.000%	233,750.00	918,750.00
12/01/2029	715,000	5.000%	199,500.00	914,500.00
12/01/2030	760,000	5.000%	163,750.00	923,750.00
12/01/2031	450,000	5.000%	125,750.00	575,750.00
12/01/2032	475,000	5.000%	103,250.00	578,250.00
12/01/2033	505,000	5.000%	79,500.00	584,500.00
12/01/2034	530,000	5.000%	54,250.00	584,250.00
12/01/2035	555,000	5.000%	27,750.00	582,750.00
	8,195,000		3,523,911.11	11,718,911.11

Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020
Interest Rates as of March 12, 2020

SUMMARY OF BONDS REFUNDED

Successor Agency to the Stanton Redevelopment Agency
2020 Tax Allocation Refunding Bonds

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Tax Allocation Bonds, 2010 Series A:					
SERIAL	12/01/2020	4.000%	440,000.00		
	12/01/2021	3.625%	450,000.00	12/01/2020	100.000
	12/01/2022	3.750%	475,000.00	12/01/2020	100.000
	12/01/2023	4.000%	715,000.00	12/01/2020	100.000
	12/01/2024	4.000%	740,000.00	12/01/2020	100.000
	12/01/2025	4.000%	770,000.00	12/01/2020	100.000
	12/01/2026	4.000%	805,000.00	12/01/2020	100.000
	12/01/2027	4.125%	840,000.00	12/01/2020	100.000
TERM03D	12/01/2030	4.250%	2,725,000.00	12/01/2020	100.000
TERM02A	12/01/2035	4.625%	3,125,000.00	12/01/2020	100.000
			11,085,000.00		

Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020
Interest Rates as of March 12, 2020

ESCROW REQUIREMENTS

Successor Agency to the Stanton Redevelopment Agency
2020 Tax Allocation Refunding Bonds

Period Ending	Principal	Interest	Principal Redeemed	Total
12/01/2020	440,000.00	233,959.38	10,645,000.00	11,318,959.38
	440,000.00	233,959.38	10,645,000.00	11,318,959.38

Notes:

Debt Service Savings Analysis for Successor Agency Board Report of March 24, 2020
Interest Rates as of March 12, 2020

City Council Item 15D

***“CITY COUNCIL INITIATED ITEM –
DISCUSSION REGARDING PARKING RULES
AND REGULATIONS FOR APARTMENT
COMPLEXES”***

City Council Initiated Item.

(This item does not contain a staff report)