

## REPORT TO AGOURA HILLS IMPROVEMENT AUTHORITY

**DATE:** FEBRUARY 14, 2024

**TO:** HONORABLE PRESIDENT AND MEMBERS OF THE IMPROVEMENT AUTHORITY

**FROM:** NATHAN HAMBURGER, CITY MANAGER

**BY:** J. DIEGO IBANEZ, DIRECTOR OF FINANCE

**SUBJECT:** DISCUSSION TO CONSIDER THE ADOPTION OF RESOLUTION NO. IA24-06; ACKNOWLEDGING A FINDING OF SIGNIFICANT PUBLIC BENEFIT IN CONNECTION WITH THE ISSUANCE OF AGOURA HILLS IMPROVEMENT AUTHORITY LEASE REVENUE BONDS, SERIES 2024A; AND AGOURA HILLS IMPROVEMENT AUTHORITY LEASE REVENUE REFUNDING BONDS, SERIES 2024B; AUTHORIZING THE SALE, ISSUANCE AND DELIVERY OF SAID 2024 BONDS; APPROVING AS TO FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO

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Being presented to the Agoura Hills Improvement Authority (the "Authority") is a resolution approving the issuance by the Agoura Hills Improvement Authority of Lease Revenue Bonds, Series 2024A and Lease Revenue Refunding Bonds, Series 2024B (collectively, the "2024 Bonds") and approving various documents related thereto including an official statement, bond purchase agreement, first amendment to sub lease, first supplemental indenture and other related documents and actions.

The Agoura Hills Improvement Authority is a joint powers authority duly organized and existing under and pursuant to Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Act") and that certain Joint Exercise of Powers Agreement, dated as of June 1, 2013, by and between the City and the Parking Authority of the City of Agoura Hills.

The final bond maturity is proposed to be June 1, 2041. Proceeds of the 2024 Bonds (except for the portions to be used for the costs of issuance) estimated at \$12 million will be held by the bond trustee to pay a portion of the estimated \$17.6 million cost of the Ladyface Greenway Project and the cost of refunding \$2,930,000 in outstanding Authority Lease Revenue Bonds, Series 2013. The 2024A Bonds are expected to be repaid by approved Measure R and M, and State grants. The timing of the receipt of grant funds together with the \$12 million 2024 bond proceeds are expected to be sufficient to fund the construction of the Project. No City General Fund reserves beyond making interest payments on the 2024 Bonds are expected to be needed. The Series 2024A Bonds will be redeemed at the earliest redemption date of June 1, 2029, without premium, with the

remaining grant funds. Grant funds are expected to be the primary source of repayment, interest earnings on bond proceeds will also contribute to the repayment.

The Ladyface Greenway project has an overall estimated cost of \$17.6 million based on the bid opening for the project on February 6, 2024. Grant funds from the State, Measure R, and Measure M will be used to fund this project. However, grant funding is available on a reimbursable basis and thus requires significant capital outlay by the City until grant funds become available for reimbursement. The City and its municipal financial advisor, Columbia Capital, analyzed the expected timing of the capital outlay and grant reimbursement and determined that the City would need approximately \$10 to \$12 million in interim outside financing to fund the project.

There is a large expenditure expected towards the early phase of the project due to a significant amount of steel being needed to cover the concrete culvert. Additionally, grants also have various retention rates (i.e., State Grants have a 20% retention rate, Measure R and M have a 5% retention rate) which further delays receipt of the reimbursable grant funds. These retentions will not be reimbursed until the project is 100% complete and audited by each grant agency.

The debt structure is expected to avoid any unplanned uses of the City's general fund reserves, allowing what is currently held to earn interest, while also allowing the City to repay the debt earlier if possible. This also will help keep interest expenses lower. The grants allotted for this project do not reimburse interest cost and would be the responsibility of the City's General Fund to pay.

The Act requires the Agoura Hills Improvement Authority to hold a noticed public hearing with respect to the proposed financing and to make a finding that the projects result in significant public benefits to the constituents of the City. The Series 2024B Bonds will refund the outstanding Series 2013 Bonds. The Series 2013 Bonds are callable on February 1, 2024. Based on current market interest rates refunding the Series 2023 Bonds generates \$0.6 million in total savings and \$0.4 million in present value savings. Additionally, the 2013 Bonds refunding will terminate the current lease encumbrance on the Agoura Hills Community Recreation Center. The Series 2024 Bonds will be secured by a lease encumbrance together and on par with the \$8.3 million in outstanding Series 2016 Lease Revenue Bonds. The Series 2016 Bonds are subject to the lease of the City Hall and Library Project.

The City Staff and Municipal Advisor evaluated all financing options, including bank options prior to recommending a public bond sale.

## **ISSUANCE OF BONDS**

Bonds were last sold by the City in 2016 to refund the Improvement Authority's City Hall and Library Bonds. The \$8.3 million in outstanding Series 2016 Bonds have a provision that allows for additional bond debt based upon the value and lease of the City Hall and Library. The 2024 Bonds will be issued under this additional bond provision. The bonds will be sold in two series, one series will be subject to early redemption from grant

proceeds in 2029 for the Ladyface Greenway Project and the other Series to refund the 2013 Bonds for savings. A bond rating has been applied for on the 2024 Bonds and a AA+ Bond rating is expected based on the City's Issuer Credit Rating of AAA. Bonds are expected to be sold in the amount of \$14 million.

In the fall of 2023, the City sent out an RFP to bond underwriters and the firm of Raymond James was selected following a review of five responses. The Series 2024 Bonds are expected to be sold to investors the week of February 26<sup>th</sup>. This will allow the City to be assured bonds are sold prior to the award of construction bids on February 28, 2024. The interest rates expected on the bonds is between 3.75% and 4.25% depending on market conditions at time of sale. The bonds are expected to close on March 21, 2024.

Summary of documents to be approved:

**Indenture** – The Indenture sets forth all of the terms and conditions of the 2024 Bonds (e.g., principal amount, maturity and redemption schedule, payment, registration and transfer provisions, and the form of the 2024 Bonds), the establishment and maintenance of certain funds and accounts (including a debt service reserve account), and the rights and duties of U.S. Bank NA as Trustee. Under the Indenture, the Authority will pledge "Revenues" derived from the City's lease payments under the Amended Sublease to pay debt service on the 2024 Bonds.

**Master Lease** – Pursuant to the Lease, the City will lease the civic center and library site and the improvements on the site to the Improvement Authority.

**Amended Sublease** – Pursuant to the Sublease, the Improvement Authority agrees to lease the property and improvements to the City. The City agrees to make rental payments to the Improvement Authority, in sufficient amounts to pay debt service on the 2016 Bonds and 2024 Bonds.

**Assignment Agreement** – Under this agreement, the Improvement Authority will assign its rights to receive the lease payments under the sublease to the Trustee, for the benefit of the owners of the 2016 Bonds.

**Bond Purchase Agreement** – This document describes the agreement between the Improvement Authority, the City and the Underwriter for the purchase and sale of the 2024 Bonds.

**Preliminary Official Statement** – This document is distributed to potential investors before the sale of the 2024 Bonds. It includes a summary of the proposed terms of the 2024 Bonds, sources of repayment and certain risks relating to the investment in the 2024 Bonds. As permitted by federal securities laws, some of the terms of the 2024 Bonds, which are not determined until the pricing of the 2024 Bonds (such as interest rates and redemption schedule) will appear as blanks or footnoted as "preliminary." After pricing the 2024 Bonds, these terms will be inserted and the Preliminary Official Statement will become the final Official Statement for distribution to the buyers of the 2024 Bonds.

**Continuing Disclosure Agreement** – Under this agreement, the City agrees to provide a copy of its audited financial statements and a report of other information relevant to the security of the 2024 Bonds for filing each year, to make this information available to the investors. The City also agrees to disclose and make a filing if a “material event,” such as a default on the 2024 Bonds, ever occurs.

**Escrow Agreement** – This agreement will provide for the establishment of an escrow fund to be held and maintained by U.S. Bank Trust Company, National Association, in its capacity as bond trustee for the 2013 Bonds. It is anticipated that the 2024 Bonds will be issued in March of 2024. Redemption of the 2013 Bonds will occur on March 2024. During the interim period, moneys to be used for the payment and redemption of the 2013 Bonds will be held in the escrow fund. Moneys in the escrow fund will be disbursed upon the payment and redemption of the 2013 Bonds.

**Termination of 2013 Lease, Sublease and Assignment Agreement** – The Leased Asset for the 2013 Bonds was the Recreation and Event Center. Since the 2013 Bonds are being refunded, this document terminates the Lease, Sublease and Assignment Agreement recorded against the community center.

## **FISCAL IMPACT**

If approved the City will incur approximately \$11.6 million of new debt (not including the refunding) that will need to be amended into the debt schedule of the adopted FY 2023-24 and FY 2024-25 City Budgets; the first interest-payment would be on June 1, 2024 with interest due every six months thereafter and principal due each June 1, 2024 beginning on June 1, 2025.

Based on current bond market conditions and assuming \$12 million in bond proceeds, the overall estimated debt service related to the Ladyface Greenway Project through the June 1, 2029, first bond redemption date is estimated to be \$5 million. Grant proceeds are expected to repay the principal portion of the bonds costs which is estimated at \$2.6 million. The estimated \$2.4 million in interest expense is expected to be significantly offset by interest earnings on bond proceeds and savings from the 2023 bond refunding are expected to help offset general fund costs.

Good Faith Estimates. In accordance with Government Code Section 5852.1, the municipal advisor with respect to the 2024 Bonds has provided the following good faith estimates.

- 1) The all in true interest cost of the 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 new issue of bonds is estimated to be 3.78%.
- 2) The finance charge of the bonds, which means the sum of all fees and charges paid to third parties is estimated to be \$311,382.40. Bond insurance premiums, which lower interest cost in excess of the fees charged, are estimated to be \$0. Such insurance is not expected to be cost effective.

- 3) The amount of proceeds received by the public body for sale of the bonds less the finance charge of the bonds described and any reserves or capitalized interest paid or funded with proceeds of the bonds is estimated to be \$14,709,089.
- 4) The total payment amount, which means the sum total of all payments the borrower will make to pay debt service on the bonds plus any finance charge of the bonds not paid with the proceeds of the bonds. The total payment amount calculated to the final maturity of the bonds is estimated to be \$20,323,063.

## **RECOMMENDATION**

Staff recommends the Agoura Hills Improvement Authority adopt Resolution No. IA24-06; Acknowledging a Finding of Significant Public Benefit in Connection with the Issuance of Agoura Hills Improvement Authority Lease Revenue Bonds, Series 2024A; and Agoura Hills Improvement Authority Lease Revenue Refunding Bonds, Series 2024B; Authorizing the Sale, Issuance and Delivery of Said 2024 Bonds; Approving as to Form and Authorizing the Execution and Delivery of Certain Documents in Connection Therewith; and Authorizing Certain other Matters Relating Thereto.

### Attachments:

- Exhibit A – Improvement Authority Resolution No. IA24-06
- Exhibit B – First Supplemental Indenture
- Exhibit C – First Amendment to Sublease
- Exhibit D – Addendum No. 1 to Memorandum of Sublease
- Exhibit E – Bond Purchase Agreement
- Exhibit F – Preliminary Official Statement
- Exhibit G – Form of Continuing Disclosure Agreement
- Exhibit H – Escrow Agreement
- Exhibit I – Memorandum Regarding Termination of 2013 Lease, Sublease and Assignment Agreement

Exhibit A

*Agoura Hills Improvement Authority  
Resolution No. IA24-06*

## RESOLUTION NO. IA24-06

**A RESOLUTION OF THE AGOURA HILLS IMPROVEMENT AUTHORITY ACKNOWLEDGING A FINDING OF SIGNIFICANT PUBLIC BENEFIT IN CONNECTION WITH THE ISSUANCE OF AGOURA HILLS IMPROVEMENT AUTHORITY LEASE REVENUE BONDS, SERIES 2024A; AND AGOURA HILLS IMPROVEMENT AUTHORITY LEASE REVENUE REFUNDING BONDS, SERIES 2024B; AUTHORIZING THE SALE, ISSUANCE AND DELIVERY OF SAID 2024 BONDS; APPROVING AS TO FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO**

### RECITALS:

WHEREAS, the Agoura Hills Improvement Authority (the "Authority") is a joint powers authority duly organized and existing under and pursuant to Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Act") and that certain Joint Exercise of Powers Agreement, dated as of July 1, 2013, by and between the City of Agoura Hills (the "City") and the Agoura Hills Parking Authority;

WHEREAS, the Authority is authorized pursuant to Article 4 of the Act to issue bonds for the purpose of financing and refinancing public capital improvements;

WHEREAS, pursuant to an Indenture, dated as of November 1, 2016 (the "Master Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as predecessor trustee to U.S. Bank Trust Company, National Association (the "Trustee"), the Authority previously issued its \$10,055,000 aggregate principal amount of Lease Revenue Refunding Bonds, Series 2016, currently outstanding in the amount of \$8,285,000 (the "2016 Bonds"), in order to refund the Agoura Hills Financing Authority Lease Revenue Refunding Bonds, Series 2007;

WHEREAS, the Authority proposes to issue its Lease Revenue Bonds, Series 2024A (the "2024A Bonds"), in order to finance the costs of construction of the City's linear greenway project, known as "Ladyface Greenway" (the "Project");

WHEREAS, the Authority proposes to issue its Lease Revenue Refunding Bonds, Series 2024B (the "2024B Bonds" and together with the 2024A Bonds, the "2024 Bonds"), in order to refund the Authority's Lease Revenue Bonds, Series 2013, currently outstanding in the amount of \$2,930,000 (the "2013 Bonds"); and will enter into an Escrow Agreement in connection therewith, as well as a Memorandum Regarding Termination of 2013 Lease, Sublease and Assignment Agreement.

WHEREAS, the 2024 Bonds will be issued on a parity with the 2016 Bonds, pursuant to the Master Indenture, as supplemented by a First Supplemental Indenture, dated as of March 1, 2024, between the Authority and the Trustee;

WHEREAS, in connection with the 2016 Bonds, the City leased certain real property and the improvements thereon, including the city hall and library facilities (collectively, the "Leased Property") to the Authority pursuant to a recorded Lease Agreement, dated as of November 1, 2016 (the "Lease"), and the City subleased the Leased Property back from the Authority pursuant to a Sublease Agreement, dated as of November 1, 2016 (the "Sublease"), pursuant to which the City makes base rental payments to the Authority, which are calculated to be sufficient to allow the Authority to pay debt service on the 2016 Bonds;

WHEREAS, a Memorandum of Sublease, dated as of November 1, 2016, between the Authority and the City, was recorded on December 6, 2016 in the official records of the Los Angeles County Recorder's office as Document No. 20161537088;

WHEREAS, pursuant to a recorded Assignment Agreement, dated as of November 1, 2016, the Authority assigned its rights to receive base rental payments required to be paid by the City pursuant to the Sublease to the Trustee;

WHEREAS, in connection with the 2024 Bonds, the City and the Authority propose to enter into a First Amendment to Sublease, in order to amend the base rental payment schedule to be sufficient to allow the Authority to pay debt service on the 2016 Bonds and the 2024 Bonds; and

WHEREAS, the City Council of the City (the "City Council") has made a finding, after duly noticed public hearing pursuant to Section 6586.5 of the Government Code, that the issuance of the 2024 Bonds will result in significant public benefit.

NOW, THEREFORE, THE AGOURA HILLS IMPROVEMENT AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals. The above recitals, and each of them, are true and correct.

Section 2. Acknowledgement of City Council Findings and Authorization to Issue 2024 Bonds. The Authority Commission hereby acknowledges and concurs with the City Council's finding of significant public benefit and hereby approves and authorizes the issuance and sale of the 2024 Bonds, subject to the parameters set forth below.

Section 3. First Supplemental Indenture. The First Supplemental Indenture, proposed to be entered into by and between the Authority and the Trustee (defined in Section 4 below), in the form on file with the Secretary of the Authority (the "Authority Secretary"), is hereby approved. Subject to the parameters set forth in Section 5 below, the issuance of the 2024 Bonds is hereby approved and authorized. Subject to Section 5 below, each of the Chair, the Vice-Chair, and the Chief Administrative Officer, or their designee (each, an "Authorized Officer"), acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the First Supplemental Indenture in substantially said form, with such additions or changes



as the Authorized Officer executing the same may approve (such approval to be conclusively evidenced by such Authorized Officer's execution and delivery thereof).

Section 4. Appointment of 2024 Trustee. The continued appointment of U.S. Bank Trust Company, National Association, as trustee under the Master Indenture, as supplemented by the First Supplemental Indenture, is hereby confirmed.

Section 5. Terms of Sale of 2024A Bonds. The authorization set forth in this Resolution regarding the issuance and sale of the 2024A Bonds are subject to the following parameters: (i) the aggregate principal amount of the 2024A Bonds shall not exceed \$12,300,000 ; and (ii) the true interest cost for the 2024A Bonds shall not exceed 4.75 percent per annum.

Section 6. Terms of Sale of 2024B Bonds. The authorization set forth in this Resolution regarding the issuance and sale of the 2024B Bonds are subject to the following parameters: (i) the aggregate principal amount of the 2024B Bonds shall not exceed \$3,000,000; (ii) the true interest cost for the 2024B Bonds shall not exceed 4.75 percent per annum; and (iii) there shall be net present value savings with respect to the refunding of the Series 2013 Bonds of at least 3 percent of the principal amount of the 2013 Bonds.

Section 7. First Amendment to Sublease. The First Amendment to Sublease Agreement, proposed to be entered into by and between the Authority and the City, in the form on file in the office of the Authority Secretary, is hereby approved. Each of the Authorized Officer's, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the First Amendment to Sublease in substantially said form, with such changes therein as the Authorized Officer executing the same may approve (such approval to be conclusively evidenced by such Authorized Officer's execution and delivery thereof).

Section 8. Addendum No. 1 to Memorandum of Sublease. The Addendum to Memorandum of Sublease ("Addendum"), proposed to be entered into by and between the Authority and the City, in the form on file in the office of the Authority Secretary, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Addendum in substantially said form, with such changes therein as the Authorized Officer executing the same may approve (such approval to be conclusively evidenced by such Authorized Officer's execution and delivery thereof).

Section 9. Bond Purchase Agreement. The Bond Purchase Agreement ("Purchase Agreement"), proposed to be entered into by and among the City, the Authority and Raymond James & Associates, Inc., as underwriter ("Underwriter"), in the form on file in the office of the Authority Secretary, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Purchase Agreement in substantially said form, with such changes therein as the Authorized Officer executing

the same may approve (such approval to be conclusively evidenced by such Authorized Officer's execution and delivery thereof).

Section 10. Preliminary Official Statement. The Preliminary Official Statement relating to the 2024 Bonds (the "Preliminary Official Statement"), in the form on file with the Authority Secretary, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to cause the Preliminary Official Statement in substantially said form, with such additions or changes therein as such Authorized Officer may approve, to be deemed final for the purposes of Rule 15c2-12, promulgated pursuant to the Securities and Exchange Act of 1934, as amended. The distribution by the Underwriter of copies of the Preliminary Official Statement to potential purchasers of the 2024 Bonds is hereby approved.

Section 11. Official Statement. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to cause the Preliminary Official Statement to be brought into the form of a final Official Statement (the "Official Statement"), and to execute the same for and in the name and on behalf of the Authority, with such additions or changes therein as such Authorized Officer may approve (such approval to be conclusively evidenced by such Authorized Officer's execution and delivery thereof).

Section 12. Escrow Agreement. The Escrow Agreement (the "Escrow Agreement"), proposed to be entered into by and among the Authority, the City, and U.S. Bank Trust Company, National Association, as escrow agent and 2013 Bonds trustee, in the form on file in the office of the Authority Secretary, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Escrow Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may approve (such approval to be conclusively evidenced by such Authorized Officer's execution and delivery thereof).

Section 13. Memorandum Regarding Termination of 2013 Lease, Sublease and Assignment Agreement. The Memorandum Regarding Termination of 2013 Lease, Sublease and Assignment Agreement ("2013 Termination Memo"), proposed to be entered into by and between the Authority and the City, in the form on file in the office of the Authority Secretary, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the 2013 Termination Memo in substantially said form, with such changes therein as the Authorized Officer executing the same may approve (such approval to be conclusively evidenced by such Authorized Officer's execution and delivery thereof).

Section 14. Professionals. In connection with the issuance of the 2024 Bonds, the appointment of the following firms is hereby approved: (i) Columbia Capital Management, LLC., as municipal advisor, and (ii) Richards, Watson & Gershon, A Professional Corporation, as bond counsel and disclosure counsel.

Section 15. Good Faith Estimates. In accordance with Government Code Section 5852.1, there has been presented to this Authority Commission in the staff report accompanying this Resolution certain good faith estimates provided to the Authority by its municipal advisor with respect to the 2024 Bonds. The Authority Commission hereby finds that the requirements of Government Code Section 5852.1 have been satisfied.

Section 16. Other Acts. The Authorized Officers and all other officers of the Authority are hereby authorized and directed, jointly and severally, to do any and all things (including negotiations with respect to obtaining a municipal bond insurance policy or debt service reserve surety bond), to execute and deliver any and all documents that they may deem necessary or advisable in order to consummate the sale, issuance and delivery of the 2024 Bonds, or otherwise to effectuate the purposes of this Resolution, the documents approved hereby, and any such actions previously taken by such officers are hereby ratified and confirmed.

Section 17. Effective Date. This Resolution shall take effect immediately upon adoption.

**PASSED, APPROVED, AND ADOPTED** this 14<sup>th</sup> day of February, 2024, by the following vote to wit:

AYES:        (  
NOES:        (  
ABSTAIN:    (  
ABSENT:     (  
                  )

\_\_\_\_\_  
Illece Buckley Weber, President

ATTEST:

\_\_\_\_\_  
Kimberly M. Rodrigues, Authority Secretary

Exhibit B

*First Supplemental Indenture*

**FIRST SUPPLEMENTAL INDENTURE**

Dated as of March 1, 2024

between the

**AGOURA HILLS IMPROVEMENT AUTHORITY**

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee**

Relating to

**[\$[Series A principal amount]  
Agoura Hills Improvement Authority  
Lease Revenue Bonds  
Series 2024A**

**[\$[Series B principal amount]  
Agoura Hills Improvement Authority  
Lease Revenue Refunding Bonds  
Series 2024B**

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## **FIRST SUPPLEMENTAL INDENTURE**

This First Supplemental Indenture (this “First Supplemental Indenture”), dated as of March 1, 2024, is entered into by and between the Agoura Hills Improvement Authority, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the “Authority”), and U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under laws of the United States of America and authorized to accept and execute trusts of the character herein set forth, as trustee (the “Trustee”).

### **Recitals**

A. The Authority is a joint powers authority duly organized and existing under and pursuant to Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the California Government Code (the “Act”) and that certain Joint Exercise of Powers Agreement, dated as of July 1, 2024, by and between the City of Agoura Hills and the Agoura Hills Parking Authority.

B. The Authority is authorized pursuant to Article 4 of the Act to issue bonds for the purpose of financing and refinancing public capital improvements.

C. Pursuant to an Indenture, dated as of November 1, 2016 (the “Master Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., predecessor in interest to U.S. Bank Trust Company, National Association, as trustee, the Authority previously issued its \$10,055,000 aggregate original principal amount of Lease Revenue Refunding Bonds, Series 2016, currently outstanding in the aggregate principal amount of \$8,285,000 (the “2016 Bonds”), to refinance the Agoura Hills Financing Authority Lease Revenue Refunding Bonds, Series 2007.

D. The Authority has determined to issue its: (i) Lease Revenue Bonds, Series 2024A (the “2024A Bonds”) in order to finance the cost of the City’s linear park known as the Ladyface Greenway project; and (ii) Lease Revenue Refunding Bonds, Series 2024B (the “2024B Bonds, and together with the 2024A Bonds, the “2024 Bonds”) in order to current refund the Authority’s Lease Revenue Bonds, Series 2013, outstanding in the amount of \$2,930,000, all pursuant to and secured by the Master Indenture, as amended and supplemented by this First Supplemental Indenture (together with the Master Indenture, the “Indenture”) in the manner provided therein and herein.

E. The execution and delivery of the 2024 Bonds and of this First Supplemental Indenture have been duly authorized and all things necessary to make the 2024 Bonds, when executed by the Authority and authenticated by the Trustee, valid and binding legal obligations of the Authority and to make this First Supplemental Indenture a valid and binding legal instrument for the security of the 2024 Bonds, have been done.

NOW THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH, that in order to secure the payment of the principal of, and the interest and premium, if any, on, all 2024 Bonds at any time issued and Outstanding 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 2024 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 2024 Bonds by the owners thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the respective holders from time to time of the 2024 Bonds, as follows:

## ARTICLE I AUTHORITY AND DEFINITIONS

SECTION 1.01 Supplemental Indenture. This First Supplemental Indenture is supplemental to the Master Indenture. Save and except as amended and supplemented by this First Supplemental Indenture, the Master Indenture shall remain in full force and effect.

SECTION 1.02 Authority for First Supplemental Indenture. This First Supplemental Indenture is adopted (i) pursuant to the provisions of the Act and (ii) in accordance with Section 3.04 and Article VII of the Master Indenture.

SECTION 1.03 Definitions. Except as provided by this First Supplemental Indenture, all terms which are defined in Section 1.01 of the Master Indenture shall have the same meanings, respectively, in this First Supplemental Indenture.

(a) The following definitions are hereby amended and restated in their entirety to read as follows:

“Bond Year” means each twelve-month period extending from June 2 in one calendar year to June 1 of the succeeding calendar year, both dates inclusive, except that the first Bond Year for a Series of Bonds shall be from Closing Date for such Series of Bonds to the following June 1. With respect to the 2016 Bonds, the first Bond Year is from the Closing Date through June 1, 2017. With respect to the 2024 Bonds, the first Bond Year is from the Closing Date through June 1, 2024.

“Bonds” means, collectively, the 2016 Bonds, the 2024 Bonds, and any Additional Bonds.

“Closing Date” means, with respect to each Series of Bonds, the initial date of delivery for such Series of Bonds. With respect to the 2016 Bonds, the Closing Date shall be November 16, 2016, and with respect to the 2024 Bonds, the Closing Date shall be March \_\_, 2024.



“Interest Payment Date” means June 1 and December 1 of each year, commencing June 1, 2017 with respect to the 2016 Bonds, and commencing June 1, 2024 with respect to the 2024 Bonds.

“Original Purchaser” with respect to the 2016 Bonds, means Citigroup Global Markets Inc., and with respect to the 2024 bonds, means Raymond James & Associates, Inc., and its successors and assigns.

“Reserve Requirement” means: (i) with respect to the 2016 Bonds and the 2024 Bonds, means \$0.00; and (ii) with respect to any other Series of Bonds, the amount provided in the relevant Supplemental Indenture.

“Sublease” means the Sublease Agreement, dated as of November 1, 2016, by and between the Authority, as lessor, and the City, as lessee, as amended by the First Amendment to Sublease, dated as of March 1, 2024, by and between the Authority and the City, and as it may thereafter from time to time be supplemented, modified or amended.

“Trustee” means U.S. Bank Trust Company, National Association, as successor trustee to The Bank of New York Mellon Trust Company, N.A., and its successors and assigns, and any other corporation or association that may at any time be substituted in its place as provided in Article VI.

(b) The following additional terms shall, for all purposes of the Indenture, have the following meanings:

“2013 Bonds” means the Agoura Hills Improvement Authority Lease Revenue Bonds, Series 2013, currently outstanding in the amount of \$2,930,000.

“2013 Bonds Escrow Agreement” means the Escrow Agreement, dated as of March 1, 2024, among the City, the Authority and U.S. Bank Trust Company, National Association, as 2013 Bonds trustee and escrow agent, regarding the refunding of the 2013 Bonds.

“2024A Bonds” means the Agoura Hills Improvement Authority Lease Revenue Bonds, Series 2024A, issued pursuant to the First Supplemental Indenture.

“2024B Bonds” means the Agoura Hills Improvement Authority Lease Revenue Refunding Bonds, Series 2024B, issued pursuant to the First Supplemental Indenture.

“2024 Bonds” means the 2024A Bonds and the 2024B Bonds, each issued pursuant to the First Supplemental Indenture.

"2024A Term Bonds" means the 2024A Bonds maturing on June 1, 20\_\_ and June 1, 20\_\_.

"2024B Term Bonds" means the 2024B Bonds maturing on June 1, 20\_\_ and June 1, 20\_\_.

"2024 Term Bonds" means collectively, the 2024A Term Bonds and the 2024B Term Bonds.

"Escrow Agent" means U.S. Bank Trust Company, National Association, as escrow agent under the 2013 Bonds Escrow Agreement.

"First Supplemental Indenture" means this First Supplemental Indenture, dated as of March 1, 2024, by and between the Authority and U.S. Bank Trust Company, National Association, as trustee.

"Grant Proceeds" means the grant proceeds for the Project received by the City from the California Department of Parks and Recreation and the Los Angeles County Metropolitan Transit Authority Regional funds (Measure R and M).

"Grant Proceeds Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.05.

"Master Indenture" means the Indenture, dated as of November 1, 2016, by and between the Authority and The Bank of New York Mellon Trust Company, N.A., predecessor in interest to U.S. Bank Trust Company, National Association, as trustee.

"Project" means planning, design, engineering, acquisition, construction, and related improvements for the City's linear greenway recreational area, known as "Ladyface Greenway", and other public capital improvements.

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

"Series 2024 Costs of Issuance Accounts" means the Series 2024A Costs of Issuance Account and the Series 2024B Costs of Issuance Account.

"Series 2024A Costs of Issuance Account" means the account by that name within the Costs of Issuance Fund.

"Series 2024B Costs of Issuance Account" means the account by that name within the Costs of Issuance Fund.

**ARTICLE II**  
**THE 2024 BONDS**

SECTION 2.01 Authorization, Designation. The Authority has reviewed all proceedings heretofore taken relative to the authorization of the 2024 Bonds and has found, as a result of such review, and hereby finds and determines that all things, conditions, and acts required by law to exist, to happen and to be performed precedent to and in the issuance of the 2024 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now authorized under the JPA Agreement and the Bond Law and each and every requirement of law, to issue the 2024 Bonds in the manner and form provided in this Indenture. Accordingly, the Authority hereby authorizes the issuance of the 2024 Bonds pursuant to the Bond Law and this Indenture for the purposes described in the recitals hereof.

The 2024A Bonds shall be designated the "Agoura Hills Improvement Authority Lease Revenue Bonds, Series 2024A" and shall be issued in the original aggregate principal amount of \_\_\_ Dollars (\$[Series A principal amount]). The 2024B Bonds shall be designated the "Agoura Hills Improvement Authority Lease Revenue Refunding Bonds, Series 2024B" and shall be issued in the original aggregate principal amount of \_\_\_ Dollars (\$[Series B principal amount]).

SECTION 2.02 Terms of the 2024 Bonds.

(a) 2024A Bonds. The 2024A Bonds shall be dated the Closing Date, shall mature on the dates and in the amounts, and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates, as follows:

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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(b) 2024B Bonds. The 2024B Bonds shall be dated the Closing Date, shall mature on the dates and in the amounts, and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates, as follows:

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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The 2024 Bonds shall be delivered in fully registered form, numbered from one upwards in consecutive numerical order (with such alphabetical prefix as the Trustee shall determine). The 2024 Bonds shall be executed and delivered in the denominations of \$5,000 and any integral multiple thereof.

(c) Each 2024 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (i) it is authenticated during the period from the day after the Record Date for an Interest Payment Date to and including such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) it is authenticated on or prior to the Record Date for the first Interest Payment Date, in which event it shall bear interest from its dated date; provided, however, that if, at the time of authentication of any 2024 Bond interest with respect to such 2024 Bond is in default, such 2024 Bond shall bear interest from the Interest Payment Date to which interest has been paid or made available for payment with respect to such 2024 Bond.

(d) Interest with respect to any 2024 Bond shall be payable in lawful money of the United States of America on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date. Interest on the 2024 Bonds shall be paid by check or draft of the Trustee, mailed by first class mail no later than the Interest Payment Date to the Owner at such Owner's address as it appears, on such Record Date, on the Registration Books maintained by the Trustee; provided, however, that at the written request of the Owner of at least \$1,000,000 in aggregate principal amount of Outstanding 2024 Bonds filed with the Trustee prior to any Record Date, interest on such 2024 Bonds shall be paid to such Owner on each succeeding Interest Payment Date (unless such request has been revoked in writing) by wire transfer of immediately available funds to an account in the United States designated in such written request. Payments of defaulted interest with respect to the 2024 Bonds shall be paid by check or draft to the Owners of the 2024 Bonds as of a special record date to be fixed by the Trustee, notice of which special record date shall be given to the Owners of the 2024 Bonds not less than ten days prior thereto. The payment of final principal of and premium, if any, on the 2024 Bonds are payable by check when due upon surrender thereof at the Trust Office in lawful money of the United States of America.

#### SECTION 2.03 Redemption of 2024 Bonds.

(a) Extraordinary Mandatory Redemption. Subsection (a) of Section 2.03 of the Master Indenture shall apply to the 2024 Bonds.

#### (b) Redemption from Prepayments of Base Rental.

(i) 2024A Bonds. The 2024A Bonds maturing on or before June 1, 20\_\_ will not be subject to optional redemption prior to their maturity. The 2024A Bonds maturing on or after June 1, 20\_\_ shall be subject to redemption prior to their respective maturity dates, as a whole or in part, from prepayments of Base Rental made at the option of the City under Section 11(b) of the Sublease or moneys from any other source, on any date on or after June 1, 20\_\_.

(ii) 2024B Bonds. The 2024B Bonds maturing on or before June 1, 20\_\_ will not be subject to optional redemption prior to their maturity. The 2024B Bonds maturing on or after June 1, 20\_\_ shall be subject to redemption prior to their respective maturity dates, as a whole or in part, from prepayments of Base Rental made at the option of the City under Section 11(b) of the Sublease or moneys from any other source, on any date on or after June 1, 20\_\_.

The 2024 Bonds called for redemption pursuant to this Section 2.03(b) shall be redeemed at a redemption price equal to 100 percent of the principal amount of 2024 Bonds called for redemption, plus accrued interest thereon to the date of redemption, without premium.

In the event the Authority elects to redeem 2024 Bonds as provided in this Section 2.03(b), the Authority shall give written notice to the Trustee of its election to so redeem, the redemption date and the principal amount of the 2024 Bonds of each maturity to be redeemed. The notice to the Trustee shall be given at least forty-five (45) but no more than ninety (90) days prior to the redemption date, or by such later date as is acceptable to the Trustee, in its sole discretion.

(c) Sinking Fund Redemption.

(i) 2024A Bonds. The 2024A Bonds maturing on June 1, 20\_\_ shall be subject to redemption in part by lot from sinking fund payments made by the Authority, at a redemption price equal to the principal amount thereof to be redeemed with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following table; provided, however, if some but not all of the 2024A Term Bonds of a maturity have been redeemed pursuant to Section 2.03(b), the total amount of all future sinking fund payments for such maturity of 2024A Term Bonds shall be reduced by an amount corresponding to the aggregate principal amount of 2024A Bonds of such maturity so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 in such manner as the Authority shall direct, and the Authority shall provide the Trustee with a revised schedule of such sinking fund redemption payments pursuant to written notice filed by the Authority with the Trustee:

**2024A Bonds Maturing on June 1, 20\_\_**

<b>Redemption Date (June 1)</b>	<b>Principal Amount to be Redeemed</b>
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\_\_\_\_\_  
\* maturity

(ii) 2024B Bonds. The 2024B Bonds maturing on June 1, 20\_\_ shall be subject to redemption in part by lot from sinking fund payments made by the Authority, at a redemption price equal to the principal amount thereof to be redeemed with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following table; provided, however, if some but not all of the 2024B Term Bonds of a maturity have been redeemed pursuant to Section 2.03(b), the total amount of all future sinking fund payments for such maturity of 2024B Term Bonds shall be reduced by an amount corresponding to the aggregate principal amount of 2024B Bonds of such maturity so redeemed, to be allocated among such sinking fund payments in integral

multiples of \$5,000 in such manner as the Authority shall direct, and the Authority shall provide the Trustee with a revised schedule of such sinking fund redemption payments pursuant to written notice filed by the Authority with the Trustee:

**2024B Bonds Maturing on June 1, 20\_\_**

<b>Redemption Date (June 1)</b>	<b>Principal Amount to be Redeemed</b>
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\* maturity

In lieu of a redemption pursuant to this Section 2.03(c), the Trustee may apply amounts in the Principal Account to purchase 2024A Term Bonds or 2024B Term Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which shall be payable from the Interest Account) as may be directed by the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price applicable to such 2024 Bonds, as set forth in writing by the Authority; provided, however, that no 2024 Term Bonds shall be purchased by the Trustee hereunder with a settlement date more than 60 days prior to the date on which the Authority would otherwise redeem such 2024 Term Bonds pursuant to this Section 2.03(c). The principal amount of any 2024 Term Bonds so purchased by the Trustee shall be credited towards and shall reduce the Principal Account payment otherwise required to be made with respect to such 2024 Term Bonds on the applicable redemption date.

(d) General Redemption Provisions. Except with respect to the foregoing, the provisions set forth in Sections 2.03(d) through (h) of the Master Indenture shall apply to the 2024 Bonds.

SECTION 2.04 Form of 2024 Bonds.

(a) The 2024A Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the form set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by the Indenture.

(b) The 2024B Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the form set forth in Exhibit B attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by the Indenture.

SECTION 2.05 Master Indenture Provisions. The provisions set forth in Sections 2.05 through 2.11 of the Master Indenture shall apply to the 2024 Bonds.

**ARTICLE III**  
**APPLICATION OF PROCEEDS; SERIES 2024 FUNDS AND ACCOUNTS**

SECTION 3.01 Issuance of 2024 Bonds. Upon the execution and delivery of this Indenture, the Authority shall execute and deliver the 2024 Bonds to the Trustee for authentication and delivery to or on the order of the Original Purchaser upon the Request of the Authority.

SECTION 3.02 Application of Proceeds of 2024 Bonds.

(a) 2024A Bonds. On the Closing Date, the Trustee shall receive proceeds from the sale of the 2024A Bonds in the amount of \$[\_\_\_] (which is equal to the principal amount of the 2024A Bonds, plus a net original issue premium of \$\_\_\_, and less an underwriter's discount of \$\_\_\_). Immediately upon receipt, the Trustee shall set aside and deposit or transfer such proceeds as follows:

- (i) \$\_\_\_ shall be deposited in the Series 2024A Costs of Issuance Account of the Costs of Issuance Fund to pay the Costs of Issuance of the 2024A Bonds; and
- (ii) \$\_\_\_ shall be deposited in the Project Fund.

(b) 2024B Bonds. On the Closing Date, the Trustee shall receive proceeds from the sale of the 2024B Bonds in the amount of \$[\_\_\_] (which is equal to the principal amount of the 2024B Bonds, plus a net original issue premium of \$\_\_\_, and less an underwriter's discount of \$\_\_\_).. Immediately upon receipt, the Trustee shall set aside and deposit or transfer such proceeds as follows:

- (i) \$\_\_\_ shall be deposited in the Series 2024B Costs of Issuance Account of the Costs of Issuance Fund to pay the Costs of Issuance of the 2024B Bonds; and
- (ii) \$\_\_\_ shall be transferred to the Escrow Agent for deposit in the Escrow Fund established under the 2013 Bonds Escrow Agreement.

The Trustee may, in its discretion, establish a temporary fund or account in its books and records to facilitate such transfers.

SECTION 3.03 Series 2024 Costs of Issuance Accounts.

Within the Costs of Issuance Fund held by the Trustee pursuant to Section 3.03 of the Master Indenture, the Trustee shall establish separate accounts known as the "Series 2024A Costs of Issuance Account" and the "Series 2024B Costs of Issuance Account" to pay costs of issuance of the 2024A Bonds and 2024B Bonds, respectively. Pursuant to Section 3.02, the Trustee shall deposit a portion of the proceeds of the sale of the 2024A Bonds and 2024B Bonds in to the applicable Series 2024 Costs of Issuance Account. The moneys in such Series 2024 Costs of Issuance Accounts shall be used from time to time to pay Costs of Issuance with respect to the applicable series of 2024 Bonds and shall be disbursed by the Trustee upon

delivery to the Trustee of a requisition which shall state, in respect of the payment to be made (a) the name and address (or such other proper account information) of the person, firm or corporation to whom payment is due, (b) the amount of such payment, and (c) the particular item of the cost to be paid and that such payment in the stated amount is a proper charge against the applicable Costs of Issuance Account. On the date that is 90 days following the Closing Date of the 2024 Bonds, or upon the earlier receipt by the Trustee of a written request of the Authority to do so, the Trustee shall transfer all remaining amounts in the Series 2024 Costs of Issuance Accounts to the Lease Revenue Fund to pay debt service on the applicable series of 2024 Bonds. Thereafter, the Series 2024 Costs of Issuance Accounts shall be closed.

Moneys held in the Series 2024 Costs of Issuance Accounts may, subject to the Tax Certificate regarding the 2024 Bonds, be invested and reinvested to the fullest extent practicable in any Permitted Investments as instructed by the Authority in writing, which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from the Series 2024 Costs of Issuance Accounts; provided that, absent any such instruction from the Authority, moneys held in the Series 2024 Costs of Issuance Accounts shall be invested in Permitted Investments. Any investment earnings on moneys on deposit in an account of the Series 2024 Costs of Issuance Accounts shall be deposited in such account and be used in the same manner as other amounts on deposit therein.

#### SECTION 3.04 Project Fund.

(a) The Trustee shall establish and maintain a separate fund to be known as the "Project Fund." On the Closing Date for the 2024A Bonds, the Trustee shall deposit a portion of the sale proceeds of the 2024A Bonds into the Project Fund pursuant to Section 3.02 of this Supplemental Indenture. The Trustee shall disburse or transfer amounts from the Project Fund, as stated in a Request of the City, substantially in the form attached hereto as Exhibit C, for the payment of costs of the Project. Upon receipt of each such Request of the City, the Trustee shall pay the amount set forth in such Request as directed by the terms thereof. Each such Request of the City shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

(b) Moneys held in the Project Fund may, subject to the Tax Certificate regarding the 2024 Bonds, be invested and reinvested to the fullest extent practicable in any Permitted Investments as instructed by the Authority in writing, which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from the Project Fund; provided that, absent any such instruction from the Authority, moneys held in the Project Fund shall be invested in Permitted Investments. Any investment earnings on moneys on deposit in an account of the Project Fund shall be deposited in such account and be used in the same manner as other amounts on deposit therein.

(c) When the Project, or the portions thereof determined by the City to be financed hereunder, have been completed, the Authority shall deliver or shall cause the City to deliver to the Trustee a Certificate of the City, stating the fact and date of such completion. Following the delivery of such certificate and upon receipt of a Request of the City, the Trustee shall transfer



amounts then on deposit in the Project Fund to the 2024A Bonds Account of the Lease Revenue Fund.

**SECTION 3.05**     Grant Proceeds Fund.

(a)     The Trustee shall establish and maintain a separate fund to be known as the “Grant Proceeds Fund.” Immediately upon receipt of Grant Proceeds, the City shall transfer all such amounts to the Trustee for deposit into the Grant Proceeds Fund. The Trustee shall disburse or transfer amounts from the Grant Proceeds Fund, as stated in a Request of the City, substantially in the form attached hereto as Exhibit C, for the payment of costs of the Project. Upon receipt of each such Request of the City, the Trustee shall pay the amount set forth in such Request as directed by the terms thereof. Each such Request of the City shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Moneys held in the Grant Proceeds Fund shall not be invested at a yield in excess of the yield on the 2024A Bonds.

(b)     *Transfer to Redemption Fund Upon Project Completion.* When the Project, or the portions thereof determined by the City to be financed with grant proceeds, have been completed, the Authority shall deliver or shall cause the City to deliver to the Trustee a Certificate of the City, stating the fact and date of such completion. Following the delivery of such certificate and upon receipt of a Request of the City, the Trustee shall transfer amounts then on deposit in the Grant Proceeds Fund to the Redemption Fund created pursuant to Section 4.03 of the Master Indenture, and use such amounts to redeem the 2024A Bonds as earliest as practicable, in accordance with Section 2.03(b) hereof.

**ARTICLE IV**  
**MISCELLANEOUS**

**SECTION 4.01**     Amendments to the Master Indenture. Upon the issuance of the 2024 Bonds, the following amendments shall take effect:

(a)     Section 3.03 of the Master Indenture shall be amended to add the following paragraph at the end of such section:

“The Trustee, upon the Request of the Authority, may create new funds, accounts or subaccounts, or may create additional accounts and subaccounts within any of the foregoing funds and accounts for the purpose of separately accounting for the proceeds of the Bonds and any Additional Bonds.

**SECTION 4.02**     Executions in Counterparts. This First Supplemental Indenture may be executed in any number of counterparts, each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the AGOURA HILLS IMPROVEMENT AUTHORITY has caused this First Supplemental Indenture to be signed by its authorized representative and attested thereto by its Secretary, and U.S. Bank Trust Company, National Association, in token of its acceptance of the trust created hereunder, has caused this First Supplemental Indenture to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

AGOURA HILLS IMPROVEMENT AUTHORITY

By: \_\_\_\_\_  
Nathan Hamburger  
Chief Administrative Officer

ATTEST:

\_\_\_\_\_  
Kimberly M. Rodrigues  
Secretary

U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, as Trustee

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

EXHIBIT A

FORM OF LEASE REVENUE BOND, SERIES 2024A

Unless this 2024A Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the City or the Trustee for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-\_\_\_\_ \$\_\_\_\_\_

AGOURA HILLS IMPROVEMENT AUTHORITY  
LEASE REVENUE BOND  
SERIES 2024A

INTEREST RATE	MATURITY DATE	ORIGINAL ISSUE DATE	CUSIP
%	June 1, 20__	_____, 2024	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The AGOURA HILLS IMPROVEMENT AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues, as defined in the Indenture hereinafter referred to, and certain other moneys) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above or any earlier redemption date, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Interest Rate identified above in like money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this 2024A Bond (unless this 2024A Bond is authenticated on or before an Interest Payment Date and after the 15th calendar day of the month preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this 2024A Bond is authenticated on or prior to the 15th calendar day of the month preceding the first Interest Payment Date, in which event it shall bear interest from the Original Issue Date identified above; provided, however, that if, at the time of authentication of this 2024A Bond, interest is in default on this 2024A Bond, this 2024A Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment), payable semiannually

on June 1 and December 1 in each year, commencing [June ]1, 2024 (each an “Interest Payment Date”) until payment of such Principal Amount in full. Payment of the final principal amount hereof is payable by check upon presentation hereof upon maturity or earlier redemption at the principal corporate trust office of U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), in Los Angeles, California, or at such other office as the Trustee may designate (the “Trust Office”). Interest hereon is payable by check or draft of the Trustee mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of the Registered Owner as it appears on the registration books of the Trustee as of the 15th calendar day of the month preceding such Interest Payment Date (except that in the case of a Registered Owner of at least \$1,000,000 in aggregate principal amount of 2024A Bonds (defined below), such payment may, at such Registered Owner’s option, be made by wire transfer of immediately available funds in accordance with written instructions provided by such Registered Owner prior to the 15th calendar day of the month immediately preceding such Interest Payment Date).

This 2024A Bond is one of a duly authorized issue of bonds of the Authority designated the “Agoura Hills Improvement Authority Lease Revenue Bonds, Series 2024A” (the “2024A Bonds”), limited in principal amount to \_\_\_ Dollars (\$[principal amount]) secured by an Indenture, dated as of November 1, 2016 (the “Master Indenture”), as supplemented by the First Supplemental Indenture, dated as of March 1, 2024 (the “First Supplemental Indenture” and together with the Master Indenture, the “Indenture”), each by and between the Authority and the Trustee, successor in interest to The Bank of New York Mello Trust Company, N.A. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the owners of the 2024 Bonds, of the nature and extent of the Revenues (as that term is defined in the Indenture), of the rights, duties and immunities of the Trustee and of the rights and obligations of the Authority thereunder; and all of the terms of the Indenture are hereby incorporated herein and constitute a contract between the Authority and the Registered Owner hereof, and to all of the provisions of which Indenture the Registered Owner hereof, by acceptance hereof, assents and agrees.

The 2024A Bonds are authorized to be issued pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the “Act”). The 2024A Bonds are being issued on a parity with the Authority’s \$[Series B principal amount] original aggregate principal amount of Lease Revenue Refunding Bonds, Series 2024B (the “2024B Bonds” and together with the 2024A Bonds, the “2024 Bonds”), issued concurrently with the 2024A Bonds. The Authority has also issued its \$10,055,000 aggregate principal amount of Lease Revenue Refunding Bonds, Series 2016, outstanding in the amount of \$8,285,000 as of the Original Issue Date of this 2024A Bond (the “2016 Bonds”), which are payable on a parity with this 2024A Bond and the 2024B Bonds. The 2024 Bonds, the 2016 Bonds, and additional parity bonds, if any, issued under the Indenture (collectively, the “Bonds”) are special obligations of the Authority and, as and to the extent set forth in the Indenture, are payable solely from and secured by a first lien on and pledge of the Revenues and certain other moneys and securities held by the Trustee as provided in the Indenture. All of the 2024A Bonds are equally secured by a pledge of, and

charge and lien upon, all of the Revenues and such other moneys and securities, and the Revenues and such other moneys and securities constitute a trust fund for the security and payment of the principal of and interest on the 2024A Bonds. Additional bonds payable from the Revenues may be issued which will rank equally as to security with the 2024A Bonds, but only subject to the terms and conditions set forth in the Indenture. The full faith and credit of the Authority are not pledged for the payment of the principal of or interest or premium (if any) on the 2024A Bonds. The 2024A Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Authority or any of its income or receipts, except the Revenues and such other moneys and securities as provided in the Indenture.

The 2024A Bonds have been issued for the purpose of financing the costs of the City's linear greenway recreational area, known as "Ladyface Greenway," and other public capital improvements. The Authority has entered into a Sublease Agreement, dated as of November 1, 2016 (the "Original Sublease"), as amended by the First Amendment to Sublease, dated as of March 1, 2024 (the "Sublease Amendment" and together with the Original Sublease, the "Sublease"), with the City of Agoura Hills (the "City"), under which the City is obligated to pay amounts which are anticipated to be sufficient to enable the Authority to pay the principal of and interest on the 2024 Bonds and the 2016 Bonds.

The 2024 Bonds are subject to redemption prior to their maturity dates, upon notice as hereinafter provided, as a whole or in part, on any date, from prepaid Base Rental payments made by the City from funds received by the City due to a taking of the Leased Property (as defined in the Sublease) or any portion thereof under the power of eminent domain or from net proceeds of insurance received for material damage or destruction, defects in title to the Leased Property, under the circumstances and upon the conditions and terms prescribed in the Indenture and in the Sublease, at a redemption price equal to the sum of the principal amount of the 2024 Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium.

The 2024A Bonds maturing on or before June 1, 20\_\_ will not be subject to optional redemption prior to their maturity. The 2024A Bonds maturing on or after June 1, 20\_\_ shall be subject to redemption prior to their respective maturity dates, as a whole or in part, from prepayments of Base Rental made at the option of the City under the Sublease on any date designated by the City (which shall be a date on or after June 1, 20\_\_), at a redemption price equal to 100 percent of the principal amount of 2024 Bonds called for redemption, plus accrued interest thereon to the date of redemption, without premium.

The 2024A Bonds maturing on June 1, 20\_\_ shall be subject to redemption in part by lot prior to their maturity from sinking fund payments, on June 1 of each year, commencing June 1, 202\_\_, in such amounts and on such dates as provided in the Indenture, at a redemption price equal to the principal amount of the 2024A Bonds called for redemption, together with interest accrued thereon for the date of redemption, without premium.

The Trustee on behalf and at the expense of the Authority shall send by first class mail (or if the registered owner of such 2024A Bond is a depository, by such method as acceptable to such depository), notice of any redemption to the respective owners of any 2024A Bonds designated for redemption, at their respective addresses appearing on the registration books maintained by the Trustee, to the Securities Depositories and to one or more Information Services (as such terms are defined in the Indenture), at least 30 but not more than 60 days prior to the redemption; provided, however, that neither failure to receive any such notice so sent nor any defect therein shall affect the validity of the proceedings for the redemption of such 2024A Bonds or the cessation of the accrual of interest thereon. Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall designate the CUSIP numbers, the serial numbers of each maturity or maturities (except that if the event of redemption is of all of the 2024A Bonds of such maturity or maturities in whole, the Trustee shall designate such maturities or the maturity in whole without referencing each individual number) of the 2024A Bonds to be redeemed, and shall require that such 2024A Bonds be then surrendered at the Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such 2024A Bonds will not accrue after the redemption date.

The Authority may rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. The effectiveness of any notice of optional redemption may be made expressly subject to, and conditioned upon, the receipt of funds by the Authority prior to the date fixed for redemption in such notice. Any notice of 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 2024A Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Authority and the Trustee shall have no liability to the owners of the 2024A Bonds or any other party related to or arising from such rescission. The Trustee shall send notice of such rescission in the same manner as that prescribed in the Indenture for a notice of redemption.

The 2024A Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, this 2024A Bond may be exchanged at the Trust Office of the Trustee for a like aggregate principal amount, interest rate and maturity of fully registered 2024A Bonds of other authorized denominations.

This 2024A Bond is transferable by the Registered Owner hereof, in person or by such Registered Owner's attorney duly authorized in writing, at the Trust Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this 2024A Bond. Upon such transfer a new fully registered 2024A Bond 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 Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary. The Trustee shall not be required to register the transfer or

exchange of any 2024A Bond during the period in which the Trustee is selecting 2024A Bonds for redemption or any 2024A Bond selected for redemption.

The Indenture and the rights and obligations of the Authority and of the owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest or premiums at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee, all as more fully set forth in the Indenture.

It is hereby certified that all things, conditions and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this 2024A Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California and by the Act (as such term is defined on the reverse side hereof) and the amount of this 2024A Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or statutes of the State of California or by the Act.

This 2024A Bond shall not be entitled to any benefit under the Indenture (as such term is defined on the reverse side hereof), or become valid or obligatory for any purpose, until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Authority has caused this 2024A Bond to be executed in its name and on its behalf, and attested, by the original or facsimile signatures of its Chair and Secretary as of the Original Issue Date identified above.

AGOURA HILLS IMPROVEMENT AUTHORITY

By: \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

[TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the 2024A Bonds described in the within-mentioned Indenture and registered on the Bond Registration Books.

Date: \_\_\_\_\_, 2024

U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Authorized Signatory

=====

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto, whose tax identification number is \_\_\_\_\_, the within-mentioned registered 2024A Bond and hereby irrevocably constitute(s) and appoint(s) attorney to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed:

\_\_\_\_\_  
NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within 2024A Bond in every particular without alteration or enlargement or any change whatsoever.

\_\_\_\_\_  
NOTICE: Signature must be guaranteed by a member of an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or such other similar program approved by the Trustee.



EXHIBIT B

FORM OF LEASE REVENUE REFUNDING BOND, SERIES 2024B

Unless this 2024B Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the City or the Trustee for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-\_\_\_\_ \$\_\_\_\_\_

AGOURA HILLS IMPROVEMENT AUTHORITY  
LEASE REVENUE REFUNDING BOND  
SERIES 2024B

INTEREST RATE	MATURITY DATE	ORIGINAL ISSUE DATE	CUSIP
%	June 1, 20__	_____, 2024	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The AGOURA HILLS IMPROVEMENT AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues, as defined in the Indenture hereinafter referred to, and certain other moneys) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above or any earlier redemption date, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Interest Rate identified above in like money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this 2024B Bond (unless this 2024B Bond is authenticated on or before an Interest Payment Date and after the 15th calendar day of the month preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this 2024B Bond is authenticated on or prior to the 15th calendar day of the month preceding the first Interest Payment Date, in which event it shall bear interest from the Original Issue Date identified above; provided, however, that if, at the time of authentication of this 2024B Bond, interest is in default on this 2024B Bond, this 2024B Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment), payable semiannually

on June 1 and December 1 in each year, commencing [June ]1, 2024 (each an “Interest Payment Date”) until payment of such Principal Amount in full. Payment of the final principal amount hereof is payable by check upon presentation hereof upon maturity or earlier redemption at the principal corporate trust office of U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), in Los Angeles, California, or at such other office as the Trustee may designate (the “Trust Office”). Interest hereon is payable by check or draft of the Trustee mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of the Registered Owner as it appears on the registration books of the Trustee as of the 15th calendar day of the month preceding such Interest Payment Date (except that in the case of a Registered Owner of at least \$1,000,000 in aggregate principal amount of 2024B Bonds (defined below), such payment may, at such Registered Owner’s option, be made by wire transfer of immediately available funds in accordance with written instructions provided by such Registered Owner prior to the 15th calendar day of the month immediately preceding such Interest Payment Date).

This 2024B Bond is one of a duly authorized issue of bonds of the Authority designated the “Agoura Hills Improvement Authority Lease Revenue Refunding Bonds, Series 2024B” (the “2024B Bonds”), limited in principal amount to \_\_\_ Dollars (\$[principal amount]) secured by an Indenture, dated as of November 1, 2016 (the “Master Indenture”), as supplemented by the First Supplemental Indenture, dated as of March 1, 2024 (the “First Supplemental Indenture” and together with the Master Indenture, the “Indenture”), each by and between the Authority and the Trustee, successor in interest to The Bank of New York Mellon Trust Company, N.A. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the owners of the 2024B Bonds, of the nature and extent of the Revenues (as that term is defined in the Indenture), of the rights, duties and immunities of the Trustee and of the rights and obligations of the Authority thereunder; and all of the terms of the Indenture are hereby incorporated herein and constitute a contract between the Authority and the Registered Owner hereof, and to all of the provisions of which Indenture the Registered Owner hereof, by acceptance hereof, assents and agrees.

The 2024B Bonds are authorized to be issued pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the “Act”). The 2024B Bonds are being issued on a parity with the Authority’s \$[Series A principal amount] original aggregate principal amount of Lease Revenue Bonds, Series 2024A (the “2024A Bonds” and together with the 2024B Bonds, the “2024 Bonds”), issued concurrently with the 2024B Bonds. The Authority has also issued its \$10,055,000 aggregate principal amount of Lease Revenue Refunding Bonds, Series 2016, outstanding in the amount of \$8,285,000 as of the Original Issue Date of this 2024B Bond (the “2016 Bonds”), which are payable on a parity with this 2024B Bond and the 2024A Bonds. The 2024 Bonds, the 2016 Bonds, and additional parity bonds, if any, issued under the Indenture (collectively, the “Bonds”) are special obligations of the Authority and, as and to the extent set forth in the Indenture, are payable solely from and secured by a first lien on and pledge of the Revenues and certain other moneys and securities held by the Trustee as provided in the Indenture. All of the 204B Bonds are equally secured by a pledge of, and charge and lien upon,

all of the Revenues and such other moneys and securities, and the Revenues and such other moneys and securities constitute a trust fund for the security and payment of the principal of and interest on the 2024B Bonds. Additional bonds payable from the Revenues may be issued which will rank equally as to security with the 2024B Bonds, but only subject to the terms and conditions set forth in the Indenture. The full faith and credit of the Authority are not pledged for the payment of the principal of or interest or premium (if any) on the 2024B Bonds. The 2024B Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Authority or any of its income or receipts, except the Revenues and such other moneys and securities as provided in the Indenture.

The 2024B Bonds have been issued for the purpose of refunding the Authority outstanding Lease Revenue Bonds, Series 2013. The Authority has entered into a Sublease Agreement, dated as of November 1, 2016 (the "Original Sublease"), as amended by the First Amendment to Sublease, dated as of March 1, 2024 (the "Sublease Amendment" and together with the Original Sublease, the "Sublease"), with the City of Agoura Hills (the "City"), under which the City is obligated to pay amounts which are anticipated to be sufficient to enable the Authority to pay the principal of and interest on the 2024 Bonds and the 2016 Bonds.

The 2024 Bonds are subject to redemption prior to their maturity dates, upon notice as hereinafter provided, as a whole or in part, on any date, from prepaid Base Rental payments made by the City from funds received by the City due to a taking of the Leased Property (as defined in the Sublease) or any portion thereof under the power of eminent domain or from net proceeds of insurance received for material damage or destruction, defects in title to the Leased Property, under the circumstances and upon the conditions and terms prescribed in the Indenture and in the Sublease, at a redemption price equal to the sum of the principal amount of the 2024 Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium.

The 2024B Bonds maturing on or before June 1, 20\_\_ will not be subject to optional redemption prior to their maturity. The 2024B Bonds maturing on or after June 1, 20\_\_ shall be subject to redemption prior to their respective maturity dates, as a whole or in part, from prepayments of Base Rental made at the option of the City under the Sublease on any date designated by the City (which shall be a date on or after June 1, 20\_\_), at a redemption price equal to 100 percent of the principal amount of 2024B Bonds called for redemption, plus accrued interest thereon to the date of redemption, without premium.

The 2024B Bonds maturing on June 1, 20\_\_ shall be subject to redemption in part by lot prior to their maturity from sinking fund payments, on June 1 of each year, commencing June 1, 202\_\_, in such amounts and on such dates as provided in the Indenture, at a redemption price equal to the principal amount of the 2024B Bonds called for redemption, together with interest accrued thereon for the date of redemption, without premium.

The Trustee on behalf and at the expense of the Authority shall send by first class mail (or if the registered owner of such 2024B Bond is a depository, by such method as acceptable to such depository), notice of any redemption to the respective owners of any 2024B Bonds

designated for redemption, at their respective addresses appearing on the registration books maintained by the Trustee, to the Securities Depositories and to one or more Information Services (as such terms are defined in the Indenture), at least 30 but not more than 60 days prior to the redemption; provided, however, that neither failure to receive any such notice so sent nor any defect therein shall affect the validity of the proceedings for the redemption of such 2024B Bonds or the cessation of the accrual of interest thereon. Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall designate the CUSIP numbers, the serial numbers of each maturity or maturities (except that if the event of redemption is of all of the 2024B Bonds of such maturity or maturities in whole, the Trustee shall designate such maturities or the maturity in whole without referencing each individual number) of the 2024B Bonds to be redeemed, and shall require that such 2024B Bonds be then surrendered at the Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such 2024B Bonds will not accrue after the redemption date.

The Authority may rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. The effectiveness of any notice of optional redemption may be made expressly subject to, and conditioned upon, the receipt of funds by the Authority prior to the date fixed for redemption in such notice. Any notice of 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 2024B Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Authority and the Trustee shall have no liability to the owners of the 2024B Bonds or any other party related to or arising from such rescission. The Trustee shall send notice of such rescission in the same manner as that prescribed in the Indenture for a notice of redemption.

The 2024B Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, this 2024B Bond may be exchanged at the Trust Office of the Trustee for a like aggregate principal amount, interest rate and maturity of fully registered 2024B Bonds of other authorized denominations.

This 2024B Bond is transferable by the Registered Owner hereof, in person or by such Registered Owner's attorney duly authorized in writing, at the Trust Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this 2024B Bond. Upon such transfer a new fully registered 2024B Bond 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 Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary. The Trustee shall not be required to register the transfer or exchange of any 2024B Bond during the period in which the Trustee is selecting 2024B Bonds for redemption or any 2024B Bond selected for redemption.

The Indenture and the rights and obligations of the Authority and of the owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest or premiums at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee, all as more fully set forth in the Indenture.

It is hereby certified that all things, conditions and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this 2024B Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California and by the Act (as such term is defined on the reverse side hereof) and the amount of this 2024B Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or statutes of the State of California or by the Act.

This 2024B Bond shall not be entitled to any benefit under the Indenture (as such term is defined on the reverse side hereof), or become valid or obligatory for any purpose, until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Authority has caused this 2024B Bond to be executed in its name and on its behalf, and attested, by the original or facsimile signatures of its Chair and Secretary as of the Original Issue Date identified above.

AGOURA HILLS IMPROVEMENT AUTHORITY

By: \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

[TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the 2024B Bonds described in the within-mentioned Indenture and registered on the Bond Registration Books.

Date: \_\_\_\_\_, 2024

U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Authorized Signatory

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[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto, whose tax identification number is \_\_\_\_\_, the within-mentioned registered 2024B Bond and hereby irrevocably constitute(s) and appoint(s) attorney to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed:

\_\_\_\_\_  
NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within 2024B Bond in every particular without alteration or enlargement or any change whatsoever.

\_\_\_\_\_  
NOTICE: Signature must be guaranteed by a member of an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or such other similar program approved by the Trustee.

**EXHIBIT C**

**FORM OF REQUISITION**

**(PROJECT FUND/GRANT PROCEEDS FUND)**

REQUISITION NO. \_\_\_\_  
(Project Fund/Grant Proceeds Fund)

with reference to

\$(principal amount)  
Agoura Hills Improvement Authority  
Lease Revenue Bonds  
Series 2024A

I. Pursuant to Section [3.04/3.05] of that certain Indenture, dated as of November 1, 2016, as supplemented by the First Supplemental Indenture, dated as of March 1, 2024 (the "Indenture"), by and between the Agoura Hills Improvement Authority (the "Authority") and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), under the terms of which the above-captioned bonds were issued, the City of Agoura Hills hereby requests the Trustee to pay from the moneys in the [Project Fund/Grant Proceeds Fund] the amounts shown on Schedule A attached hereto to the parties indicated in Schedule A.

II. The payees, the purposes for which the costs have been incurred, and the amount of the disbursements requested are itemized on Schedule A hereto.

III. Each obligation mentioned in Schedule A hereto has been properly incurred and is a proper charge against the [Project Fund/Grant Proceeds Fund]. None of the items for which payment is requested has been reimbursed previously from the [Project Fund/Grant Proceeds Fund].

All capitalized terms not defined herein have the meanings ascribed to them in the Indenture.

DATED:

CITY OF AGOURA HILLS

By: \_\_\_\_\_

[Name]

[Title]

Exhibit C

*First Amendment to Sublease*



## FIRST AMENDMENT TO SUBLEASE

This First Amendment to Sublease (this “**Sublease Amendment**”), dated as of March 1, 2024, is entered into by and between the Agoura Hills Improvement Authority (the “**Authority**”), a joint powers authority duly organized and existing pursuant to the laws of the State of California, as lessor, and the City of Agoura Hills (the “**City**”), a municipal corporation duly organized and existing under the laws of the State of California, as lessee.

Reference is hereby made to the Sublease Agreement, dated as of November 1, 2016 (the “**Original Sublease**”), by and between the Authority, as lessor, and the City, as lessee, and the Memorandum of Sublease, dated as of November 1, 2016 (the “**Memorandum of Sublease**”), which was recorded on December 6, 2016 in the Official Records of the County of Los Angeles, California (the “**Official County Records**”), as Document No. 20161537088. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Sublease.

### Recitals

In 2016, the Authority issued \$10,055,000 aggregate principal amount of its Lease Revenue Refunding Bonds, Series 2016 (the “**2016 Bonds**”), to refund bonds issued by the Agoura Hills Financing Authority.

The 2016 Bonds were issued pursuant to an Indenture, dated as of November 1, 2016 (the “**Master Indenture**”), by and between the Authority and the Bank of New York Mellon Trust Company, N.A., predecessor in interest to U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”).

In connection with 2016 Bonds, there were executed and delivered in addition to the Indenture: (i) a Lease Agreement, dated as of November 1, 2016 (the “**Lease**”), by and between the City, as lessor, and the Authority, as lessee, with respect to certain real properties owned by the City (collectively, the “**Leased Property**”), and recorded on December 6, 2016 in the Official County Records as Document No. 20161537087; (ii) the Original Sublease with respect the Leased Property, and the Memorandum of Sublease; and (iii) an Assignment Agreement, dated as of November 1, 2016 (the “**Assignment Agreement**”), by and between the Authority and the Trustee, pursuant to which the Authority assigned to the Trustee for the benefit of the Owners of the Bonds its rights under the Lease and the Sublease, including its right to receive base rental payments under the Sublease, and recorded on December 6, 2016 in the Official County Records as Document No. 20161537089; and

Section 3.04 of the Master Indenture permits the issuance of Additional Bonds. Pursuant to Section 20 (“Amendments”) of the Original Sublease, the Original Sublease may be amended to the extent permitted by Sections 3.04 and 5.07 of the Indenture, with regards to Additional Bonds issued by the Authority.

The Authority proposes to issue its: (i) Lease Revenue Bonds, Series 2024A (the “**2024A Bonds**”) in order to finance the costs of construction of the City’s linear greenway recreational area, known as “Ladyface Greenway” (the “Project”); and (ii) Lease Revenue Refunding Bonds, Series 2024B (the “**2024B Bonds**” and together with the 2024A Bonds, the “**2024 Bonds**”), in order to refund its outstanding 2013 Bonds.

The 2024 Bonds will be issued pursuant to the Master Indenture, as supplemented by a First Supplemental Indenture, dated as of March 1, 2024, between the Authority and the Trustee. The 2024 Bonds will be issued as Additional Bonds on a parity with the 2016 Bonds.

The Authority and the City desires to amend the Original Sublease to increase the base rental payments to be sufficient for the Authority to pay principal of and interest on the 2016 Bonds and the 2024 Bonds.

**NOW, THEREFORE, THE AUTHORITY AND THE CITY, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES AND AGREEMENTS CONTAINED HEREIN, DO AGREE AS FOLLOWS:**

**Section 1. City Representations.** The City hereby represents that each condition precedent to the execution and delivery of the Sublease Amendment, as set forth in the Sublease (including particularly the provisions of Section 20 thereof) and the Indenture (including particularly the provisions of Sections 3.04 and 5.07 thereof) has been satisfied. The City has determined that the fair rental value of the Leased Property, upon the effectiveness of the Sublease Amendment, is at least equal to the remaining Base Rental Payments payable under the Sublease Amendment. The City has determined that the execution and delivery of the Sublease Amendment (and the implementation of the provisions hereof and thereof) will not, in and of themselves, materially adversely affect the security for the payment of the Base Rental Payments, the 2016 Bonds, or the interests and rights of the owners of the 2016 Bonds or the Trustee under the Indenture and the Sublease.

**Section 2. Amendments to Sublease.** The Sublease is hereby amended as follows:

(a) Section 1 of the Sublease is hereby amended to add the following defined terms:

“2013 Bonds” means the Agoura Hills Improvement Authority Lease Revenue Bonds, Series 2013.

“2024 Bonds” means collectively the 2024A Bonds and the 2024B Bonds.

“2024A Bonds” means the Agoura Hills Improvement Authority, Lease Revenue Bonds, Series 2024A

“2024B Bonds” means the Agoura Hills Improvement Authority, Lease Revenue Refunding Bonds, Series 2024B

“First Supplemental Indenture” means the First Supplemental Indenture, dated as of March 1, 2024, by and between the Authority and U.S. Bank Trust Company, National Association relating to the 2024 Bonds.

“Master Indenture” means the Indenture, dated as of November 1, 2016, by and between the Authority and the Bank of New York Mellon Trust Company, predecessor trustee to U.S. Bank Trust Company, National Association.

“Project” means the construction of the City’s linear greenway recreational area, known as “Ladyface Greenway.”

(b) Section 4 of the Sublease is hereby amended to add the following paragraph thereto:

The Authority and the City agree that the proceeds of the 2024A Bonds will be used to: (i) finance the Project, and (ii) pay the costs of issuing the 2024A Bonds and incidental and related expenses, as more fully set forth in the Indenture. The Authority and the City agree that the proceeds of the 2024B Bonds will be used to: (i) refund the 2013 Bonds, and (ii) pay the costs of issuing the 2024B Bonds and incidental and related expenses, as more fully set forth in the Indenture.

(c) The first paragraph of Section 11(b) is hereby amended and restates as follows:

The City may, at its option, prepay from any source of available moneys, Base Rental then unpaid, in whole or in part, for a redemption of Bonds pursuant to Section 2.03(b) of the Master Indenture, or Section 2.05(a) of the First Supplemental Indenture

(d) Exhibit B (“Base Rental Payment Schedule”) of the Sublease is hereby replaced in its entirety with Exhibit A attached to this Sublease Amendment:

**Section 3. Sublease to Remain in Effect Except as Amended Hereby.** Save and except as amended by this Sublease Amendment, the Original Sublease shall remain in full force and effect.

**Section 4. Recordation of Documents.** The City shall cause this Sublease Amendment to be recorded in the County Official Records.

**Section 5. Miscellaneous Provisions.**

(a) This Sublease Amendment shall be governed by, interpreted under, construed and enforced in accordance with the laws of the State of California.

(b) If any provision of this Sublease Amendment is found to be invalid, or if the application of this Sublease Amendment to any person or circumstance is disallowed or found to be invalid, the remainder of the provisions of this Sublease Amendment, or the application thereof, to persons or circumstances other than those to which its application was disallowed or found invalid, will not be affected and will remain in full force and effect.

(c) This Sublease Amendment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same.

IN WITNESS WHEREOF, the Authority and the City have caused this Sublease Amendment to be executed by their duly authorized officers.

**AGOURA HILLS IMPROVEMENT AUTHORITY**, as  
lessor

By \_\_\_\_\_  
Nathan Hamburger, Chief Administrative Officer

ATTEST:

\_\_\_\_\_  
Kimberly M. Rodrigues, Secretary

**CITY OF AGOURA HILLS**, as lessee

By \_\_\_\_\_  
Illece Buckley Weber, Mayor

ATTEST:

\_\_\_\_\_  
Kimberly M. Rodrigues, City Clerk



Exhibit D

*Addendum No. 1 to Memorandum of Sublease*

**RECORDING REQUESTED BY**  
**AND WHEN RECORDED RETURN TO:**

City of Agoura Hills  
c/o Richards, Watson & Gershon,  
A Professional Corporation  
350 South Grand Avenue, 37<sup>th</sup> Floor  
Los Angeles, California 90071  
Attention: Lolly Enriquez, Esq.

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[SPACE ABOVE FOR RECORDER'S USE ONLY]

*This Document is recorded for the benefit of the City of Agoura Hills and is exempt from California documentary transfer tax pursuant to Section 11928 of the California Revenue and Taxation Code and from recording fees pursuant to Sections 6103, 27383 and 27388.1 of the California Government Code.*

**ADDENDUM NO. 1 TO MEMORANDUM OF SUBLEASE**

This Addendum No. 1 to Memorandum of Sublease, dated as of March 1, 2024 (this "**Addendum**"), is entered into by and between the Agoura Hills Improvement Authority (the "**Authority**"), a joint powers authority duly organized and existing pursuant to the laws of the State of California, as lessor, and the City of Agoura Hills (the "**City**"), a municipal corporation duly organized and existing under the laws of the State of California, as lessee.

Reference is hereby made to the unrecorded Sublease Agreement, dated as of November 1, 2016 (the "**Original Sublease**"), by and between the Authority, as lessor, and the City, as lessee, and the Memorandum of Sublease, dated as of November 1, 2016 (the "**Memorandum of Sublease**"), which was recorded on December 6, 2016 in the Official Records of the County of Los Angeles, California (the "**Official County Records**"), as Document No. 20161537088. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Sublease.

**Recitals**

In 2016, the Authority issued \$10,055,000 aggregate principal amount of its Lease Revenue Refunding Bonds, Series 2016 (the "**2016 Bonds**"), to refund bonds issued by the Agoura Hills Financing Authority.

The 2016 Bonds were issued pursuant to an Indenture, dated as of November 1, 2016 (the "**Master Indenture**"), by and between the Authority and the Bank of New York Mellon Trust Company, N.A., as predecessor trustee to U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**").



In connection with 2016 Bonds, there were executed and delivered in addition to the Indenture: (i) a Lease Agreement, dated as of November 1, 2016 (the “**Lease**”), by and between the City, as lessor, and the Authority, as lessee, with respect to certain real properties owned by the City (collectively, the “**Leased Property**”), and recorded on December 6, 2016 in the Official County Records as Document No. 20161537087; (ii) the Original Sublease with respect the Leased Property, and the Memorandum of Sublease; and (iii) an Assignment Agreement, dated as of November 1, 2016 (the “**Assignment Agreement**”), by and between the Authority and the Trustee, pursuant to which the Authority assigned to the Trustee for the benefit of the Owners of the Bonds its rights under the Lease and the Sublease, including its right to receive base rental payments under the Sublease, and recorded on December 6, 2016 in the Official County Records as Document No. 20161537089.

Section 3.04 of the Indenture permits the issuance of Additional Bonds. Pursuant to Section 20 of the Original Sublease, the Original Sublease may be amended to the extent permitted by Sections 3.04 and 5.07 of the Indenture, for the issuance of Additional Bonds issued by the Authority.

The Authority proposes to issue its: (i) Lease Revenue Bonds, Series 2024A (the “**2024A Bonds**”) in order to finance the costs of construction of the City’s linear greenway recreational area, known as “Ladyface Greenway” (the “**Project**”); and (ii) Lease Revenue Refunding Bonds, Series 2024B (the “**2024B Bonds**” and together with the 2024A Bonds, the “**2024 Bonds**”), in order to refund its outstanding 2013 Bonds.

The 2024 Bonds will be issued pursuant to the Master Indenture, as supplemented by a First Supplemental Indenture, dated as of March 1, 2024 (“**First Supplemental Indenture**”), between the Authority and the Trustee.

The Authority and the City will enter into a First Amendment to Sublease, dated as of March 1, 2024 (“**Sublease Amendment**”, and together with the Original Sublease, the “**Sublease**”), in order to increase the base rental payments payable under the Original Sublease in order to be sufficient for the Authority to pay principal of and interest on the 2016 Bonds and the 2024 Bonds, which have been assigned to the Trustee pursuant to the Assignment Agreement.

This Addendum No. 1 to Memorandum of Sublease is being executed to provide constructive notice of the Sublease Amendment.

**NOW, THEREFORE, THE AUTHORITY AND THE CITY, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES AND AGREEMENTS CONTAINED HEREIN, DO AGREE AS FOLLOWS:**

1. Term. Lessor subleases the Leased Property to Lessee. The term of the Sublease shall commence on December 6, 2016 and shall end on the earlier of (i) June 1, 2041, (ii) the date that the last Base Rental payment is made under the provisions of the Sublease, or (iii) the date of discharge of the Master Indenture, as supplemented by the First Supplemental Indenture, pursuant to which the Authority issued its 2016 Bonds and 2024 Bonds.

2. Lease Terms. The Authority's subleasing of the Leased Property to the City is pursuant to the terms of the Sublease, including the amended base rental payment schedule attached thereto, which is incorporated in this Addendum by reference.

3. Successors and Assigns. This Addendum and the Sublease shall bind and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject, however, to the provisions of the Sublease on assignment.

4. Governing Law. This Addendum and the Sublease are governed by California law.

5. Counterparts. This Addendum may be executed in counterparts, and all such executed counterparts shall constitute the same instrument. It shall be necessary to account for only one set of such counterparts in proving this Addendum.

IN WITNESS WHEREOF, the Authority and the City have caused this Addendum No. 1 to Memorandum of Sublease to be executed by their duly authorized officers.

**AGOURA HILLS IMPROVEMENT AUTHORITY, as lessor**

By \_\_\_\_\_  
Nathan Hamburger  
Chief Administrative Officer

ATTEST:

\_\_\_\_\_  
Kimberly M. Rodrigues, Secretary

**CITY OF AGOURA HILLS, as lessee**

By \_\_\_\_\_  
Illece Buckley Weber  
Mayor

ATTEST:

\_\_\_\_\_  
Kimberly M. Rodrigues, City Clerk

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 Los Angeles)

On \_\_\_\_\_, before me, \_\_\_\_\_,  
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

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 Los Angeles)

On \_\_\_\_\_, before me, \_\_\_\_\_,  
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

Exhibit E

*Bond Purchase Agreement*

\$ \_\_\_\_\_  
**AGOURA HILLS IMPROVEMENT AUTHORITY  
LEASE REVENUE BONDS, SERIES 2024A**

\$ \_\_\_\_\_  
**AGOURA HILLS IMPROVEMENT AUTHORITY  
LEASE REVENUE REFUNDING BONDS, SERIES 2024B**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2024

Agoura Hills Improvement Authority  
30001 Ladyface Court  
Agoura Hills, California 91301

City of Agoura Hills  
30001 Ladyface Court  
Agoura Hills, California 91301

Ladies and Gentlemen:

Raymond James & Associates, Inc. (the “*Underwriter*”) hereby offers to enter into this Bond Purchase Agreement (the “*Bond Purchase Agreement*”) with the Agoura Hills Improvement Authority (the “*Authority*”), a joint exercise of powers entity duly organized and existing under the laws of the State of California (the “*State*”), and the City of Agoura Hills (the “*City*”), a municipal corporation duly organized and existing under the laws of the State, which upon written acceptance of this offer will be binding upon the Authority, the City, and the Underwriter. This offer is made subject to the written acceptance of the Authority and the City on or before 11:59 p.m., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority and the City at any time prior to the acceptance hereof by the Authority and the City.

Capitalized terms used and not defined herein shall have the same meanings as set forth in the Indenture, dated as of November 1, 2016, as amended by the First Supplemental Indenture, dated as of March 1, 2024 (collectively, the “*Indenture*”), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “*Trustee*”).

**Section 1. Purchase and Sale of the Bonds**

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Authority, and the Authority hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of the \$ \_\_\_\_\_ aggregate principal amount of the Authority’s Lease Revenue Bonds, Series 2024A (the “*2024A Bonds*”) and \$ \_\_\_\_\_ aggregate principal amount of the Authority’s Lease Revenue Refunding Bonds, Series 2024B (the “*2024B Bonds*,” and together with the 2024A Bonds, the “*Bonds*”). The Bonds will bear interest at the rates and will mature on the dates as set forth on Schedule I attached hereto, and will be subject to redemption as provided in the Indenture. The purchase price for the 2024A Bonds shall be \$ \_\_\_\_\_, being the principal amount of the 2024A Bonds, plus original issue premium of \$ \_\_\_\_\_, and less an Underwriter’s discount of \$ \_\_\_\_\_. The purchase price for the 2024B

Bonds shall be \$ \_\_\_\_\_, being the principal amount of the 2024B Bonds, plus original issue premium of \$ \_\_\_\_\_, and less an Underwriter's discount of \$ \_\_\_\_\_.

(b) The Authority and the City each 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 Authority and the City, on one hand, and the Underwriter, on the other; (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 Authority or the City; (iii) the Underwriter has neither assumed an advisory or fiduciary responsibility in favor of the Authority or the City 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 Authority or the City on other matters) nor has it assumed any other contractual obligation to the Authority or the City 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 Authority and the City; and (v) the Authority and the City have each consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

(c) The Bonds are being issued as "Additional Bonds" (as defined in the Indenture), and will be payable from Revenues on a parity basis with the Authority's outstanding Lease Revenue Refunding Bonds, Series 2016 (the "2016 Bonds").

## **Section 2. Description and Purpose of the Bonds**

(a) The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable as provided in the Indenture.

(b) The Bonds are authorized to be issued pursuant to the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto (the "*Act*"). The Bonds are limited obligations of the Authority and, as and to the extent set forth in the Indenture, are payable solely from and secured by a pledge, charge and lien upon the Revenues (as defined in the Indenture), which are derived from Base Rental payments and other payments made by the City and received by the Authority, and all interest or other investment income thereon, pursuant to the Sublease Agreement, dated as of November 1, 2016, as amended and supplemented by the First Amendment to Sublease, dated as of March 1, 2024 (collectively, the "*Sublease*"), by and between the Authority and the City, and certain other moneys and securities held by the Trustee as provided in the Indenture.

(c) The proceeds of the 2024A Bonds will be used to: (i) finance the cost of the City's linear park known as the Ladyface Greenway project; and (ii) pay the costs incurred with the issuance and sale of the 2024A Bonds. The proceeds of the 2024B Bonds will be used to: (i) refund the Authority's Lease Revenue Bonds, Series 2013 (the "*2013 Bonds*"); and (ii) pay the costs incurred with the issuance and sale of the 2024B Bonds.

## **Section 3. Public Offering**

The Underwriter agrees to make a bona fide public offering of all the Bonds initially at the public offering prices (or yields) set forth on Schedule I attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Schedule I. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

#### **Section 4. Delivery of Official Statement; Continuing Disclosure**

(a) The Authority and the City have delivered or caused to be delivered to the Underwriter prior to the execution of this Bond Purchase Agreement, copies of the preliminary official statement with respect to the Bonds, dated \_\_\_\_\_, 2024 (the “*Preliminary Official Statement*”). Such Preliminary Official Statement is the official statement deemed final by the Authority and the City for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the “*Rule*”) and approved by the Authority and the City for distribution by the Underwriter by the Authority Resolution and the City Resolution (each as defined herein). As authorized by the Authority Resolution and the City Resolution, the Authority and the City hereby ratify and confirm their authorization of the use by the Underwriter before the date hereof of the Preliminary Official Statement.

(b) Within seven (7) business days from the date hereof, and in any event not later than two business days prior to the Closing Date, the Authority and the City shall deliver to the Underwriter a final Official Statement, executed on behalf of the City by authorized representatives of the City and on behalf of the Authority by authorized representatives of the Authority, which shall include information permitted to be omitted from the Preliminary Official Statement by paragraph (b)(1) of the Rule and with such other amendments or supplements as shall have been approved by the Authority, the City and the Underwriter (the “*Final Official Statement*”) and such additional conformed copies thereof as the Underwriter may reasonably request to meet potential customer requests for copies of the Final Official Statement to comply with the Rule and rules of the Municipal Securities Rulemaking Board (the “*MSRB*”). It is acknowledged by the Authority and the City that the Underwriter may deliver the Preliminary Official Statement and a Final Official Statement electronically over the internet and in printed paper form. For purposes of this Bond Purchase Agreement, the printed paper form of the Preliminary Official Statement and the Final Official Statement are deemed controlling. The Underwriter agrees to file a copy of the Final Official Statement, including any supplements prepared by the City, with the MSRB on its Electronic Municipal Markets Access (“*EMMA*”) system. The Final Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by the Rule, the Authority and the City shall only make such other additions, deletions, revisions and recent developments in the Final Official Statement as shall be approved by the Underwriter. The Underwriter hereby agrees to cooperate and assist in the preparation of the Final Official Statement. The Authority and the City hereby agree to deliver to the Underwriter an electronic copy of the Final Official Statement in a form that permits the Underwriter to satisfy its obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission (“*SEC*”). The Authority and the City hereby authorize the Underwriter to use the Final Official Statement and the information contained therein in connection with the offering and sale of the Bonds. The Final Official Statement, including the cover pages, the appendices thereto and all information incorporated therein by reference are hereinafter referred collectively to as the “*Official Statement*.”

(c) To enable the Underwriter to comply with the Rule, the City will execute a Continuing Disclosure Agreement concurrently with issuance of the Bonds substantially in the form attached as Appendix E to the Official Statement (the “*Continuing Disclosure Agreement*”).

#### **Section 5. Closing**

At 8:30 a.m. California time on \_\_\_\_\_, 2024, or such other time as shall be agreed upon by the Underwriter, the Authority and the City (the “*Closing Date*”), the City will deliver or cause to be delivered to the Underwriter at the offices of Richards Watson Gershon, A Professional Corporation, bond counsel to the Authority (“*Bond Counsel*”) in Los Angeles, California (or such other location as may be designated by the Underwriter and approved by the Authority and the City) the closing documents hereinafter mentioned and, through the facilities of The Depository Trust Company, the Bonds in the form

of registered book-entry bonds evidenced by one certificate for each maturity, interest rate and series of Bonds (which may be typewritten) in denominations of \$5,000 or any multiple thereof, duly executed by the Authority and authenticated by the Trustee, and subject to the terms and conditions hereof the Underwriter will accept delivery of the Bonds in book-entry form, and the Underwriter will pay the purchase price of the Bonds set forth in Section 1 by Federal Funds wire (such delivery and payment being herein referred to as “Closing”).

#### **Section 6. Representations, Warranties and Agreements of the Authority**

The Authority represents, warrants and covenants with the Underwriter that:

(a) the Authority is a joint exercise of powers entity duly organized and existing under the laws of the State with full legal right, power and authority to issue, sell and deliver the Bonds to the Underwriter pursuant to the Indenture, and execute, deliver and perform its obligations, as the case may be, under this Bond Purchase Agreement, the Indenture, the Sublease, the Lease Agreement, dated as of November 1, 2016 (the “Lease”), by and between the City and the Authority, the Escrow Agreement, dated as of March 1, 2024, by and among the Authority, the City and U.S. Bank Trust Company, National Association, as escrow agent (the “Escrow Agent”), the Assignment Agreement, dated as of November 1, 2016, by and between the Authority and the Trustee, and the Bonds (collectively, the “Authority Legal Documents”), and to carry out and consummate all transactions contemplated by each of the aforesaid documents and the Official Statement, and compliance with the provisions of the Authority Legal Documents will not materially conflict with or constitute a breach of or default under any applicable constitutional provision, law, administrative regulation, court order or consent decree or any applicable judgment or decree or any loan agreement, note, resolution, indenture, agreement or other instrument to which the Authority is a party or it or any of its assets may be otherwise subject;

(b) Resolution adopted by the Authority on \_\_\_\_\_, 2024 approving and authorizing the issuance of the Bonds and the execution and delivery by the Authority of the Authority Legal Documents (dated as of March 1, 2024) and the preparation and distribution of the Preliminary Official Statement and the Official Statement (the “Authority Resolution”) was duly adopted at a regular meeting of the governing board of the Authority called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and has not been amended or repealed;

(c) when delivered by the Authority and paid for by the Underwriter in accordance with the provisions of this Bond Purchase Agreement, the Bonds will have been duly authorized, executed and delivered and will constitute the valid and binding limited obligations of the Authority in conformity with, and entitled to the benefit and security of, the Indenture;

(d) the Authority has duly authorized and approved the issuance of the Bonds and the execution and delivery of the Authority Legal Documents and when executed and delivered, the Authority Legal Documents, assuming due authorization, execution and delivery by the other respective parties thereto, as applicable, will constitute the legally valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors’ rights generally;



(e) at the date hereof and as of the Closing Date, except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, the Authority will be in compliance with the covenants and agreements contained in the Authority Legal Documents, and no event of default and no event has occurred and is continuing which, with the passage of time or giving of notice, or both, would constitute an event of default thereunder shall have occurred and be continuing;

(f) the Authority will comply with the requirements of the Tax Certificate executed by the Authority in connection with the delivery of the Bonds;

(g) any certificate signed by any officer of the Authority and delivered to the Underwriter pursuant to the Authority Legal Documents or any document contemplated hereby or thereby shall be deemed a representation and warranty by the Authority to the Underwriter as to the statements made therein and that such officer shall have been duly authorized to execute the same;

(h) the Indenture creates a valid pledge of and grant of a first, direct and exclusive charge and lien on the Revenues (as defined in the Indenture) purported to be pledged thereby, subject to no prior pledges, liens or security interests;

(i) the information under the headings "THE AUTHORITY" and "ABSENCE OF LITIGATION" in the Preliminary Official Statement as of its date and as of the date hereof, and in the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Official Statement contains and up to and including the Closing will contain no misstatement of any material fact and does not, and up to and including the Closing will not, omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading;

(j) the Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not affect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds;

(k) as of the time of acceptance hereof and as of the time of the Closing, to the best of its knowledge, the Authority is not and will not be in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority is a party or it or any of its assets is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach or default would materially adversely affect the security of the Bonds or the Authority's performance under the Authority Legal Documents; and, as of such times, except as disclosed in the Preliminary Official Statement and the Official Statement, the authorization, execution and delivery of the Authority Legal Documents and the Bonds and compliance with the provisions of each of such agreements or instruments do not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance agreement or other instrument to which the Authority (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound; nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may

be provided by the Bonds and the Authority Legal Documents; and

(l) as of the time of acceptance hereof and the Closing, except as disclosed in the Preliminary Official Statement and the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending (notice of which has been properly served on and received by the Authority) or, to the best of the Authority's knowledge after reasonable investigation, threatened (i) in any way questioning the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds, the Authority Legal Documents or the consummation of the transactions contemplated thereby or hereby, or contesting the exclusion of the interest on the Bonds from gross income for Federal income tax purposes or contesting the powers of the Authority or its authority to issue the Bonds; (iii) which may result in any material adverse change relating to the Authority; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

All representations, warranties and agreements of the Authority shall remain operative and in full force and effect, regardless of any investigations made by or on the Underwriter's behalf, and shall survive the delivery of the Bonds.

**Section 7. Representations, Warranties and Agreements of the City**

The City represents, warrants and covenants with the Underwriter that:

(a) the City is a municipal corporation duly organized and existing under the laws of the State;

(b) the City has full legal right, power and authority to execute, deliver and perform its obligations, as the case may be, under this Bond Purchase Agreement, the Sublease, the Lease, the Escrow Agreement and the Continuing Disclosure Agreement (collectively, the "*City Legal Documents*") and to carry out and consummate all transactions contemplated by each of the aforesaid documents and the Official Statement, and compliance with the provisions of the City Legal Documents will not materially conflict with or constitute a breach of or default under any applicable constitutional provision, law, administrative regulation, court order or consent decree or any applicable judgment or decree or any loan agreement, note, resolution, indenture, agreement or other instrument to which the City is a party or it or any of its assets may be otherwise subject;

(c) the Resolution adopted by the City Council of the City on \_\_\_\_\_, 2024 approving and authorizing the execution and delivery by the City of the City Legal Documents (dated as of March 1, 2024) and the preparation and distribution of the Preliminary Official Statement and the Official Statement (the "*City Resolution*") was duly adopted at a meeting of the City Council of the City called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and has not been amended or repealed;

(d) prior to adoption of the City Resolution, the City Council held a duly noticed public hearing as required by Section 6586.5 of the Act;

(e) by adoption of the City Resolution, the City has duly authorized and approved the execution and delivery by the City of the City Legal Documents and when executed and delivered, the City Legal Documents, assuming due authorization, execution and delivery by the other respective parties thereto, as applicable, will constitute the legally valid and binding obligations of the City enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally;

(f) at the date hereof and as of the Closing Date, except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, the City will be in compliance with the covenants and agreements contained in the City Legal Documents, and no event of default and no event has occurred and is continuing which, with the passage of time or giving of notice, or both, would constitute an event of default thereunder shall have occurred and be continuing;

(g) the City will comply with the requirements of the Tax Certificate executed by the City in connection with the delivery of the Bonds;

(h) any certificate signed by any officer of the City and delivered to the Underwriter pursuant to the City Legal Documents or any document contemplated hereby or thereby shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein and that such officer shall have been duly authorized to execute the same;

(i) to the best knowledge of the City there is no public vote or referendum pending or proposed, the results of which could materially adversely affect the transactions contemplated by the City Legal Documents or the Official Statement or the validity or enforceability of the Bonds;

(j) the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Official Statement contains and up to and including the Closing will contain no misstatement of any material fact and does not, and up to and including the Closing will not, omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading (excluding therefrom the information relating to DTC and its book-entry only system and under the caption "UNDERWRITING," as to which no representations or warranties are made);

(k) the City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not affect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds;

(l) as of the time of acceptance hereof and as of the time of the Closing, to the best of its knowledge, the City is not and will not be in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument relating to the City to which the City is a party or any of its assets is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach or default would materially adversely affect the security of the Bonds or the City's performance under the City Legal Documents; and, as of such times, except as disclosed in the Preliminary Official Statement and the Official Statement, the authorization, execution and delivery of the City Legal Documents and the Bonds and

compliance with the provisions of each of such agreements or instruments do not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance agreement or other instrument relating to the City (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound; nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Bonds and the City Legal Documents;

(m) as of the time of acceptance hereof and the Closing, except as disclosed in the Preliminary Official Statement and the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending (notice of which has been properly served on and received by the City) or, to the best of the City's knowledge after reasonable investigation, threatened (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged by the Authority to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds, the City Legal Documents or the consummation of the transactions contemplated thereby or hereby; (iii) which may result in any material adverse change relating to the City; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence;

(n) for purposes of the Rule, the City has heretofore deemed final the Preliminary Official Statement prior to its use and distribution by the Underwriter, except for the information specifically permitted to be omitted by paragraph (b)(1) of the Rule;

(o) except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, the City has not previously failed to comply in any material respect with any continuing disclosure obligation undertaken pursuant to the Rule; and

(p) except for information which is permitted to be omitted pursuant to the Rule, the Preliminary Official Statement is, as of its date and as of the date hereof (excluding therefrom the information relating to DTC and its book-entry only system, and under the caption "UNDERWRITING," as to which no representations or warranties are made) was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

All representations, warranties and agreements of the City shall remain operative and in full force and effect, regardless of any investigations made by or on the Underwriter's behalf, and shall survive the delivery of the Bonds.

## **Section 8. Conditions to the Obligations of the Underwriter**

The Underwriter hereby enters into this Bond Purchase Agreement in reliance upon the representations and warranties of the Authority and the City contained herein and the representations and

warranties to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the Authority, the City and the Trustee of their respective obligations both on and as of the date hereof. Accordingly, the Underwriter's obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy of the representations and warranties of the Authority and the City contained herein as of the date hereof and as of the Closing Date, to the accuracy of the statements of the officers and other officials of the Authority, the City and the Trustee made in any certificate or document furnished pursuant to the provisions hereof, to the performance by the Authority, the City and the Trustee of their respective obligations to be performed hereunder and under the Authority Legal Documents and the City Legal Documents to which it is a party at or prior to the date hereof and at or prior to the Closing Date, and also shall be subject to the following additional conditions:

(a) On the Closing Date, the Authority Legal Documents shall have been duly authorized, executed and delivered by the Authority and the City Legal Documents shall have been duly authorized, executed and delivered by the City, all in substantially the forms heretofore submitted to the Underwriter, with only such changes as shall have been agreed to in writing by the Underwriter, and shall be in full force and effect; and there shall be in full force and effect such resolutions of the governing board of the Authority and the City Council of the City as, in the opinion of the Bond Counsel, shall be necessary or appropriate in connection with the transactions contemplated hereby;

(b) On the Closing Date, all necessary action of the Authority and the City relating to the issuance and sale of the Bonds will have been taken and will be in full force and effect and will not have been amended, modified or supplemented;

(c) On or prior to the Closing Date, the Underwriter shall have received the following documents, in each case satisfactory in form and substance to the Underwriter:

(i) Authority Agreements, Authority Resolution, and Joint Powers Agreement. The Authority Agreements, each duly executed and delivered by the respective parties thereto, and certified copies of the Authority Resolution and the Joint Exercise of Powers Agreement, as amended, between the City and the Agoura Hills Parking Authority (the "Joint Powers Agreement");

(ii) City Agreements and City Resolution. The City Agreements, each duly executed by the respective parties thereto, and a certified copy of the City Resolution (defined herein);

(iii) Official Statement. A copy of the Official Statement, executed by an authorized officer of the Authority and of the City;

(iv) Opinion of Bond Counsel. The approving opinion, dated the date hereof and addressed to the Authority, of Bond Counsel in substantially the form of Appendix B to the Official Statement;

(v) Supplemental Opinion of Bond Counsel. A supplemental opinion of Bond Counsel addressed to the Underwriter in form and substance acceptable to the Underwriter, and dated the date of the Closing substantially in the form attached as Exhibit B;

(vi) Letter of Disclosure Counsel. A letter of Richards Watson Gershon, A Professional Corporation, as Disclosure Counsel, dated the Closing Date, and addressed to the Underwriter, the Authority and the City substantially in the form attached hereto as Exhibit C;

(vii) Defeasance Opinion of Bond Counsel. A defeasance opinion letter of Bonds Counsel addressed to the Underwriter and the trustee for the 2013 Bonds in form and substance acceptable to the Underwriter;

(viii) Opinion of Authority Counsel. An opinion of the City Attorney, as Counsel to the Authority dated the Closing Date and addressed to the Underwriter, in form and substance similar to the opinion of City Attorney set forth in (ix) below;

(ix) Opinion of the City Attorney. An opinion of the City Attorney to the City dated the Closing Date and addressed to the Underwriter, substantially in the form attached as Exhibit D;

(x) Opinion of Underwriter's Counsel. The opinion of Best Best & Krieger LLP ("Underwriter's Counsel"), dated the Closing Date and addressed to the Underwriter, in form and substance satisfactory to the Underwriter;

(xi) Certificate of the Authority. A certificate of the Authority, dated the Closing Date, to the effect that:

(a) by all necessary official action of the Authority, the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations contained in the Authority Legal Documents, and as of the date of Closing, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded;

(b) when executed and delivered, the Authority Legal Documents will constitute the legally valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally;

(c) the Authority has complied, and will at the Closing be in compliance in all respects, with the terms of the Authority Legal Documents;

(d) the representations, warranties and covenants of the Authority contained herein are true and correct in all materials respects on and as of the date of Closing as if made on the date of Closing and the Authority has complied with all of the terms and conditions of this Bond Purchase Agreement required to be complied with by the Authority at or prior to the Closing Date;

(e) no event affecting the Authority has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(f) except as otherwise disclosed in the Official Statement and to the best knowledge of such signing officer after due inquiry, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental authority or body, pending (notice of which has been properly served on and received by the Authority) or threatened against the Authority, challenging the creation, organization or existence of the Authority, or the validity of the Authority Legal Documents or seeking to restrain or enjoin the repayment of the Bonds or in any way contesting or affecting the

validity of the Authority Legal Documents or contesting the authority of the Authority to enter into or perform its obligations under any of the Authority Legal Documents, or under which a determination adverse to the Authority would have a material adverse effect upon the financial condition or the revenues of the Authority;

(xii) Certificate of the City. A certificate of the City, dated the Closing Date, to the effect that:

(a) by all necessary official action of the City, the City has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations contained in the City Legal Documents, and as of the date of Closing, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded;

(b) when executed and delivered, the City Legal Documents will constitute the legally valid and binding obligations of the City enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally;

(c) the City has complied, and will at the Closing be in compliance in all respects, with the terms of the City Legal Documents;

(d) the representations, warranties and covenants of the City contained herein are true and correct in all materials respects on and as of the date of Closing as if made on the date of Closing and the City has complied with all of the terms and conditions of this Bond Purchase Agreement required to be complied with by the City at or prior to the Closing Date;

(e) no event affecting the City has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(f) except as otherwise disclosed in the Official Statement and to the best knowledge of such signing officer after due inquiry, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental authority or body, pending (notice of which has been properly served on and received by the City) or threatened against the City, challenging the creation, organization or existence of the City, or the validity of the City Legal Documents or seeking to restrain or enjoin the repayment of the Bonds or in any way contesting or affecting the validity of the City Legal Documents or contesting the City of the City to enter into or perform its obligations under any of the City Legal Documents, or under which a determination adverse to the City would have a material adverse effect upon the financial condition or the revenues of the City;

(xiii) Certificate of the Trustee. A certificate of a duly authorized official of the Trustee, dated the Closing Date, to the effect that: (A) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to the Underwriter; (B) the Trustee is duly authorized to enter into the Indenture and to authenticate and deliver the Bonds to the Underwriter pursuant to the Indenture; (C) when

delivered to and paid for by the Underwriter at the Closing, the Bonds will have been duly authenticated and delivered by the Trustee; (D) the execution and delivery of the Indenture and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), which conflict, breach or default would materially impair the ability of the Trustee to perform its obligations under the Indenture, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Indenture under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture; and (E) to the best of the knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoining the execution and delivery of the Bonds or the collection of revenues to be applied to pay the principal, premium, if any, and interest with respect to the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Indenture, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or funding would materially adversely affect the validity or enforceability of the Indenture or the power and authority of the Trustee to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to or upon the order of the Underwriter;

(xiv) General Resolution of the Trustee. A certified copy of the general resolution of the Trustee authorizing the execution and delivery of the Indenture;

(xv) Opinion of Counsel to the Trustee. The opinion, dated the Closing Date and addressed to the Underwriter and the City, of Counsel to the Trustee, to the effect that: (A) the Trustee has been duly organized as a national banking association under the laws of the United States with trust powers, having full power and authority to enter into and to perform its duties as Trustee under 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 trusts of the Indenture; (C) the Indenture constitutes the legally valid and binding agreement of the Trustee, enforceable against the Trustee in accordance with its terms, and (D) the Bonds have been validly authenticated and delivered by the Trustee to the Underwriter;

(xvi) Certificate/General Resolution/Opinion of Counsel of the Escrow Agent. A certificate, general resolution and opinion of counsel of the Escrow Agent, dated the Closing Date, in form and substance similar to the certificate, resolution and opinion set forth in (xiii), (xiv) and (xv) above;

(xvii) Tax Certificate. A Tax Certificate of the Authority and the City in form and substance acceptable to Bond Counsel;

(xviii) Evidence of Insurance. Evidence of insurance on the Leased Property as required by Section 8 of the Sublease;



(xix) Title Insurance. A copy of the pro forma title insurance policy committed to be issued by the title insurance company;

(xx) IRS Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared for filing;

(xxi) CDIAC Notices of Sale. A copy of the Notice of Proposed Sale and Report of Final Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855(g) of the California Government Code;

(xxii) DTC Blanket Letter of Representations. A copy of the Authority's executed Blanket Letter of Representation to The Depository Trust Company;

(xxiii) Rating Letter. Evidence of a rating of "\_\_\_\_\_" by S&P Global Ratings, being in full force and effect as of the Closing Date;

(xxiv) Section 3.04 Certificate. A certificate of the Authority, dated the Closing Date, in compliance with Section 3.04 of the Indenture;

(xxv) Opinion of Bond Counsel. An opinion of Bond Counsel, dated the Closing Date, that satisfies the requirements of Section 3.04 of the Indenture; and

(xxvi) Additional Documents. Such additional legal opinions, certificates, instruments or evidences thereof and other documents as the Counsel to the Underwriter or Bond Counsel may request to evidence the due authorization, execution and delivery of the Bonds and the conformity of the Bonds, the Authority Legal Documents and the City Legal Documents with the terms of the Bonds and the descriptions thereof in the Official Statement;

(d) the Underwriter shall have the right to terminate this Bond Purchase Agreement, without liability therefor, by notification to the Authority and the City if at any time at or prior to the Closing:

(i) any event shall occur or facts are discovered which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading; or

(ii) The market price or marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering prices set forth in the Official Statement, shall not, in the reasonable judgment of the Underwriter, have been materially adversely affected by reason of any of the following:

(1) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of federal income taxation of the interest received by owners of the Bonds, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(a) by or on behalf of the United States Treasury Department or by or on behalf of the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of federal income

taxation of the interest received by the owners of the Bonds; or

(b) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(2) any outbreak or escalation of hostilities affecting the United States, the declaration of a national or international emergency, war or engagement in, or escalation of, major military hostilities by the United States or the occurrence of any other national emergency or calamity, or escalation thereof, relating to the effective operation of the government or the financial community in the United States;

(3) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange or any governmental authority securities exchange;

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect;

(6) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to the outstanding indebtedness of the Authority or the City;

(7) any event occurring, or information becoming known which in the reasonable judgment of the Underwriter makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement 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 made therein, in light of the circumstances under which they were made, not misleading, and, in either such event, the Authority or the City refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as supplemented to supply such statement or information, or to the effect of the Official Statement so supplemented is to materially adversely affect the market price of marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(8) the occurrence, since the date hereof, of any materially adverse change in the affairs or financial condition of the City;

(9) the suspension by the SEC of the trading in the outstanding bonds of the Authority or the City;

(10) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative regulatory body or authority materially adversely affecting the tax status of the Authority or the City its property, income securities (interest thereon);

(11) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

(12) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; or

(13) legislation enacted by the legislature of the State, or a decision rendered by a court of the State, or a ruling, order, or regulation (final or temporary) made by State authority, which would have the effect of changing, directly or indirectly, the State tax consequences of interest on obligations of the general character of the Bonds.

If the Authority or the City shall be unable to satisfy the conditions contained in this Bond Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor the Authority or the City shall be under further obligation hereunder, except as further set forth in Section 9 and Section 10.

#### **Section 9. Expenses**

(a) The Underwriter shall be under no obligation to pay, and the Authority shall pay or cause to be paid the expenses incident to the performance of the obligations of the City hereunder including but not limited to (i) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of the Authority Legal Documents and the City Legal Documents and the cost of preparing, printing, issuing and delivering the definitive Bonds, (ii) the fees and disbursements of the accountants, or other experts or consultants retained by the Authority or the City, (iii) the fees and disbursements of counsel to the Authority and to the City, and Bond Counsel, (iv) the fees and disbursements of Disclosure Counsel, (v) the fees and disbursements of the Trustee, and (vi) the cost of preparation and printing of the Preliminary Official Statement and any supplements and amendments thereto and the cost of preparation and printing of the Official Statement and any supplements and amendments thereto, including the requisite number of copies thereof for distribution by the Underwriter. The Authority and the Underwriter intend that the Authority will pay all expenses of City's employees that are incidental to implementing this Bond Purchase Agreement, including, but not limited to, meals, transportation, and lodging, of those employees, and the Authority shall reimburse the Underwriter if the Underwriter pays for any of such expenses on behalf of the City.

(b) The Underwriter shall pay all expenses incurred by them in connection with the public offering and distribution of the Bonds including, but not limited to: (i) the fees and disbursements of Underwriter's Counsel; (ii) all advertising expenses in connection with the offering of the Bonds; and (iii) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds (including travel and other expenses, CDIAC and blue sky filing fees, CUSIP Service Bureau fees, and any other fees and expenses), except as provided in Section 9(a) or as otherwise agreed to by the Underwriter and the City from the Underwriter's discount set forth in Section 1.

## Section 10. Covenants of the City

The City covenants with the Underwriter that:

(a) If between the date hereof and the date which is not less than 25 days after the End of the Underwriting Period for the Bonds (as defined below), an event occurs, or facts or conditions become known of which the City has knowledge which in the opinion of counsel to the Underwriter or counsel to the City, might or 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 therein, in the light of the circumstances under which it was made, not misleading, the City will notify the Underwriter, and, if in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will forthwith prepare and furnish to the Underwriter (at the expense of the City) a reasonable number of copies of an amendment of or supplement to the Official Statement (in the form and substance satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to prospective purchasers, not misleading. If such notification shall be after the Closing, the City shall forthwith provide to the Underwriter such certificates as the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement. 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 City will furnish such information with respect to itself as the Underwriter may from time to time reasonably request;

(b) If the information contained in the Official Statement is amended or supplemented pursuant to subparagraph (a) of this Section 10, at the time of such 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), excluding therefrom the information relating to DTC and its book-entry only system and under the caption “UNDERWRITING”), will not contain any untrue statement of a material fact or omit to state 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 made, not misleading;

(c) As used herein and for the purposes of the foregoing, the term “*End of Underwriting Period*” for the Bonds shall mean the earlier of (i) the Closing Date unless the City shall have been notified in writing to the contrary by the Underwriter on or prior to the Closing Date or (ii) the date on which the End of the Underwriting Period for the Bonds has occurred under the Rule, provided, however, that the City may treat as the End of the Underwriting Period for the Bonds the date specified as such in a notice from the Underwriter stating the date which is the End of the Underwriting Period;

(d) The City will advise the Underwriter immediately of receipt by the City of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(e) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may request 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; provided, however, that the City shall not be required to register as a dealer or broker or foreign corporation in any such state or jurisdiction or consent to service of process therein;

(f) The City will perform all actions as may be requested by the Underwriter (including delivery of an appropriate certificate with respect to the Preliminary Official Statement) in order for the Underwriter to comply with the applicable provisions of the Rule; and

(g) Between the date hereof and the Closing Date, without the prior written consent of the Underwriter, the City will not have issued any bonds, notes, or other obligations for borrowed money, in each case payable from Revenues.

#### **Section 11. Establishment of Issue Price**

(a) The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority 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.

(b) The Authority will treat the first price at which 10% of each maturity of the Bonds (the “10% test” is sold to the public as the issue price of that maturity (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 Authority the price or prices at which it has sold to the public each maturity of Bonds.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule A to Exhibit A attached hereto, except as otherwise set forth therein. Schedule A to Exhibit A also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter shall promptly advise the Authority when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(e) 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 Authority 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 Authority further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

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

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

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

(iii) a purchaser of any of the Bonds is a “*related party*” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) 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.

## **Section 12. Representations, Warranties and Agreements of the Underwriter**

The Underwriter represents, warrants and covenants with the Authority and the City that:

(a) the Underwriter affirms it does not honor the Arab League Boycott of Israel;

(b) in the performance of this Bond Purchase Agreement, the Underwriter shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, sexual orientation or medical condition. The Underwriter shall take affirmative action to insure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, national origin, sexual orientation or medical condition. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation, and selection

for training; and

(c) the Underwriter shall abide by the provisions of the Agoura Hills Living Wage Ordinance. During the term of this Agreement, the Underwriter shall keep on file sufficient evidence of its employee compensation to enable verification of compliance with the Agoura Hills Living Wage Ordinance.

**Section 13. Notices**

Any notice or other communication to be given to the Authority and the City under this Bond Purchase Agreement may be given by delivering the same in writing at the Authority's and the City's addresses set forth above and any such notice or other communication to be given to the Underwriter shall be delivered to the following address:

Raymond James & Associates, Inc.  
39 E. Union Street  
Pasadena, CA 91103  
Attention: Jose Vera  
Telephone: (626) 628-2703

**Section 14. Parties in Interest**

This Bond Purchase Agreement is made solely for the benefit of the Authority, the City and the Underwriter and no other person shall acquire or have any right hereunder or by virtue hereof. All the representations and warranties of the parties hereto contained in this Bond Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter, the Authority or the City until the earlier of (a) delivery of and payment for the Bonds hereunder and (b) any termination of this Bond Purchase Agreement.

**Section 15. Execution in Counterparts; Electronic Transmission**

This Bond Purchase Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute the Purchase Agreement by signing any such counterpart.

**Section 16. Headings**

The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be part hereof.

**Section 17. Effectiveness**

This Bond Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution by the Underwriter and the acceptance hereof by the duly authorized representatives of the Authority and the City and shall be valid and enforceable as of the time of such acceptance.

**Section 18. Choice of Law**

The validity, interpretation and performance of this Bond Purchase Agreement shall be governed by the laws of the State, without regard to conflicts of law.

**Section 19. Severability**

In the event any provision of this Bond Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 20. Entire Agreement**

The Bond Purchase Agreement, when accepted by the Authority and the City in writing as heretofore specified, shall constitute the entire agreement among the Authority, the City and the Underwriter.

**Section 21. Headings**

The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be part hereof.



**Section 22. No Assignment**

The rights and obligations created by this Bond Purchase Agreement shall not be subject to assignment by the Underwriter, the Authority or the City without the prior written consent of the other parties hereto.

*[The remainder of this page intentionally left blank]*

IN WITNESS WHEREOF, the parties hereto, by their representatives thereunto duly authorized, have executed and delivered this Agreement, effective as of the day and year first above written.

RAYMOND JAMES & ASSOCIATES, INC.

---

Authorized Signatory

Accepted at \_\_\_\_\_ P.M. as of the date hereof:

AGOURA HILLS IMPROVEMENT AUTHORITY

By: \_\_\_\_\_  
Nathan Hamburger  
Chief Administrative Officer

CITY OF AGOURA HILLS

By: \_\_\_\_\_  
Nathan Hamburger  
City Manager

**SCHEDULE I**

**AGOURA HILLS IMPROVEMENT AUTHORITY  
LEASE REVENUE BONDS, SERIES 2024A**

<u>Maturity Date (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
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\* 10% test met.

\*\* Yield to the optional redemption date of June 1, 20\_\_ at par.

**AGOURA HILLS IMPROVEMENT AUTHORITY  
LEASE REVENUE REFUNDING BONDS, SERIES 2024B**

<u>Maturity Date</u> (June 1)	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
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\* 10% test met.

\*\* Yield to the optional redemption date of June 1, 20\_\_ at par.

**EXHIBIT A**

**ISSUE PRICE CERTIFICATE**

§ \_\_\_\_\_  
**AGOURA HILLS IMPROVEMENT AUTHORITY**  
**[LEASE REVENUE BONDS, SERIES 2024A]**  
**[LEASE REVENUE REFUNDING BONDS, SERIES 2024B]**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of Raymond James & Associates, Inc. (the “Underwriter”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, 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.

2. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) ***Issuer*** means the Agoura Hills Improvement Authority.

(c) ***Maturity*** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(d) ***Public*** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

(e) ***Related Party*** means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit 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).

(f) ***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 \_\_\_\_\_, 2024.

(g) ***Underwriter*** means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the

Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Richards, Watson & Gershon, A Professional Corporation, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds. 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: \_\_\_\_\_, 2024

RAYMOND JAMES & ASSOCIATES, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_

**SCHEDULE A**

**SALE PRICES OF THE GENERAL RULE MATURITIES**

**EXHIBIT B**

**FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL**

\_\_\_\_\_, 2024

Raymond James & Associates, Inc.  
Pasadena, California

\$ \_\_\_\_\_  
Agoura Hills Improvement Authority  
Lease Revenue Bonds, Series 2024A

\$ \_\_\_\_\_  
Agoura Hills Improvement Authority  
Lease Revenue Refunding Bonds, Series 2024B

(Supplemental Opinion)

Ladies and Gentlemen:

We have this day released to the Agoura Hills Improvement Authority (the “Authority”) our final approving legal opinion with respect to the above-captioned bonds (collectively, the “2024 Bonds”). You are authorized to rely on such opinions as if the same were addressed to you.

In connection with rendering the above-described opinion, we examined the record of proceedings submitted to us relative to the issuance of the 2024 Bonds and such other documents as are in our opinion necessary to enable us to express an informed opinion with respect to the following matters. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Bond Purchase Agreement, dated \_\_\_, 2024 (the “Bond Purchase Agreement”), by and among the Authority, the City of Agoura Hills (the “City”) and you relating to the 2024 Bonds.

The opinions expressed herein are based on an analysis of existing law and cover certain matters not directly addressed thereby. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof, and we have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. We have assumed the genuineness of all documents and signatures presented to us. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in such documents. Furthermore, we have assumed compliance with all agreements and covenants contained in such documents.

Based upon the foregoing, in our opinion:

1. The statements on the cover of the Official Statement and in the Official Statement under the captions “THE BONDS,” “SECURITY FOR THE BONDS,” “TAX MATTERS,” APPENDIX B - “FORM OF BOND COUNSEL OPINION,” and in APPENDIX C - “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS” (excluding any material that may be treated as included under such captions and appendices by any cross-reference; any financial, statistical or numerical data contained therein; or the statements under each such caption relating to The Depository Trust Company, Cede & Co., the book-entry system, as to all of which we express no view herein), insofar as such statements expressly summarize provisions of the Indenture, the Lease Agreement, the Sublease Agreement, the Assignment Agreement, and our final opinion concerning certain federal tax matters relating to the 2024 Bonds, are accurate in all



material respects as of the date hereof.

2. Assuming due authorization, execution and delivery by the Underwriter of the Bond Purchase Agreement, the Bond Purchase Agreement is the legal, valid, and binding agreement of the City and the Authority, enforceable in accordance with its terms, except that the rights and obligations under the Bond Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State, and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein.

3. The 2024 Bonds are not required to be registered under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

This letter is furnished by us as Bond Counsel to the Authority. No attorney-client relationship has existed or exists between our firm and you in connection with the 2024 Bonds or by virtue of this letter. Our engagement with respect to the 2024 Bonds has terminated as of the date hereof, and we disclaim any obligation to update this letter. This letter is delivered to the addressees indicated above, is solely for the benefit of the addressees for the financing described herein and is not to be used, quoted or otherwise referred to or relied upon for any other purpose or by any other person or entity. This letter is not intended to, and may not, be relied upon by owners of the 2024 Bonds.

Respectfully submitted,

**EXHIBIT C**

**FORM OF OPINION OF DISCLOSURE COUNSEL**

\_\_\_\_\_, 2024

Raymond James & Associates, Inc.  
Pasadena, California

Agoura Hills Improvement Authority  
Agoura Hills, California

City of Agoura Hills  
Agoura Hills, California

\$ \_\_\_\_\_  
Agoura Hills Improvement Authority  
Lease Revenue Bonds, Series 2024A

\$ \_\_\_\_\_  
Agoura Hills Improvement Authority  
Lease Revenue Refunding Bonds, Series 2024B

Ladies and Gentlemen:

We have acted as Disclosure Counsel to the Agoura Hills Improvement Authority (the “Authority”) with respect to the above-captioned Series 2024A Bonds and Series 2024B Bonds (collectively, the “Bonds”). This letter is rendered pursuant to the Bond Purchase Agreement, dated \_\_, 2024 (the “Purchase Agreement”), by and among the Authority, the City of Agoura Hills (the “City”) and Raymond James & Associates, Inc., as the underwriter (the “Underwriter”). All capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Purchase Agreement, and if not in the Purchase Agreement, in the Official Statement, dated \_\_, 2024, relating to the Bonds (the “Official Statement”).

In rendering this letter, we have reviewed such records, documents, certificates and opinions, and made such other investigations of law and fact as we have deemed necessary or appropriate. This letter is limited to matters governed by the federal securities law of the United States, and we assume no responsibility with respect to the applicability or effect of the laws of any other jurisdiction. We do not assume any responsibility for any electronic version of the Preliminary Official Statement, dated February \_\_, 2024 (the “Preliminary Official Statement”), relating to the Bonds, or the Official Statement, and we assume that any such version is identical in all respects to the printed version. Our services did not include financial or other non-legal advice.

In our capacity as Disclosure Counsel, we have participated in the preparation of the Preliminary Official Statement and the Official Statement. Such participation included, among other things, discussions and inquiries concerning various legal matters, review of certain documents and proceedings, and participation in conferences with, among others, representatives of the Authority and of the City, the Underwriter, Best Best & Krieger LLP, as Underwriter’s counsel, Columbia Capital Management, LLC., as municipal advisor, U.S. Bank Trust Company, National Association, as the trustee, and Dorsey & Whitney LLP, as trustee’s counsel, at which conferences the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. On the basis of the information made available to us in the course of the foregoing (but without having undertaken to determine or verify

independently, or assuming any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Official Statement), no facts have come to the attention of the personnel in our firm directly involved in rendering legal advice and assistance in connection with the preparation of the Preliminary Official Statement and the Official Statement which cause us to believe that the Preliminary Official Statement as of its date or the Official Statement as of its date or as of the date hereof (excluding therefrom CUSIP numbers, financial, accounting and statistical, economic, engineering and demographic data; forecasts, projections, estimates, assumptions and expressions of opinions; any determinations regarding feasibility, valuation, appraisals, fair rental value, absorption, real estate, and environmental matters, or any basis therefor; statements as to compliance by the Authority, the City, or any related entity with respect to their respective obligations undertaken in furtherance of Rule 15c2-12, promulgated under the Securities Exchange Act of 1934, to provide notices or reports; information about the book-entry only system and DTC; statements relating to the treatment of the Bonds or the interest, discount or premium related thereto for tax purposes under the law of any jurisdiction; and the statements contained in the Official Statement under the caption "THE BONDS – Book-Entry Only System," "TAX MATTERS," and Appendices A, B, C, and D, as to all of which we express no view herein) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. No responsibility is undertaken or view expressed with respect to any other disclosure document, materials, or activity, or as to any information from another document or source referred to by, or incorporated by reference in, the Preliminary Official Statement or the Official Statement.

During the period from the date of the Official Statement to the date of this letter, except for our review of the certificates and opinions regarding the Official Statement delivered on the date hereof, we have not undertaken any procedures or taken any actions which were intended or likely to elicit information concerning the accuracy, completeness or fairness of any of the statements contained in the Official Statement.

By acceptance of this letter, the Authority and the City acknowledge that (i) the scope of those activities performed by us was inherently limited and does not purport to encompass all activities the Authority and the City are responsible to undertake; (ii) those activities performed by us rely on third party representations, warranties, certifications, and opinions made by representatives of the Authority and the City and others, and are otherwise subject to the qualifications set forth herein; and (iii) this letter is not to be relied upon by the Authority or the City in connection with their delivery of certificates and opinions pursuant to the Purchase Agreement.

This letter is furnished by us as Disclosure Counsel to the Authority. No attorney-client relationship has existed or exists between our firm and the Underwriter in connection with the Bonds or by virtue of this letter. This letter is rendered in connection with the transaction described herein, and may not be relied upon by you for any other purpose. This letter shall not extend to, and may not be used, circulated, quoted, referred to, or relied upon by any other person, firm, corporation or other entity without our prior written consent; provided, however, a copy may be included in the transcript of the proceedings for the Bonds. Our engagement with respect to this matter terminates upon the delivery of this letter to you at the time of the closing relating to the Bonds, and we have no obligation to update this letter.

Respectfully submitted,

**EXHIBIT D**

**FORM OF OPINION OF CITY ATTORNEY**

\_\_\_\_\_, 2024

Agoura Hills Improvement Authority  
Agoura Hills, California

Raymond James & Associates, Inc.  
Pasadena, California

\$ \_\_\_\_\_  
Agoura Hills Improvement Authority  
Lease Revenue Bonds, Series 2024A

\$ \_\_\_\_\_  
Agoura Hills Improvement Authority  
Lease Revenue Refunding Bonds, Series 2024B

Ladies and Gentlemen:

We serve as City Attorney to the City of Agoura Hills (the “City”). In connection with the issuance of the above-referenced bonds (the “Series 2024 Bonds”) by the Agoura Hills Improvement Authority (the “Authority”), we have examined the original, certified copies, or copies otherwise identified to us, as being true copies of such documents, certificates, and records as we have deemed relevant and necessary as the basis for the opinion set forth herein. Relying on such examination and subject to the limitations and qualifications hereinafter set forth, we are of the opinion that:

1. The City is a municipal corporation duly formed and validly existing under the laws of the State of California.

2. Resolution No. \_\_\_ of the City Council of the City (the “City Resolution”) was duly adopted at a meeting of the City Council which was called and held on February 14, 2024, pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and the City Resolution is in full force and effect and has not been modified, amended or rescinded.

3. To the best of our knowledge, the authorization, execution and delivery of the City Documents by the City and compliance with the provisions thereof by the City of its obligations thereunder, will not conflict with, or constitute a breach or default under, in any material respect, any law, administrative regulation, court decree, resolution, ordinance or other agreement to which the City is subject or by which it is bound.

4. To the best of our knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government agency, public board or body, pending and notice of which has been served on the City, or threatened against the City, affecting the existence of the City or the titles of its officers to their respective offices, or contesting or affecting as to the City the validity or enforceability of the City Documents, or contesting the powers of the City for the execution and delivery by the City of the City Documents, or in any way contesting or challenging the consummation of the transactions contemplated thereby.

This opinion is based on such examination of the laws of the State of California as we deemed relevant for the purposes of this opinion. We have not considered the effect, if any, of the laws of any other jurisdiction upon matters covered by this opinion. We express no opinion as to the status of the Series 2024 Bonds or the interest thereon, or the City Documents under any federal securities laws or any state securities or "Blue Sky" law or any federal, state or local tax law. Further, we express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the City Documents. Without limiting any of the foregoing, we express no opinion as to any matter other than as expressly set forth above.

Whenever a statement herein is qualified by "to the best of our knowledge," it shall be deemed to indicate that, during the course of our representation of the City in connection with the financing described herein, no information that would give us current, actual knowledge of the inaccuracy of such statement has come to our attention. We have not, however, undertaken any independent investigation to determine the accuracy of such statements, and any limited inquiry undertaken by us during the preparation of this opinion letter should not be regarded as such investigation. No inference as to our knowledge of any matters bearing upon the accuracy of any such statement should be drawn from the fact of our representation of the City.

This opinion is furnished by us as City Attorney to the City. Except for the City, no attorney-client relationship has existed or exists between our firm and the addressees hereof in connection with the Series 2024 Bonds or by virtue of this opinion. This opinion is rendered solely in connection with the financing described herein, and may not be relied upon by you for any other purpose. We disclaim any obligation to update this opinion. This opinion shall not extend to, and may not be used, quoted, referred to, or relied upon by any other person, firm, corporation or other entity without our prior written consent.

Respectfully Submitted,

Exhibit F

*Preliminary Official Statement*

NEW ISSUE – BOOK ENTRY ONLY

*In the opinion of Richards, Watson & Gershon, A Professional Corporation, Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, 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; however, for tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax, and (ii) interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion as to any other tax consequences regarding the Bonds. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.*

**[\$[Series A principal amount]\*  
AGOURA HILLS IMPROVEMENT AUTHORITY  
LEASE REVENUE BONDS  
SERIES 2024A**

**[\$[Series B principal amount]\*  
AGOURA HILLS IMPROVEMENT AUTHORITY  
LEASE REVENUE REFUNDING BONDS  
SERIES 2024B**

Dated: Date of Delivery

Due: June 1, as shown on the inside front cover

The Agoura Hills Improvement Authority (the "Authority") will issue its Lease Revenue Bonds, Series 2024A (the "2024A Bonds") and Lease Revenue Refunding Bonds, Series 2024B (the "2024B Bonds", and together with the 2024A Bonds, the "Bonds") pursuant to an Indenture, dated as of November 1, 2016 (the "Master Indenture"), as supplemented by a First Supplemental Indenture, dated as of March 1, 2024 (the "First Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each by and between the Authority and U.S. Bank Trust Company, National Association (successor trustee to The Bank of New York Mellon Trust Company, N.A.), as Trustee.

Proceeds of the 2024A Bonds will be used to finance the construction of a linear park known as the Ladyface Greenway project, and to pay costs of issuance of the 2024A Bonds. Proceeds of the 2024B Bonds will be used to effect a refunding of all of the remaining outstanding Agoura Hills Improvement Authority Lease Revenue Bonds, Series 2013, and to pay costs of issuance of the 2024B Bonds.

The Bonds will be payable solely from and secured by Revenues and certain funds and accounts held under the Indenture on a parity basis with the Authority's Lease Revenue Refunding Bonds, Series 2016. Revenues consist primarily of certain rental payments ("Base Rental Payments") to be made by the City to the Authority pursuant to a Sublease Agreement, dated as of November 1, 2016, as supplemented by a First Amendment to Sublease, dated as of March 1, 2024 (collectively, the "Sublease"), each by and between the Authority and the City for subleasing of the Leased Property (as described herein). The City covenants under the Sublease to take such action as necessary to include the Base Rental Payments and Additional Rental (as defined in the Sublease, and together with the Base Rental Payments, the "Rental Payments") in its annual budget and to make all necessary appropriations therefor subject to abatement of such payments.

**The Bonds are subject to optional redemption,\* mandatory sinking fund redemption,\* and extraordinary redemption prior to their maturity as described herein. The 2024 A Bonds are expected to be redeemed prior to maturity from the proceeds of grant funds. See "PLAN OF FINANCING" and "THE BONDS."**

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in book-entry form only, in denominations of \$5,000 each or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal of and interest on the Bonds will be paid directly to DTC by the Trustee. Principal of the Bonds is payable on their maturity dates set forth on the inside cover hereof. Interest on the Bonds is payable on June 1 and December 1 of each year, commencing [June 1, 2024]. Upon its receipt of payments of principal and interest, DTC is in turn obligated to remit such principal and interest to DTC participants for subsequent disbursement to the beneficial owners of the Bonds as described herein.

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF REVENUES AND CERTAIN FUNDS AND ACCOUNTS HELD UNDER THE INDENTURE. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS UNDER THE SUBLEASE DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS UNDER THE SUBLEASE CONSTITUTES AN INDEBTEDNESS OF THE CITY, STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATIONS.

**See the section of this Official Statement entitled "BONDOWNERS' RISKS" for a discussion of certain of the risk factors that should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the Bonds. This cover page contains information for quick reference only. It is not a summary of this issue. Potential purchasers must read the entire Official Statement to obtain information essential to making an informed investment decision.**

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Richards, Watson & Gershon, A Professional Corporation, Los Angeles, California, Bond Counsel. Certain legal matters will also be passed on for the Authority by Richards, Watson & Gershon, as Disclosure Counsel. Certain legal matters will be passed on for the Underwriter by Best Best & Krieger LLP, Los Angeles, California. It is anticipated that the Bonds will be available for delivery in book-entry form through the facilities of DTC on or about March \_\_\_\_, 2024.

[Raymond James logo]

Dated: [pricing date], 2024

\* Preliminary, subject to change.

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

## MATURITY SCHEDULE

(Base CUSIP<sup>†</sup> \_\_\_\_\_)

**[\$[Series A principal amount]\*  
AGOURA HILLS IMPROVEMENT AUTHORITY  
LEASE REVENUE BONDS  
SERIES 2024A**

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP <sup>†</sup> Suffix
	\$	%	%		

\$ \_\_\_\_\_ % Term Bonds due June 1, 20\_\_ Yield: \_\_%, Price: CUSIP<sup>†</sup> \_\_\_\_\_

**[\$[Series B principal amount]\*  
AGOURA HILLS IMPROVEMENT AUTHORITY  
LEASE REVENUE REFUNDING BONDS  
SERIES 2024B**

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP <sup>†</sup> Suffix
	\$	%	%		

\$ \_\_\_\_\_ % Term Bonds due June 1, 20\_\_ Yield: \_\_%, Price: CUSIP<sup>†</sup> \_\_\_\_\_

\* Preliminary; subject to change.

C Priced to optional redemption date of \_\_\_\_, 20\_\_ at par.

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**CITY OF AGOURA HILLS / AGOURA HILLS IMPROVEMENT AUTHORITY  
LOS ANGELES COUNTY, CALIFORNIA**

**CITY COUNCIL / AUTHORITY COMMISSION**

Illece Buckley Weber, *Mayor / President*  
Penny Sylvester, *Mayor Pro Tempore / Vice President*  
Chris Anstead, *Council Member / Commissioner*  
Deborah Klein Lopez, *Council Member / Commissioner*  
Jeremy Wolf, *Council Member / Commissioner*

**CITY / AUTHORITY OFFICIALS AND STAFF**

Nathan Hamburger, *City Manager / Chief Administrative Officer*  
Kimberly Rodrigues, *City Clerk / Secretary*  
Candice K. Lee, *City Attorney / General Counsel*  
Diego Ibanez, *Director of Finance*

**SPECIAL SERVICES**

**Bond Counsel and Disclosure Counsel**

Richards, Watson & Gershon,  
A Professional Corporation  
Los Angeles, California

**Municipal advisor**

Columbia Capital Management, LLC  
Carlsbad, California

**Trustee**

U.S. Bank Trust Company, National Association  
Los Angeles, California

No dealer, broker, salesperson or other person has been authorized by the City or the Authority to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the City or the Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

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

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 a part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement and the information contained herein are subject to completion or amendment without notice and neither 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 City or the Authority or any other parties described herein since the date hereof. The Bonds may not be sold nor may an offer to buy be accepted prior to the time this Official Statement is delivered in final form. This Official Statement is being submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

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," "project," "budget," "intend" or similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption "BONDOWNERS' RISKS" and "THE CITY."

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 CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. IN EVALUATING SUCH STATEMENTS, POTENTIAL INVESTORS SHOULD SPECIFICALLY CONSIDER THE VARIOUS FACTORS WHICH COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT 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. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

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

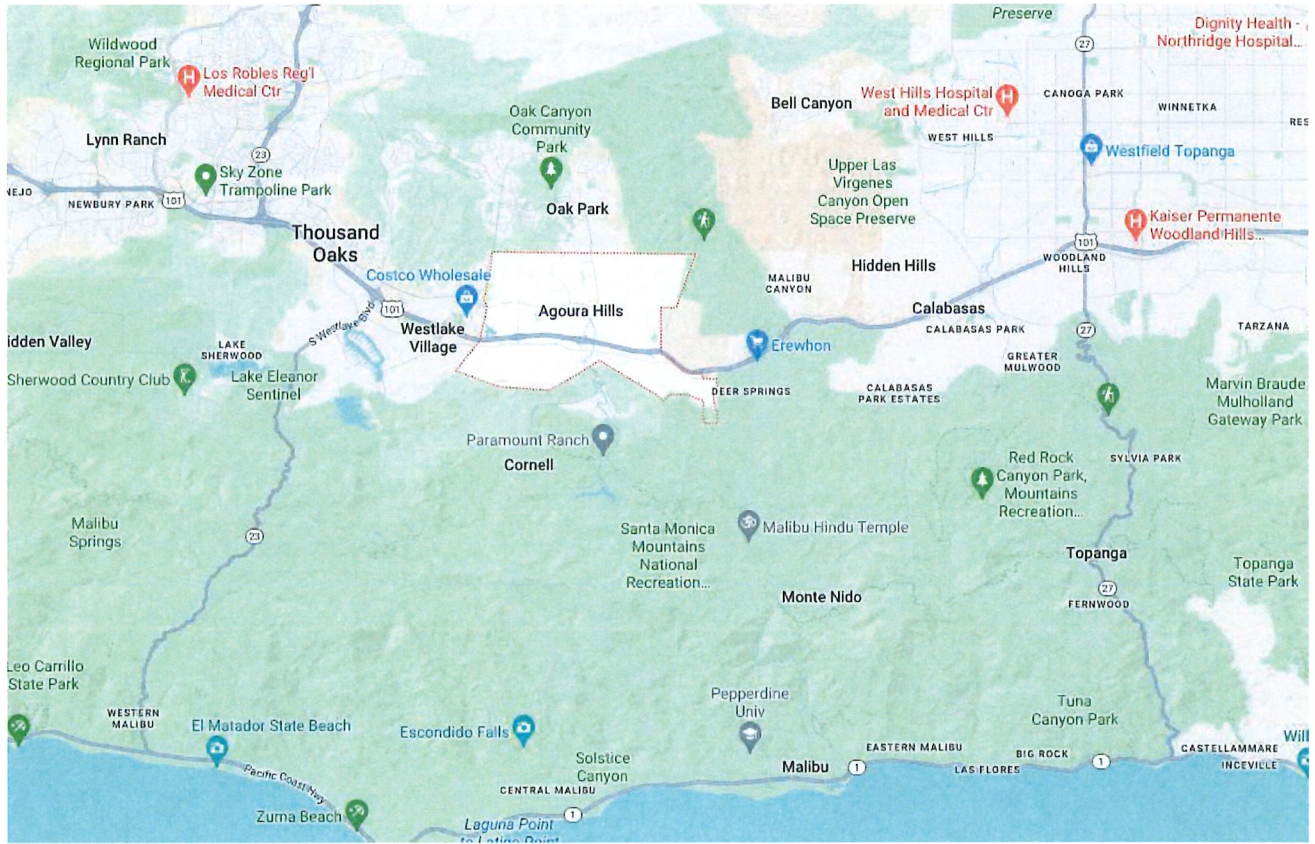
The references to internet websites in this Official Statement are shown for reference and convenience only; unless explicitly stated to the contrary, the information contained within the websites and any links contained within those websites are not incorporated herein by reference and do not constitute part of this Official Statement.

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\$[Series A principal amount]\*  
AGOURA HILLS IMPROVEMENT AUTHORITY  
LEASE REVENUE BONDS  
SERIES 2024A

\$[Series B principal amount]\*  
AGOURA HILLS IMPROVEMENT AUTHORITY  
LEASE REVENUE REFUNDING BONDS  
SERIES 2024B

## INTRODUCTION

*This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used but not defined in this Official Statement have the meanings set forth in the Indenture (as defined below). See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS."*

### **Authority for Issuance**

The Agoura Hills Improvement Authority (the "Authority") is issuing its \$[Series A principal amount]\* aggregate principal amount of Lease Revenue Bonds, Series 2024A ("2024A Bonds"), and its \$[Series B principal amount]\* aggregate principal amount of Lease Revenue Refunding Bonds, Series 2024B ("2024B Bonds" and together with the 2024A Bonds, the "Bonds"), pursuant to the provisions relating to the joint exercise of powers found in Chapter 5 of Division 7 of Title 1 of the California Government Code, including the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 thereof (the "Bond Law"), and an Indenture, dated as of November 1, 2016, as supplemented by a First Supplemental Indenture, dated as of March 1, 2024 (the "First Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each by and between the Authority and U.S. Bank Trust Company, National Association (the "Trustee"), successor trustee to The Bank of New York Mellon Trust Company, N.A.

### **Purpose of the Bonds**

Proceeds of the 2024A Bonds will be used to finance the cost of construction of the City's linear park, known as the Ladyface Greenway project, and to pay costs of issuance of the 2024A Bonds.

Proceeds of the 2024B Bonds will be used to current refund all of the outstanding Agoura Hills Improvement Authority Lease Revenue Bonds, Series 2013, outstanding in the amount of \$2,930,000 (the "2013 Bonds"), and to pay costs of issuance of the 2024B Bonds.

### **The Authority and the City**

The Authority is a joint powers authority, duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated as of July 1, 2013, by and between the City and the Agoura Hills Parking Authority, in accordance with the provisions of Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Joint Powers Law"). The Authority is governed by a five-member Board of Directors which consists of the City Council of the City. The Authority has no taxing power. The Authority and the City are each separate and distinct legal entities, and the debts and obligations of one such entity are not debts or obligations of the other entity. See "THE AUTHORITY" herein.

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\* Preliminary, subject to change.

The City is a general law city, which was incorporated on December 8, 1982. The City, which is located 40 miles northwest of downtown Los Angeles, is one of the smaller cities in Los Angeles County. Based on an estimate by the California Department of Finance, the City's population was approximately 19,770, as of January 1, 2023. U.S. 101, a major north-south freeway runs through the City, which is bordered by the communities of Calabasas to the east and Westlake Village to the west. The City generally exhibits higher average home prices than other cities in the County. The City encompasses an area of about 8 square miles and is situated between 936 and 2,036 feet above sea level. The City is governed by the council-manager form of municipal government. The City Council is composed of five members elected biennially at-large to four-year overlapping terms. The Mayor is selected annually by the City Council members to serve a one-year term. The City Manager is appointed by the City Council to supervise the administrative personnel and contract services. See "THE CITY" herein.

### **Bond Terms; Book-Entry Only**

Interest on the Bonds is payable on June 1 and December 1 of each year, commencing [June] 1, 2024. The Bonds will mature in the amounts and on the dates and bear interest at rates shown on the cover of this Official Statement.

The Bonds will be issued in fully registered form only and, when issued and delivered, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). DTC will act as the depository for the Bonds and all payments due on the Bonds will be made to Cede & Co. Ownership interests in the Bonds may be purchased only in book-entry form. See "THE BONDS – Book-Entry Only System" and "APPENDIX D – DTC'S BOOK-ENTRY ONLY SYSTEM."

### **Security for the Bonds**

The Bonds will be payable solely from and secured by Revenues (defined below) and certain funds and accounts held under the Indenture on a parity basis with the Authority's Lease Revenue Refunding Bonds, Series 2016 (the "2016 Bonds"), currently outstanding in the principal amount of \$8,285,000. Revenues consist primarily of certain rental payments ("Base Rental Payments") to be made by the City to the Authority pursuant to a Sublease Agreement, dated as of November 1, 2016, as amended by the First Amendment to Sublease, dated as of March 1, 2024 (the "Sublease"), each by and between the Authority and the City for subleasing of the city hall and library site and the improvements thereon (collectively, the "Leased Property"). Pursuant to an Assignment Agreement, dated as of November 1, 2016 (the "Assignment Agreement"), by and between the Authority and the Trustee, the Authority has assigned to the Trustee for the benefit of the Owners of the Bonds, certain of its rights under the Sublease, including its rights to receive Base Rental Payments for the purpose of securing the payment of debt service on the Bonds. The City covenants under the Sublease to take such action as necessary to include the Base Rental Payments and Additional Rental (as defined therein, and together with the Base Rental Payments, the "Rental Payments") in its annual budget and to make all necessary appropriations therefor (subject to abatement under certain circumstances described in the Sublease).

Base Rental Payments payable by the City under the Sublease are calculated to be sufficient to permit the Authority to pay the principal of, and interest on, the Bonds when due. However, under the certain circumstances, Base Rental Payments may be abated under the Sublease without constituting a default. See "SECURITY FOR THE BONDS."

## **No Debt Service Reserve for the Bonds**

No debt service reserve account will be established for Bonds under the Indenture. In connection with the issuance of a Series of Additional Bonds, the establishment of a debt service reserve account, if any, for such Additional Bonds will be specified in the relevant Supplemental Indenture

## **Redemption\***

The Bonds are subject to optional redemption,\* mandatory sinking fund redemption,\* and extraordinary redemption prior to their maturity as described herein. See "THE BONDS."

## **Additional Obligations**

Under the Indenture, the Authority may from time to time issue one or more series of Additional Bonds payable from and secured by Revenues on parity with all other Outstanding Bonds. In addition, the City is permitted to enter into other obligations which constitute additional charges against its general fund revenues without the consent of Owners of the Bonds. See "SECURITY FOR THE BONDS – Additional Obligations."

## **Risks of Investment**

Debt service on the Bonds is payable only from Base Rental Payments and other amounts payable by the City to the Authority under the Sublease. The Base Rental payments are payable from revenues available in the City's General Fund, which revenues may be materially adversely affected by numerous factors outside the City's control. See "SECURITY FOR THE BONDS" and "BONDOWNERS' RISKS."

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF REVENUES AND CERTAIN FUNDS AND ACCOUNTS HELD UNDER THE INDENTURE. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS UNDER THE SUBLEASE DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

## **Professionals Involved in the Offering**

U.S. Bank Trust Company, National Association, Los Angeles, California, will act as Trustee with respect to the Bonds. Columbia Capital Management, LLC, Carlsbad, California, has served as Municipal advisor to the Authority and the City in connection with the Bonds and has assisted the Authority and the City in structuring the Bonds. All proceedings in connection with the issuance of the Bonds are subject to the approval of Richards, Watson & Gershon, A Professional Corporation, Los Angeles, California, Bond Counsel. Certain legal matters will also be passed on for the Authority by Richards, Watson & Gershon, as Disclosure Counsel.

## **Summaries of Documents**

There follows in this Official Statement descriptions of the Bonds, the Indenture, the Sublease, and various other agreements and documents. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive, and reference is made to each

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\* Preliminary, subject to change.

such document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each such document and, with respect to certain rights and remedies, to laws and principles of equity relating to or affecting creditors' rights generally. Capitalized terms not defined herein shall have the meanings set forth in the Indenture. Copies of the Indenture and the Sublease are available for inspection during business hours at the corporate trust office of the Trustee in Los Angeles, California.

## PLAN OF FINANCING

### The Project

The 2024A Bonds are being issued to finance a portion of the costs of construction of the City's outdoor linear recreational park, known as the Ladyface Greenway project (the "Project"). Ladyface Greenway is approximately 1.3 acres in size and will be located between the City's most used commercial shopping center, the Whizin Market Square, to the north and Agoura Road to the south, in the City's southern border, south of the Ventura Freeway (United States Route 101). The Project will contain green space, which includes native and drought tolerant plants, and recreational areas, including an informal/interactive play area and an art walk. Features in the park are expected to include: shaded seating areas, concrete seat walls, benches, monarch butterfly garden, wayfinding and interpretive signage, flagstone paving areas, lighting, and litter receptacles. The Project will have areas for non-motorized transit opportunities, such as walking, biking, and equestrian trails.

The Project area completely envelopes the Las Virgenes Municipal Water District's (the "District") Cornell Pump Station property. Landscape and hardscape improvements on the District's property are expected to be included as part of the greenway project. The City is currently in negotiations with the District on a Memorandum of Agreement that will establish final landscape/hardscape improvement plans on District property, to be aesthetically coordinated with the Ladyface Greenway Project, and construction costs of these improvements will be shared by the District and the City (using grant proceeds). The City anticipates that the Memorandum of Understanding will be finalized prior to the award of a construction contract for the Project.

The Project is expected to cost approximately \$17.6 million dollars, which the City expects to finance over the course of two years with proceeds from the 2024A Bonds, some general fund moneys, as well as grant proceeds (see "*Grant Proceeds*" discussion below). In October 2023, the City awarded the construction management contract for the Project to Berg & Associates Inc. In January 2024, the City advertised a notice inviting bids and expects to award a construction contract on February 28, 2024, with an expected groundbreaking in March 2024. All permits for construction of the Project have been received by the City. A notice to proceed with construction is anticipated in early spring 2024, and construction should take approximately 2 years.

*Use Agreement with L.A. County Flood Control District.* The Project will be built on top of an existing working rectangular concrete runoff channel that is owned and maintained by the Los Angeles County Flood Control District (the "District"). In July 2023, the City and the District entered into a Use Agreement ("Use Agreement") in which the District authorized the City to use the area above and surrounding the channel for the construction, operation, maintenance, and use of the Project, subject to the right of the District to access and maintain the runoff channel, all in accordance with the terms of the Use Agreement. The term of the Use Agreement is for 25 years, which is longer than the term of the Bonds, with the City having two options to extend the term for an additional period of 10 years each, subject to the District's approval. Under certain circumstances, the District has the right to terminate the Use Agreement upon giving two years notice to the City. In the event the District terminates the Use Agreement while the 2024A Bonds are outstanding, the District has covenanted not to allow any private business use as defined in the Use Agreement for



so long as such 2024 Bonds are outstanding. A copy of the Use Agreement can be obtained from the City Clerk's office.

*Grant Proceeds.* The City will be receiving grant funding over the course of the next two or three fiscal years on a reimbursement basis for construction of the Project from the California Department of Parks and Recreation (in the approximate amount of \$6 million) and the Los Angeles County Metropolitan Transit Authority (Metro) Regional funds (Measure R and M) (in the approximate amount of \$11.5 million). The proceeds of the 2024A Bonds, together with City general funds and grant proceeds, will be used to fund construction of the Project. As various phases of the Project are completed and the City receives approval from the California Department of Parks and Recreation and the Los Angeles County Metropolitan Transit Authority (Metro), the City will begin receiving reimbursement from the grants.. It is currently expected that the City receive full reimbursement prior to the first optional call date of the 2024A Bonds. Once the Project is complete and the City has received all such grant funding, the City intends to redeem the 2024A Bonds at the earliest call date of June 1, 2029.\* See "THE BONDS - Optional Redemption" below.



### PLAN OF REFUNDING

The 2024B Bonds are being issued to current refund the Authority's 2013 Bonds, outstanding in the principal amount of \$2,930,000. The 2013 Bonds were issued pursuant to an Indenture, dated as of September 1, 2013, by and between the Authority and U.S. Bank Trust Company, National Association (the "2013 Trustee"), as successor trustee to The Bank of New York Trust Company, N.A.

The Authority, the City and the 2013 Trustee, as escrow agent ("Escrow Agent") will enter into an Escrow Agreement, dated March 1, 2024 (the "Escrow Agreement"). From the sale proceeds of the 2024B Bonds, \$\_\_ will be deposited into an escrow fund (the "2013 Escrow Fund") established and held by the Escrow Agent pursuant to the Escrow Agreement. See "SOURCES AND USES OF FUNDS." The amounts deposited into the 2013 Escrow Fund will be sufficient to

\* Preliminary, subject to change.

pay the redemption price on the outstanding 2013 Bonds, including any accrued and unpaid interest with respect thereto, on \_\_, 2024. As a result of the deposit and application of funds pursuant to the Escrow Agreement, the lien upon the Revenues of the 2013 Bonds, will cease and terminate.

The monies deposited in the 2013 Escrow Fund will be held solely for the benefit of the holders of the 2013 Bonds being refunded and will not serve as security or be available for payment of principal of, or interest on, or premium, if any, on the Bonds.

### SOURCES AND USES OF FUNDS

The following table shows the estimated sources and uses of the proceeds from the sale of the Bonds:

<b>Sources:</b>	<u>2024A Bonds</u>	<u>2024B Bonds</u>	<u>Total</u>
Par amount of the Bonds	\$	\$	\$
[Plus/Less] Net Original Issue[Premium/Discount]			
Less: Underwriter's discount	()	()	( )
Plus: 2013 Bonds Fund and Accounts <sup>(1)</sup>			
<b>Total Sources</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Uses:</b>			
Project Fund			
Refunding Escrow			
Costs of issuance <sup>(2)</sup>			
<b>Total Uses</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>

(1) Amount released from the funds and accounts held under the Indenture for the 2013 Bonds.

(2) Costs of Issuance include fees and expenses for Bond Counsel, Disclosure Counsel, Municipal Advisor, Trustee, printing expenses, rating fees and other costs.

### ANNUAL DEBT SERVICE

The following table shows the scheduled annual debt service for the Bonds and the parity 2016 Bonds, assuming no optional redemption or extraordinary mandatory redemption:

Bond Year Ending June 1	<u>2024A Bonds</u>		<u>2024B Bonds</u>		<u>2024 Bonds</u>	<u>2016 Bonds</u>	<u>2016 and 2024 Bonds</u>
	Principal	Interest	Principal	Inte rest	Total	Total	Total
<b>Total</b>							

## THE BONDS

### General

The Bonds will be issued in the aggregate principal amount and will mature on the dates and bear interest at the rates per annum as set forth on the inside front cover of this Official Statement. The Bonds will be issued in authorized denominations of \$5,000 or integral multiples thereof and will be dated their date of delivery. Interest on the Bonds will be calculated on the basis of a 360-day year of twelve 30-day months and payable on June 1 and December 1 of each year, commencing [June] 1, 2024 (each an "Interest Payment Date"), until maturity or earlier redemption thereof. The interest on the Bonds will be payable by check mailed or draft on each Interest Payment Date to the registered owners thereof as shown on the registration books of the Trustee as of the close of business on the Record Date (i.e., the 15th calendar day of the month immediately preceding the Interest Payment Date); provided, that a registered owner of \$1,000,000 or more in aggregate principal amount of Bonds may specify in writing prior to the Record Date that the interest payment payable on each succeeding Interest Payment Date be made by wire transfer. The Bonds will be initially delivered as one fully registered certificate for each maturity and will be delivered by means of the book-entry system of DTC. See "Book-Entry Only System" below.

### Extraordinary Redemption

The Bonds are subject to extraordinary mandatory redemption as a whole on any date from prepaid Base Rental Payments made by the City from a condemnation award or from insurance proceeds as described in the Sublease, at par, plus accrued interest, if any, to the date of redemption, without premium.

### Optional Redemption

2024A Bonds. The 2024A Bonds maturing on or before June 1, 20\_\_ will not be subject to optional redemption prior to their maturity. The 2024A Bonds maturing on or after June 1, 20\_\_ will be subject to redemption prior to their respective maturity dates, as a whole or in part, from prepayments of Base Rental made at the option of the City under the Sublease or moneys from any other source, on any date on or after June 1, 20\_\_. The 2024A Bonds called for optional redemption will be redeemed at a redemption price equal to 100 percent of the principal amount of Bonds called for redemption, plus accrued interest thereon to the date of redemption, without premium. The Authority and the City intend to redeem the 2024A Bonds at the earliest call date of June 1, 2029\* with the proceeds of grant funds. See "PLAN OF FINANCING."

2024B Bonds. The 2024B Bonds maturing on or before June 1, 20\_\_ will not be subject to optional redemption prior to their maturity. The 2024B Bonds maturing on or after June 1, 20\_\_ will be subject to redemption prior to their respective maturity dates, as a whole or in part, from prepayments of Base Rental made at the option of the City under the Sublease or moneys from any other source, on any date on or after June 1, 20\_\_. The 2024B Bonds called for optional redemption will be redeemed at a redemption price equal to 100 percent of the principal amount of Bonds called for redemption, plus accrued interest thereon to the date of redemption, without premium.

### Sinking Fund Redemption

2024A Bonds. The 2024A Bonds maturing on June 1, 20\_\_ and June 1, 20\_\_ (the "2024A Term Bonds") are subject to redemption in part by lot from sinking fund payments made by the

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\* Preliminary, subject to change.

Authority, at a redemption price equal to the principal amount thereof to be redeemed with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, if some but not all of the 2024A Term Bonds of a maturity have already been optionally redeemed, the total amount of all future sinking fund payments for such maturity of 2024A Term Bonds shall be reduced by an amount corresponding to the aggregate principal amount of 2024A Term Bonds of such maturity so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 in such manner as the Authority shall direct, and the Authority shall provide the Trustee with a revised schedule of such sinking fund redemption payments pursuant to written notice filed by the Authority with the Trustee:

2024A Term Bonds Maturing on June 1, 20\_\_

Redemption Date (June 1)	Principal Amount to be Redeemed
-----------------------------	------------------------------------

(maturity)

2024A Term Bonds Maturing on June 1, 20\_\_

Redemption Date (June 1)	Principal Amount to be Redeemed
-----------------------------	------------------------------------

(maturity)

2024B Bonds. The 2024B Bonds maturing on June 1, 20\_\_ and June 1, 20\_\_ (the "2024B Term Bonds") are subject to redemption in part by lot from sinking fund payments made by the Authority, at a redemption price equal to the principal amount thereof to be redeemed with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, if some but not all of the 2024B Term Bonds of a maturity have already been optionally redeemed, the total amount of all future sinking fund payments for such maturity of 2024B Term Bonds shall be reduced by an amount corresponding to the aggregate principal amount of 2024B Term Bonds of such maturity so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 in such manner as the Authority shall direct, and the Authority shall provide the Trustee with a revised schedule of such sinking fund redemption payments pursuant to written notice filed by the Authority with the Trustee:

2024B Term Bonds Maturing on June 1, 20\_\_

Redemption Date (June 1)	Principal Amount to be Redeemed
-----------------------------	------------------------------------

(maturity)

2024B Term Bonds Maturing on June 1, 20

Redemption Date (June 1)	Principal Amount to be Redeemed
-----------------------------	------------------------------------

(maturity)

In lieu of a mandatory sinking fund redemption, at the Authority's direction, the Trustee may apply amounts in the applicable Principal Account established under the Indenture to purchase 2024A Term Bonds or 2024B Terms Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which will be payable from the applicable Interest Account), except that the purchase price (exclusive of accrued interest) may not exceed the redemption price applicable to such 2024A Term Bonds or 2024B Term Bonds, as set forth in writing by the Authority; provided, however, that no 2024A Term Bonds or 2024B Term Bonds will be purchased by the Trustee under the Indenture with a settlement date more than 60 days prior to the date on which the Authority would otherwise redeem such 2024A Term Bonds or 2024B Term Bonds pursuant to the Indenture. The principal amount of any 2024A Term Bonds or 2024B Term Bonds so purchased by the Trustee will be credited towards and will reduce the applicable Principal Account payment otherwise required to be made with respect to such 2024A Term Bonds or 2024B Term Bonds on the applicable redemption date

Notice of Redemption. Notice of redemption will be sent not less than 30 nor more than 60 days prior to the redemption date, to each of the registered owners of the Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee. Such notice shall also be given to the Securities Depositories and to one or more of the Information Services (at the time of the issuance of the Bonds, there is one Information Service, which is the Electronic Municipal Market Access System, known as "EMMA", a facility of the Municipal Securities Rulemaking Board, at [www.emma.msrb.org](http://www.emma.msrb.org)). Neither failure to receive such notice nor any defect in the notice so sent will affect the sufficiency of the proceedings for the redemption of any Bonds or the cessation of interest thereon on the redemption date.

Selection of Bonds for Redemption. Whenever provision is made for the redemption of less than all of the Bonds of any Series, the Trustee will select the Bonds to be redeemed from all Outstanding Bonds of such Series or such given portion thereof not previously called for redemption, on a pro rata basis among the maturities (unless the maturity or maturities are otherwise specified in the Indenture or in writing by the Authority) and by lot within a maturity in any manner which the Trustee in its discretion will deem appropriate. For purposes of such selection, all Bonds of a Series shall be deemed to be comprised of separate \$5,000 portions and such portions will be treated as separate Bonds, which may be separately redeemed.

Right to Rescind Optional Redemption; Conditional Notice of Optional Redemption. The Authority may rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. The effectiveness of any notice of optional redemption may be made expressly subject to, and conditioned upon, the receipt of funds by the Authority prior to the date fixed for redemption in such notice. Any notice of optional redemption will 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 under the Indenture. None of the Authority, the City nor the Trustee will have no liability to the Owners or any other party related to or arising from such rescission. The

Trustee will send notice of such rescission in the same manner as that prescribed above for notice of redemption.

*Effect of Redemption.* From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption shall 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. All Bonds redeemed pursuant to the Indenture will be canceled by the Trustee. All moneys held by or on behalf of the Trustee for the payment of principal of or interest or premium on the Bonds, whether at redemption or maturity, will be held in trust for the account of the Owners thereof and the Trustee will not be required to pay Owners any interest on, or be liable to Owners for any interest earned on, moneys so held.

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

The Bonds will be issued as one fully registered bond certificate without coupons for each maturity (unless the Bonds of such maturity bear different interest rates, then one certificate for each interest rate among such maturity) and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal and interest will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described in this Official Statement. So long as DTC's book-entry system is in effect with respect to the Bonds, notices to Owners of the Bonds by the Authority or the Trustee will be sent to DTC. Notices and communication by DTC to its participants, and then to the beneficial owners of the Bonds, will be governed by arrangements among them, subject to then effective statutory or regulatory requirements. See "APPENDIX D — DTC'S BOOK-ENTRY ONLY SYSTEM" for further information regarding DTC and the book-entry system.

## **SECURITY FOR THE BONDS**

### **Pledge of Revenues**

Concurrently with the issuance of the Bonds, the Authority will lease the Leased Property (see "LEASED PROPERTY" below) from the City under a Lease Agreement, dated as of November 1, 2016 (the "Lease"). Under the Sublease, the City will sublease the Leased Property from the Authority and agree to make Rental Payments. Upon satisfaction of certain conditions set forth in the Sublease, the City may substitute the Leased Property with other properties. See "--Substitution of Property" below.

The Bonds (including any Additional Bonds) are payable from and secured by a pledge of Revenues and certain funds and accounts established and held by the Trustee under the Indenture on a parity basis with the Authority's Lease Revenue Refunding Bonds, Series 2016, currently outstanding in the principal amount of \$8,285,000. Revenues, as defined in the Indenture, means (a) all Base Rental Payments payable by the City pursuant to the Sublease (including prepayments); (b) any proceeds of the Bonds originally deposited with the Trustee and held by the Trustee in the Lease Revenue Fund and the accounts thereof; (c) investment income with respect to any moneys held by the Trustee in the Lease Revenue Fund and the accounts thereof (other than amounts that may be payable to the United States of America for rebate purposes); and (d) any insurance proceeds or condemnation awards received by or payable to the Trustee with respect to the Leased Property pursuant to the Sublease, including rental interruption insurance.

As security for the Bonds, the Authority will assign to the Trustee for the payment of the Bonds the Authority's rights, title and interest in the Sublease (with certain exceptions), including the right to receive Base Rental Payments to be made by the City under the Sublease.

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF REVENUES AND CERTAIN FUNDS AND ACCOUNTS HELD UNDER THE INDENTURE. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS UNDER THE SUBLEASE DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS UNDER THE SUBLEASE CONSTITUTES AN INDEBTEDNESS OF THE CITY, STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATIONS.

### **Lease Revenue Fund**

Pursuant to the Indenture, the Trustee will establish and hold in trust a fund designated as the "Lease Revenue Fund." The Trustee will deposit all Base Rental Payments received by it in the Lease Revenue Fund. On or before each Interest Payment Date, the Trustee will transfer from the Lease Revenue Fund and deposit into the respective accounts therein for application towards interest and principal payments on the Bonds, as provided in the Indenture. See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Indenture – Revenues; Flow of Funds."

### **No Reserve Fund**

Under the Indenture, no debt service reserve subaccount will be established for the Bonds.

### **Base Rental Payments; Covenant to Appropriate**

The City has agreed, under the Sublease, to make Base Rental Payments for the subleasing of the Leased Property. Amounts of the scheduled Base Rental Payments are calculated to be sufficient to pay debt service on the Bonds. Base Rental Payments will be paid by the City semiannually to the Trustee before each Interest Payment Date. Upon receipt, the Trustee will deposit the Base Rental Payments in the Lease Revenue Fund for the purpose of paying principal of and interest on the Bonds. The City has covenanted under the Sublease to take such action as may be necessary to include all Base Rental Payments and Additional Payments (consisting of certain administrative costs and other moneys due to the Authority and the Trustee under the Sublease) in its annual budget and to make the necessary annual appropriations for all such rental payments. Under certain circumstances described under the Sublease, however, Base Rental Payments are subject to abatement during periods of substantial interference with the City's use and occupancy of the Leased Property or any portion thereof. See "Abatement; Insurance" below.

See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Sublease – Rental."

### **Abatement; Insurance**

The Sublease provides that the obligation of the City to pay Base Rental Payments will be abated during any period in which, by reason of any damage, destruction, condemnation or impairment of leasehold interest, there is substantial interference with the use and occupancy of the Leased Property or any portion thereof by the City. Such abatement will be in an amount agreed upon by the City and the Authority such that the resulting Base Rental Payments in any year during

which such interference continues does not exceed the fair rental value of the portions of the Leased Property as to which such damage, destruction, taking or impairment do not substantially interfere with the City's use and right of possession. Such abatement will continue for the period commencing with the date of such interference and ending with the restoration of the Leased Property to tenantable condition. The City has waived any right to terminate the Sublease by virtue of such damage, destruction or condemnation.

In the event of an abatement of Base Rental Payments, debt service on the Bonds may, to a certain limited extent, be covered by insurance proceeds. The City is required under the Sublease to procure and maintain rental interruption insurance, throughout the term of the Sublease, to cover loss, total or partial, of the use of any part of the Leased Property as the result of fire, extended coverage, vandalism, malicious mischief and other perils described in the Sublease and the resulting loss of rental income to the Trustee in an amount sufficient to pay the maximum remaining principal and interest portions of Base Rental Payments due under the Sublease during a period of at least 24 months. The Net Proceeds of such insurance will be paid to the Trustee for deposit in the Lease Revenue Fund and shall be credited towards the payment of Base Rental Payments in the order in which such Base Rental Payments become due and payable.

In addition, if (a) the Leased Property is destroyed (in whole or in part) or is damaged by fire or other casualty, (b) title to, or the temporary use of, any portion of the Leased Property or the estate of the Authority or the City in the Leased Property or any portion shall be taken under the exercise of the power of eminent domain by any governmental body or by any person or firm or corporation acting under governmental authority or (c) leasehold interest in the Leased Property is materially impaired by reason of a defect of title, and if the proceeds of any insurance or the condemnation award received by the City relating thereto (together with any other money that the City in its sole discretion has determined to use for such purpose) are at least sufficient to redeem all of the then Outstanding Bonds, then the City may elect to use such proceeds to prepay all of the remaining Base Rental Payments and cause an extraordinary redemption of all of the Outstanding Bonds. See "THE BONDS – Redemption – *Extraordinary Redemption*."

See also "BONDOWNERS' RISKS – Abatement" and "– Risk of Uninsured Loss;" and "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Sublease –Abatement of Rental", "– Other Insurance" and "– Damage, Destruction and Condemnation; Application of Net Proceeds."

### **Substitution of Property**

The Leased Property may be substituted, in whole or in part, by other properties, or a portion of the Leased Property may be released from the Sublease, at the option of the City, provided, that the following conditions will have been satisfied:

(i) such substitution or release will not, in the opinion of Bond Counsel, adversely affect the tax-exempt status of the Bonds;

(ii) the City will have obtained an appraisal from an MAI certified appraiser showing that the appraised value of the Leased Property, after the proposed substitution or release, shall be equal to or greater than the aggregate amount of the remaining unpaid principal component of the Base Rental (i.e., the principal amount of the Outstanding Bonds);

(iii) the City will certify to the Authority and the Trustee that the annual fair rental value of the Leased Property, after such substitution or release, is at least equal to the maximum annual Base Rental remaining unpaid under the terms of the Sublease;



(iv) the City will notify the rating agency (or agencies) then rating the Bonds regarding such substitution or release and will have received confirmation that such substitution or release will not, in and of itself, result in a reduction of such rating(s) on the Bonds;

(v) in the event that the substituted property will consist in whole or in part of real property, a California Land Title Association insurance policy (or, at the City's sole discretion, an American Land Title Association insurance policy) on the substituted property has been obtained and evidence that any existing title insurance with respect to the portion of the Leased Property remaining after such substitution is not affected; and

(vi) the Sublease will be amended to properly reflect such substitution or release.

See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Sublease – Substitution or Release of Property."

### **Additional Obligations**

The City is permitted to enter into other obligations which constitute additional charges against its general fund revenues without the consent of Owners of the Bonds. In addition, the Authority may from time to time issue one or more Series of Additional Bonds payable from and secured by Revenues on parity with all other Outstanding Bonds, subject to the conditions set forth in the Indenture, among which are the delivery by the Authority of a certificate in which the Authority will:

(i) certify that the Authority is in compliance with all agreements and covenants contained in the Indenture in all material respects and that no Event of Default has occurred or is continuing;

(ii) state that the Authority and the City have entered into an amendment to the Sublease pursuant to which the City will be obligated to make Base Rental Payments at times and in amounts sufficient to provide for payment of the principal of and interest on the Bonds (including such Additional Bonds) which will be Outstanding following the sale and delivery of such Additional Bonds;

(iii) state that provisions have been made for the deposit into the Reserve Subaccount for such Series of Additional Bonds, to the extent the Supplemental Indenture requires such a deposit; and

(iv) provide such additional statements as may be reasonably necessary to show compliance with the requirements of the Indenture.

See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Indenture – Additional Bonds."

## **LEASED PROPERTY**

### **Lease of the Leased Property**

The Leased Property consists of the city hall and library site located at 30001 Ladyface Court and the improvements thereon, all of which is owned by the City. Simultaneously with the delivery of the Bonds, the Authority will acquire a leasehold interest in the Leased Property from the City. The Authority will sublease the Leased Property to the City pursuant to the Sublease. While the City is in possession of the Leased Property, all maintenance and repair of the Leased Property is the responsibility of the City. Pursuant to the Sublease, the City may substitute the Leased Property, in

whole or in part, with other properties, upon the satisfaction of certain conditions. See “SECURITY FOR THE BONDS” and “APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Sublease.”

The City has not granted any security interest in the Leased Property for the benefit of the Bonds, and there is no remedy of foreclosure on the Leased Property upon the occurrence of an Event of Default under the Indenture or the Sublease. For a discussion of remedies upon an Event of Default under the Indenture or the Sublease, see “BONDOWNERS’ RISKS – Limited Recourse on Sublease Default” and “—Limitations on Remedies.”

### Description of the Leased Property

The city hall and library facilities at 30001 Ladyface Court were constructed in 2000 for an approximate cost of \$8.44 million. The 3.2 acre site is fully landscaped and includes parking and lighting. The city hall is approximately 18,000 square feet and the library is an approximately 19,500 square foot public library facility operated by the County, including a 2,000 square foot underground parking garage. After the issuance of the Bonds, the County will continue to operate the library under a sublease agreement with the City. The city hall includes a council chamber, lobby, and office and meeting space for all City departments. Both facilities are single-story structures with fire sprinklers and stucco exteriors. The buildings met all seismic requirements at the time of completion as well as all seismic recommendations based on findings from the 1994 Northridge Earthquake. The City calculated the value of the Leased Property, based on current insurance coverage, at more than \$21.1 million, excluding the value of the land. The City also obtained a land appraisal of the 3.2 acre site. The appraiser has valued the land at the site at \$2.810 million. Together the total value of the land and improvements are estimated to exceed \$23.9 million. The Leased Property is not subject to a security interest, mortgage or any other lien in favor of the Trustee for the benefit of Bond Owners.



## THE AUTHORITY

The Agoura Hills Improvement Authority (the "Authority") was established pursuant to a Joint Exercise of Powers Agreement, dated as of July 1, 2013, by and between the City and the Agoura Hills Parking Authority, in accordance with the provisions of Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Joint Powers Law"). The Authority was created for the purpose of assisting in the financing and refinancing of public capital improvements for the City. Under the Marks-Roos Local Bond Pooling Act of 1985 (California Government Code Section 6854 et seq.), the Authority has the power to purchase bonds issued by any local agency at public or negotiated sale and may sell such bonds to public or private purchasers at public or negotiated sale. The Authority is governed by a five-member Board of Directors which consists of the City Council of the City. The Chairman of the Authority is the Mayor of the City, and the Vice-Chairman of the Authority is the Mayor Pro Tem of the City. The City Manager acts as its Chief Administrative Officer, the City Clerk acts as its Secretary, and the Finance Director acts as its Treasurer.

The Authority has no taxing power. The Authority and the City are each separate and distinct legal entities, and the debts and obligations of one such entity are not debts or obligations of the other entity.

## THE CITY

### General

The City is located in the foothills of the Santa Monica mountains in Los Angeles County, 40 miles northwest of downtown Los Angeles. The City is accessed by four freeway exits off U.S. 101, a major north-south highway, which runs through the City, and by taking Kanan Road 12.1 miles from the Pacific Coast Highway and the City of Malibu. The City is bordered by the communities of Calabasas to the east and Westlake Village to the west.

The City encompasses an area of approximately 8 square miles and has an elevation that ranges from 936 to 2,036 feet above sea level. The City enjoys comfortable weather throughout the year with an average temperature of 65 degrees Fahrenheit and average annual rainfall of 19.5 inches per year.

The City is located in the northwest corner of the County and is within five miles of various City of Los Angeles communities in the San Fernando Valley, the City of Woodland Hills being the closest such community. The San Fernando Valley is a major economic area comprising an area of approximately 235 square miles. The San Fernando Valley is home to numerous well-known companies including CBS Studio Center, NBCUniversal, The Walt Disney Company, and Warner Bros. With a population of 19,770 as of January 1, 2023 (according to State of California Department of Finance estimates), the City is one of the smaller communities in the County.

The City provides a broad range of services, including general city administration, community development and planning, affordable housing, code enforcement, building department, community services, parks construction and maintenance, recreation programming, engineering, street construction and maintenance, drainage and flood control maintenance and various other support services. The City has contracted with Los Angeles County to provide sheriff, fire protection and animal control services. The City has contracted with G.I. Industries to provide solid waste collection services. Southern California Gas Company provides natural gas service to the City, Southern California Edison provides electric power to the City and the Las Virgenes Municipal Water District provides water and wastewater service to the City.

## City Government

The City is a general law city, which was incorporated on December 8, 1982. The City is governed by the council-manager form of municipal government. The City Council is composed of five members elected biennially at-large to four-year overlapping terms. The Mayor is selected annually by the City Council members to serve a one-year term. The City Manager is appointed by the City Council to supervise the administrative personnel and contract services. The City currently employs approximately 34 regular employees.

The current members of the City Council are as follows:

<u>Name and Office</u>	<u>Current Term Expires</u>
Illece Buckley Weber, <i>Mayor</i>	December 2024
Penny Sylvester, <i>Mayor Pro Tempore</i>	December 2024
Chris Anstead, <i>Council Member</i>	December 2026
Deborah Klein, <i>Council Member</i>	December 2026
Jeremy Wolf, <i>Council Member</i>	December 2026

The City Manager is appointed by the City Council. Below are brief biographies of the City Manager and the Finance Director:

*Nathan Hamburger, City Manager.* Mr. Hamburger joined the City of Agoura Hills in 2006, bringing a municipal government background of over six years. In 2020, he was appointed as City Manager, after serving as Assistant City Manager since 2013. Mr. Hamburger earned a Bachelor of Arts degree in Political Science with minors in Business Administration and Criminal Justice from California State University at Fullerton in 2000, and a Master's degree in Public Administration from the University of Southern California in 2002. He is a member of the International City/County Management Association (ICMA); California City Management Foundation (CCMF) and the Municipal Management Association of Southern California (MMASC). He served as an Executive Board member for MMASC for six years.

*Diego Ibanez, Director of Finance.* Diego Ibanez was appointed to the position of Director of Finance for the City of Agoura Hills in 2023. Prior to joining Agoura Hills, Mr. Ibanez served as the Chief Financial Officer for the City of Tulare in Central California, the Finance Director/City Treasurer for the City of San Fernando, and the Director of Finance for the City of California City in Kern County. Mr. Ibanez started his public sector career as a transit analyst with the City of Santa Monica. Mr. Ibanez earned a Bachelor of Arts degree in Political Science with a minor in Legal Studies from the University of California, Santa Cruz. He earned an M.A. in Public Policy and Administration with a concentration on Advanced Policy Analysis from Columbia University in New York City, where he studied International and Public Affairs. Mr. Ibanez also has an MBA in Finance from Indiana University's Kelley School of Business in Bloomington, Indiana. He is an active member with the Government Finance Officers Association and the California Society of Municipal Finance Officers.

## Population

The City's population was approximately 19,770 as of January 1, 2023, according to the California State Department of Finance's estimates. The table below shows the population and population growth in the City and the County from January 1, 2014 through January 1, 2023:

**TABLE 1**  
**City of Agoura Hills**  
**City and County Population**  
**Calendar Years 2013 through 2023**

Year <sup>(1)</sup>	City		County	
	Population	Growth Rate	Population	Growth Rate
2014	20,743	0.49	10,078,942	0.69
2015	20,811	0.33	10,124,800	0.45
2016	20,832	0.10	10,150,386	0.25
2017	20,794	-0.01	10,181,162	0.30
2018	20,763	-0.01	10,192,593	-0.11
2019	20,680	-0.01	10,163,139	-0.29
2020	20,599	-0.01	10,135,614	-0.27
2021	20,044	-2.69	9,942,011	-1.91
2022	19,776	-1.34	9,834,503	-1.08
2023 <sup>(2)</sup>	19,770	0.00	9,761,210	-0.75

(1) As of January 1 of each year.

(2) Latest data available.

Source: State of California, Department of Finance.

## Employment

The following table shows certain employment statistics for the City and the County for the last five calendar years.

**TABLE 2**  
**City of Agoura Hills**  
**City and County Employment Statistics**  
**Calendar Years 2019 through 2023 <sup>(1)</sup>**

Year	City			County	
	Labor Force	Employed	Unemployment Number	Unemployment Rate	Unemployment Rate
2019	11,600	11,100	500	3.9%	4.5%
2020	10,900	9,800	1,100	10.0	8.2
2021	11,000	10,200	700	6.8	8.9
2022	11,100	10,600	500	4.2	4.9
2023 <sup>(2)</sup>	11,100	10,600	500	4.4	5.0

(1) Data not seasonally adjusted. Figures represent the 12-month average for each such year.

(2) Preliminary, as of November 2023.

Source: State of California, Employment Development Department.

The following table lists the major area employers in the City for Fiscal Year 2022-23.

**TABLE 3**  
**City of Agoura Hills**  
**Major Area Employers**  
**Fiscal Year 2022-23**

Company or Organization	Activity	Employees	% of total City Employment
Las Virgenes USD <sup>(1)</sup>	Government	534	4.77%
National Veterinary Associates, Inc.	Veterinary Services	347	3.10
Visual Concepts Entertainment	Software Development	655	5.85
Private National Mortgage Acceptance Company, LLC	Banking	294	2.63
A2 Biotherapeutics, Inc.	Research & Development	262	2.34
Teradyne, Inc.	Manufacturing	209	1.87
Motor Vehicle Software Corp/MITU	Technology	490	4.38
Joni and Friends	Non-Profit	200	1.79
Epsilon Data Management LLC	Advertising Services	121	1.08
Cydcor LLC	Administrative Services	138	1.23
Wood Ranch	Restaurant	137	1.22
<b>Total Top Employers</b>		<b>3,387</b>	<b>30.24%</b>
<b>Total City Employment<sup>(2)</sup></b>		<b>11,200</b>	

(1) Employee Count is based on Agoura Hills school sites only

(2) Total City Employment provided by Employment Development Department Labor Force Data.

Results based on direct correspondence with city's local businesses.

Source: City of Agoura Hills Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2023.

## Commerce

The table below shows the City's sales tax revenues by business types for calendar years 2018-2022.

**TABLE 4**  
**City of Agoura Hills**  
**Sales Tax Revenues by Type of Business**  
**Calendar Years 2018 through 2022**  
**(in Thousands of Dollars)**

	2018	2019	2020	2021	2022
Autos and Transportation	\$ 133	\$ 436	\$ 135	\$ 364	\$ 493
Building and Construction	225	239	257	252	284
Business and Industry	633	562	584	586	635
Food and Drugs	271	265	285	277	319
Fuel and Service Stations	774	772	520	842	884
General Consumer Goods*	810	869	811	1,034	1,029
Restaurants and Hotels	756	733	593	783	874
<b>Total</b>	<b>\$3,602</b>	<b>\$3,876</b>	<b>\$3,185</b>	<b>\$4,138</b>	<b>\$4,519</b>
City direct sales tax rate	0.00%	0.00%	0.00%	0.00%	0.00%

\*Includes Other Taxable

Source: City of Agoura Hills Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2023.

## Assessed Value and Construction Activity

The following is a summary of the construction permits issued by the City for the last five fiscal years.

**TABLE 5**  
**City of Agoura Hills**  
**Building Permits Issued and Values for Permits Issued**  
**Fiscal Years 2018-19 through 2022-23**

Fiscal Year	Building Permits	Value of Permits Issued		
		Commercial	Residential	Total
2018-19	906	\$12,267,625.00	\$12,271,872.93	\$24,539,497.93
2019-20	784	16,668,366.00	13,167,256.59	29,835,622.59
2020-21	789	5,849,124.00	12,560,497.33	18,409,621.33
2021-22	985	4,811,815.00	17,280,069.00	22,091,884.00
2022-23	1,181	11,089,525.00	25,899,802.85	36,989,327.85

Source: City of Agoura Hills.

*[Remainder of page intentionally left blank]*

The following is a direct and overlapping debt report as of January 1, 2024, prepared by California Municipal Statistics, Inc. This report is included for informational purposes only. The City has not reviewed the report for completeness or accuracy and makes no representation in connection therewith.

**TABLE 6**  
**City of Agoura Hills**  
**Direct and Overlapping Debt**  
**As of January 1, 2024**

2023-24 Assessed Valuation: \$6,533,109,156

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 1/1/24</u>
Metropolitan Water District	0.169%	\$ 32,473
Los Angeles Community College District	0.575	29,953,245
Las Virgenes Joint Unified School District	22.140	<u>38,952,055</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$68,937,773</b>

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Los Angeles County General Fund Obligations	0.326%	\$ 8,232,572
Los Angeles County Superintendent of Schools Certificates of Participation	0.326	9,315
Las Virgenes Joint Unified School District General Fund Obligations	22.140	1,843,377
<b>City of Agoura Hills General Fund Obligations</b>	<b>100.000</b>	<b><u>11,310,000</u></b> <sup>(1)</sup>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b>\$21,395,264</b>

<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	100.000%	\$5,470,000
<b>COMBINED TOTAL DEBT</b>		<b>\$95,803,037</b> <sup>(2)</sup>

Ratios to 2023-24 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	1.06%
<b>Total Direct Debt (\$11,310,000).....</b>	<b>0.17%</b>
Combined Total Debt .....	1.47%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$989,252,306):

Total Overlapping Tax Increment Debt.....	0.55%
Combined Total Debt .....	1.47%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$989,252,306):

Total Overlapping Tax Increment Debt.....	0.55%
---	-------

(1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics.



## CITY FINANCIAL INFORMATION

### **Budgetary Process; City Budget for Fiscal Years 2023-24 through 2024-25**

The City has a two-year budget cycle. A budget calendar for the submission and approval process of the budget is prepared for each annual budget cycle. Initial annual, mid-year and final estimated budgets are prepared for all functions by the responsible department. Each operating budget details the activity areas of responsibility and performance level to meet the City Council's goals. A separate budget is prepared for capital improvement projects. The Finance Department is responsible for all personnel cost estimates and prepares the final budget submission to the City Manager. The City Manager's recommended preliminary budget is then submitted to the City Council for consideration and approval. A budget workshop is held to obtain citizen input. The City's Municipal Code requires the City Council to adopt a budget by resolution on or before the second regular meeting in July. During the year, supplemental budget amendments are considered and approved by the City Council to respond to unanticipated events.

*[Remainder of page intentionally left blank]*

The following table shows the City's two-year budget for Fiscal Years 2023-24 and 2024-25, which was adopted by the City Council on June 28, 2023.

**TABLE 7**  
**City of Agoura Hills**  
**Adopted Two-Year Budget Summary**  
**Fiscal Years 2023-24 and 2024-25**

	<b>FY 2023-24 Adopted Budget</b>	<b>FY 2024-25 Adopted Budget</b>
<b>Starting Fund Balance</b>	\$13,716,578	\$13,847,669
<b>Operating Revenue</b>		
Taxes and Assessments	17,128,941	17,569,955
Licenses and permits	530,000	530,000
Fines and penalties	41,000	41,000
Investment income	300,000	300,000
Rental Income	460,000	460,000
Other revenues <sup>(1)</sup>	983,058	1,002,050
<b>Total Operating Revenue</b>	<u>\$19,442,999</u>	<u>\$19,903,005</u>
<b>Other Financing Sources</b>		
Charges for Services	\$1,120,500	\$1,075,500
Transfer In	-0-	-0-
<b>Total Other Financing</b>	<u>\$1,120,500</u>	<u>\$1,075,500</u>
<b>Total Revenue</b>	<u>\$20,563,499</u>	<u>\$20,978,505</u>
<b>Operating Expenses</b>		
Personnel Costs	6,191,252	6,856,402
Materials, Supplies and Services	2,999,853	3,016,376
Contract Services	9,333,020	9,326,549
Administrative Charges	1,000	1,000
Other Improvements and Projects	10,000	10,000
<b>Total Operating Expenses</b>	<u>\$18,535,125</u>	<u>\$19,210,328</u>
<b>Other Expenses</b>		
Capital Expenditures	224,133	203,913
Transfer Out <sup>(2)</sup>	1,673,150	1,382,035
<b>Total Other Expenses</b>	<u>1,897,283</u>	<u>1,585,948</u>
<b>Total Expenditures</b>	<u>\$20,432,408</u>	<u>\$20,796,276</u>
<b>Net of Revenue/Expenditures</b>	<u>131,091</u>	<u>182,229</u>
<b>Balance at end of fiscal year</b>	<b>\$13,847,669</b>	<b>\$14,029,898</b>

(1) The Other Revenues Budget includes \$831,058 and \$890,050 for a loan repayment from the Successor Agency to the City in Fiscal Years 2023-24 and 2024-25, respectively. This loan repayment is not considered current revenue for GAAP purposes in the unaudited financial statements. It is considered a reconciling item.

(2) Represents payments to the Capital Projects and Facilities Funds, the CalPERS Set Aside Fund, for debt service on the 2013 Bonds and the 2016 Bonds, and to the Low and Moderate Income Housing Asset Fund in connection with dissolution of the former Agoura Hills Redevelopment Agency. See Note (2) under Table 9 and discussion under "CITY FINANCIAL INFORMATION—Property Taxes—*Redevelopment Dissolution*" below for more information regarding dissolution of the former Agoura Hills Redevelopment Agency.]

Source: City of Agoura Hills Adopted Budget for Fiscal Year 2023-24 and 2024-25.

The following Table 8 shows the City's budget and actual results for General Fund revenues and expenditures for fiscal years 2020-21 through 2022-23.

**TABLE 8**  
**City of Agoura Hills**  
**General Fund Budget Summary**  
**Fiscal Years 2020-21 through 2022-23**

	FY 2020-21 Adopted Budget	FY 2020-21 Audited Actual	FY 2021-22 Adopted Budget	FY 2021-22 Audited Actual	FY 2022-23 Adopted Budget	FY 2022-23 Audited Actual
<b>Revenues</b>						
Taxes	\$12,403,622	\$12,807,155	\$15,474,989	\$16,149,481	\$16,443,770	\$16,163,128
Licenses and permits	433,000	525,474	588,000	661,623	623,000	790,556
Intergovernmental <sup>(1)</sup>	--	2,400,212 <sup>(1)</sup>	--	--	--	--
Charges for services	661,500	712,427	962,600	982,875	956,400	1,066,162
Use of money and property	180,500	411,545	410,000	657,320	587,000	1,024,449
Fines and forfeitures	32,000	46,820	64,000	67,038	45,000	45,574
Contributions	10,000	7,200	10,000	8,837	36,500	36,789
Miscellaneous <sup>(2)</sup>	3,878,686	556,383	3,885,158	2,845,403 <sup>(1)</sup>	847,657	279,761
<b>Total Revenues</b>	<b>\$17,599,308</b>	<b>\$17,467,216</b>	<b>\$21,394,747</b>	<b>\$21,372,577</b>	<b>\$19,539,327</b>	<b>\$19,406,419</b>
<b>Expenditures</b>						
General government	\$4,183,531	\$4,021,505	\$4,963,123	\$4,984,000	\$6,052,863	\$6,017,099
Public safety	4,928,380	4,851,220	4,912,299	4,872,999	5,200,179	5,109,266
Community development	2,266,261	2,121,753	2,667,300	2,621,705	2,204,896	2,282,015
Community services	1,843,048	1,650,633	2,444,984	2,440,062	3,073,800	3,047,204
Public works	1,237,101	1,197,671	1,569,921	1,532,950	1,741,434	1,655,114
Capital Outlay	118,000	126,794	218,200	94,970	234,200	194,788
<b>Total Expenditures</b>	<b>14,576,321</b>	<b>\$13,969,576</b>	<b>\$16,775,827</b>	<b>\$16,546,686</b>	<b>\$18,507,372</b>	<b>\$18,305,486</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>3,022,987</b>	<b>3,497,640</b>	<b>4,618,920</b>	<b>4,825,891</b>	<b>1,031,955</b>	<b>1,100,933</b>
Transfers in	--	--	--	250,000	--	--
Transfers out	(1,039,825)	(1,039,825)	(2,186,005)	(2,186,005)	(1,147,505)	(1,363,005)
<b>Total other sources(uses)</b>	<b>(\$1,039,825)</b>	<b>(\$1,039,825)</b>	<b>(\$2,186,005)</b>	<b>(\$1,936,005)</b>	<b>(\$1,147,505)</b>	<b>(\$1,363,005)</b>
<b>Net change in fund balance</b>	<b>\$1,983,162</b>	<b>\$2,457,815</b>	<b>\$2,432,915</b>	<b>\$2,889,886</b>	<b>\$(115,500)</b>	<b>\$(262,072)</b>
<b>Balance at beginning of fiscal year</b>	<b>\$34,884,578</b>	<b>\$34,884,578</b>	<b>\$36,928,885</b>	<b>\$37,342,393</b>	<b>\$39,512,281<sup>(3)</sup></b>	<b>\$40,117,279<sup>(3)</sup></b>
<b>Balance at end of fiscal year</b>	<b>\$36,867,740</b>	<b>\$37,342,393</b>	<b>\$39,361,800</b>	<b>\$40,232,279<sup>(3)</sup></b>	<b>\$39,396,731</b>	<b>\$39,855,207</b>

(1) The City received funding from the American Rescue Plan Act of 2021 (ARPA) in the amount of \$4.8 million, with \$2.4 million received in Fiscal Year 2020-21 and allocated to Intergovernmental revenues, and \$2.4 million received in Fiscal Year 2021-22 and allocated to miscellaneous revenues.

(2) Includes miscellaneous revenue, tourism administration fees and library reimbursements. For Fiscal Year 2021-22, includes \$2.4 million of funding from the American Rescue Plan Act of 2021 (ARPA).

(3) Beginning fund balance for Fiscal Year 2022-23 was restate from fund balance at end of Fiscal Year 2021-22 in the amount of \$115,000 to account for land value originally intended for resale but is anticipated to be donated.

Source: City of Agoura Hills Budgets and Annual Comprehensive Financial Reports for Fiscal Years Ended June 30, 2021, 2022 and 2023.

## **General Fund Reserve Policy**

The City has a reserve policy that designates at least 40 percent of each year's proposed General Fund Operating budget as the City's unobligated General Fund reserve. The City Council established the policy with the adoption of Resolution No. 05-1378 on June 22, 2005.

## **Debt Management Policy**

The City Council adopted a debt management policy for the City on February 27, 2013. The policy specifies that the term of a bond issue is not-to-exceed the useful life of the capital project that is being financed and that bonds are generally to be sold at competitive sale unless the City determines a negotiated sale is better because the proposed financing of the Capital Project is unusual or complex. The overall objective is to obtain the lowest possible interest costs. The City is to remain cognizant of fluctuations in interest rates for the purpose of identifying refunding opportunities. The City will refund existing bonds to reduce overall debt service expense or to remove restrictive covenants in the existing indenture.

The City will carefully monitor its levels of general-purpose debt, only using general purpose debt financing for high-priority projects where other financing methods cannot reasonably be used. In evaluating debt capacity, general-purpose annual debt service payments should generally not exceed 10% of General Fund revenues; and in no case should they exceed 15%. Further, direct debt will not exceed 2% of assessed valuation.

## **COVID-19 Pandemic**

Early in the COVID-19 pandemic, the City experienced decreased sales tax and transient occupancy tax General Fund revenues due to the shelter-in-place orders and decreased tourism. However, such revenues rebounded in the City beginning in Fiscal Year 2021-22. In addition, the City received funding from the American Rescue Plan Act of 2021 (ARPA) in the amount of \$4.8 million, with \$2.4 million received in each of Fiscal Year 2020-21 and Fiscal Year 2021-22.

There can be no assurances that any future spread of COVID-19 and/or responses intended to slow the spread of COVID-19 or new public health emergencies such as declining business and travel activity, will not materially adversely impact the state and national economies and, accordingly, materially adversely impact the financial condition of the City and the City's General Fund in the future. See "BOND OWNERS' RISKS – Public Health Emergencies."

## **Financial Statements**

Set forth in the following pages are the City's General Fund balance sheets and statements of revenues, expenditures and changes in General Fund balance for fiscal years 2018-19 through 2022-23, based on the City's audited financial statements. The balance sheets and statements presented in this Official Statement are subject to the various notes attached to the City's audited financial statements for the respective years. The City's Annual Comprehensive Financial Report for fiscal year ended June 30, 2023, which includes the City's 2022-23 audited financial statements, are set forth in Appendix A. A complete copy of the City's Annual Comprehensive Financial Reports for the prior years, can be obtained from the City's Finance Department and are available on the City's website.

**TABLE 9**  
**City of Agoura Hills**  
**General Fund Balance Sheets**  
**Fiscal Years 2018-19 through 2022-23**

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
<b>ASSETS</b>					
Cash and investments	\$ 7,318,379	\$ 6,523,639	\$ 6,284,195	\$ 7,390,964	\$12,004,415
Accounts receivable	818,669	286,392	583,392	1,107,551	1,068,715
Interest receivable	86,315	46,612	10,476	30,021	94,569
Other	2,624	2,624	2,624	2,624	0
Prepaid costs	17,949	55,942	25,555	40,583	85,199
Due from other governments	1,188,290	1,021,509	3,789,021	3,933,529	1,368,932
Due from other funds	2,323,968	2,113,856	3,561,530	4,179,643	2,637,323
Advances to Successor Agency <sup>(1)</sup>	26,301,965	26,359,251	26,134,230	25,781,570	25,477,462
Land held for resale	115,000	115,000	115,000	115,000	0
<b>Total assets</b>	<b><u>\$38,173,159</u></b>	<b><u>\$36,524,825</u></b>	<b><u>\$40,506,023</u></b>	<b><u>\$42,581,485</u></b>	<b><u>\$42,736,615</u></b>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,841,968	\$ 1,339,579	\$ 1,908,577	\$ 667,317	\$ 1,507,231
Accrued liabilities	167,153	148,983	124,821	33,542	23,905
Deposits payable	-	-	968,415	1,229,139	955,319
<b>Total liabilities</b>	<b><u>\$2,009,121</u></b>	<b><u>\$1,488,562</u></b>	<b><u>\$3,001,813</u></b>	<b><u>\$1,929,998</u></b>	<b><u>\$2,486,455</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenues	\$141,167	\$151,685	\$161,817	\$419,208	394,953
<b>Total deferred inflow of resources</b>	<b><u>\$141,167</u></b>	<b><u>\$151,685</u></b>	<b><u>\$161,817</u></b>	<b><u>\$419,208</u></b>	<b><u>394,953</u></b>
<b>FUND BALANCES:</b>					
Nonspendable:	--	--	---	--	\$25,562,661
Prepaid costs	\$ 17,949	\$ 55,942	\$ 25,555	\$ 40,583	--
Land held for resale	115,000	115,000	115,000	115,000	--
Advances to Successor Agency	26,301,965	26,359,251	26,134,230	25,781,570	--
Committed:	--	--	--	--	729,017
Capital projects	208,117	212,419	213,743	404,362	--
CalPERS Set Aside	150,733	198,529	199,765	200,636	--
Unassigned	9,229,107	7,943,437	10,654,100	13,690,128	13,563,529
<b>Total Fund Balance</b>	<b><u>\$36,022,871</u></b>	<b><u>\$34,884,578</u></b>	<b><u>\$37,342,393</u></b>	<b><u>\$40,232,279</u></b>	<b><u>\$39,855,207</u></b>
<b>Total liabilities, Deferred Inflows &amp; Fund balance</b>	<b><u>\$38,173,159</u></b>	<b><u>\$36,524,825</u></b>	<b><u>\$40,506,023</u></b>	<b><u>\$42,581,485</u></b>	<b><u>\$42,736,615</u></b>

(1) In January 2011, the City executed an agreement for amounts that the City advanced to the former Redevelopment Agency since April of 1988. In 2012, the Dissolution Act was passed (see discussion under "CITY FINANCIAL INFORMATION—Property Taxes—Redevelopment Dissolution" below), which dissolved the former Redevelopment Agency on February 1, 2012, and placed strict limits on repayment of the former Redevelopment Agency's obligations. Pursuant to the Health and Safety Code Sections 34183(a) and 34191.4(b)(2)(A), the Successor Agency is limited in the amount it can repay of the loan each fiscal year to an amount equal to one-half of the increase between the surplus tax revenue distributed to taxing entities within the former Redevelopment Agency project area in that fiscal year and the amount distributed to such taxing entities as surplus tax revenues in the 2012-2013 base year. The Dissolution Act requires that 20% of the loan repayment be transferred to the Housing Successor Agency for deposit in the Low and Moderate Income Housing Asset Fund, with the remainder of the loan repayment being unrestricted General Fund revenues and will be repaid through 2042. For budgeting purposes the City treats the loan repayment from the Successor Agency as current year revenue. For Fiscal Years 2023-2024 and 2024-2025, the budget includes \$831,058 and \$890,050, respectively, in loan repayments to the City.

Source: City of Agoura Hills audited financial statements.

**TABLE 10**  
**City of Agoura Hills**  
**Statements of Revenues, Expenditures and Changes in General Fund Balance**  
**Fiscal Years 2018-19 through 2022-23**

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-2022	FY 2022-23
<b>Revenues</b>					
Taxes	\$13,431,999	\$12,544,465	\$12,807,155	\$16,149,481	\$16,163,128
Licenses and permits	589,666	567,474	525,474	661,623	790,556
Intergovernmental <sup>(1)</sup>	-	-	2,400,212 <sup>(1)</sup>	--	--
Charges for services	1,187,542	741,487	712,427	982,875	1,066,162
Use of money and property	1,085,217	802,917	411,545	657,320	1,024,449
Fines and forfeitures	60,590	48,949	46,820	67,038	45,574
Contributions	43,602	16,544	7,200	8,837	36,789
Miscellaneous <sup>(2)</sup>	192,945	1,626,934	556,383	2,845,403 <sup>(1)</sup>	279,761
<b>Total Revenues</b>	<b>\$16,591,561</b>	<b>\$16,348,770</b>	<b>\$17,467,216</b>	<b>\$21,372,577</b>	<b>\$19,406,419</b>
<b>Expenditures</b>					
General government	\$ 4,769,601	\$ 4,375,765	\$ 4,021,505	\$ 4,984,000	\$ 6,017,099
Public safety	4,772,242	4,991,586	4,851,220	4,872,999	5,109,266
Community development	1,748,679	2,129,928	2,121,753	2,621,705	2,282,015
Community services	2,869,701	2,543,729	1,650,633	2,440,062	3,047,204
Public works	2,111,981	1,834,531	1,197,671	1,532,950	1,655,114
Capital Outlay	218,177	144,264	126,794	94,970	194,788
<b>Total Expenditures</b>	<b>\$16,490,381</b>	<b>\$16,019,803</b>	<b>\$13,969,576</b>	<b>\$16,546,686</b>	<b>\$18,305,486</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 101,180</b>	<b>\$ 328,967</b>	<b>\$ 3,497,640</b>	<b>\$ 4,825,891</b>	<b>\$ 1,100,933</b>
Transfers in	1,648	0	0	250,000	0
Transfers out	(1,342,011)	(1,467,260)	(1,039,825)	(2,186,005)	(1,363,005)
<b>Total other sources(uses)</b>	<b>\$ (1,340,363)</b>	<b>\$(1,467,26)</b>	<b>\$(1,039,825)</b>	<b>\$ (1,936,005)</b>	<b>\$ (1,363,005)</b>
<b>Net change in fund balance</b>	<b>\$ (1,239,183)</b>	<b>\$(1,138,293)</b>	<b>\$ 2,457,815</b>	<b>\$ 2,889,886</b>	<b>\$ (262,072)</b>
Balance at beginning of fiscal year	\$37,262,054	\$36,022,871	\$34,884,578	\$37,342,393	\$40,117,279 <sup>(3)</sup>
<b>Balance at end of fiscal year</b>	<b>\$36,022,871</b>	<b>\$34,884,578</b>	<b>\$37,342,393</b>	<b>\$40,232,279<sup>(3)</sup></b>	<b>\$39,855,207</b>

(1) The City received funding from the American Rescue Plan Act of 2021 (ARPA) in the amount of \$4.8 million, with \$2.4 million received in Fiscal Year 2020-21 and allocated to Intergovernmental revenues, and \$2.4 million received in Fiscal Year 2021-22 and allocated to miscellaneous revenues.

(2) Includes miscellaneous revenue, tourism administration fees and library reimbursements. For Fiscal Year 2021-22, includes \$2.4 million of funding from the American Rescue Plan Act of 2021 (ARPA)

(3) Beginning fund balance for Fiscal Year 2022-23 was decreased from fund balance at end of Fiscal Year 2021-22 in the amount of \$115,000 to account for land value originally intended for resale but is anticipated to be donated.

Source: City of Agoura Hills Annual Comprehensive Financial Reports for Fiscal Years shown.

### Primary General Fund Revenue Sources

Sales tax, property tax, and transient occupancy tax revenues were the top three sources of revenues for the General Fund for fiscal year 2022-23. The table below provides the amount of sales tax, property tax and transient occupancy tax revenues and the share of General Fund revenues that each represents for fiscal years 2020-21 through 2022-23.

**TABLE 11**  
**City of Agoura Hills**  
**Property Tax, Sales Tax and Transient Occupancy Tax Revenues**  
**Fiscal Years 2020-21 through 2022-23**

Revenue Source	2020-21		2021-22		2022-23	
	Revenues	% of General Fund Revenues	Revenues	% of General Fund Revenues	Revenues	% of General Fund Revenues
Sales Tax	\$4,382,974	25.09%	\$5,555,147	25.99%	\$5,167,372	26.63%
Property Tax <sup>(1)</sup>	3,611,075	20.67	3,698,852	17.31	3,585,424	18.48
Transient Occupancy Tax	1,494,022	8.55	3,426,496	16.03	3,512,964	18.10
Property Tax in lieu of VLF <sup>(1)(2)</sup>	2,498,706	14.30	2,588,444	12.11	2,739,417	14.12
<b>Total General Fund Revenues</b>	<b>\$17,467,216</b>	<b>100.00%</b>	<b>\$21,372,577</b>	<b>100.00%</b>	<b>\$19,406,419<sup>1</sup></b>	<b>100.00%</b>

(1) Includes property tax and residual taxes from the former redevelopment agency.

(2) See Vehicle License Fee discussion below.

Source: City of Agoura Hills audited financial statements for Fiscal Year Ended June 30, 2023.

### Sales Taxes

A sales tax is imposed on retail sales or consumption of personal property. As shown in Table 11, sales tax revenues represented the largest source of revenue for the City in fiscal year 2022-23, comprising approximately 26.63 percent of the City's total revenues. See Table 4 above under the caption "THE CITY – Commerce" for information regarding taxable transactions in the City for calendar years 2018 through 2022.

Sales Tax Rates. The City's sales tax revenue represents the City's share of the sales and use tax, imposed on taxable transactions occurring within the City's boundaries. The sales tax is governed by the Bradley-Burns Uniform Local Sales and Use Tax.

The tax rate is established by the State Legislature. The aggregate tax rate in the State is eight percent (8.00%). An additional one and a half percent (1.50%) is imposed in the County. Los Angeles County voters approved Measure A in 1980, Measure C in 1990, and Measure R in 2008 to finance transportation programs and improvements. The State collects and administers the tax, and makes distributions on taxes collected within the City, as follows:

**TABLE 12**  
**City of Agoura Hills**  
**Sales Tax Rates**  
**As of March 1, 2024**

Jurisdiction	Rate
State	8.00%
Measure A	0.50
Measure C	0.50
Measure R	0.50
<b>Total</b>	<b>9.00%</b>

Source: State of California, Board of Equalization.

The State's actual administrative costs with respect to the portion of sales taxes allocable to the City are deducted before distribution and are determined on a quarterly basis.

## **Property Taxes**

Property taxes were the second largest revenue source to the City in fiscal year 2022-23. Revenues from property taxes, at \$3,585,424, represented 18.48 percent of the City's General Fund revenues in fiscal year 2022-23.

Proposition 13 Limitations. Article XIII A of the State of California Constitution imposes limits on annual adjustments to real property assessed values and to the amount of *ad valorem* tax that may be levied on real property. See "LIMITATIONS ON TAX REVENUES AND APPROPRIATIONS – Article XIII A."

Tax Levies and Delinquencies. Taxes are levied by the County for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. Effective July 1, 1983, real property that changes ownership or is newly constructed is reassessed at the time the change in ownership occurs or the new construction is completed. If the property is reassessed at a higher value, one or more supplemental tax statements will be added to the annual tax bill. If the property is reassessed at a lower value, the property owner may receive a refund.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and if unpaid become delinquent on December 10 and April 10, respectively. If the first installment is not paid by December 10, a ten percent delinquent penalty is added to any unpaid balance. If the second installment is not paid by April 10, a ten percent penalty plus a charge of \$10 is added to the unpaid balance. Since supplemental tax bills are mailed throughout the year, they may or may not be due or delinquent at the same time as annual tax bills. The same penalties and charges accrue for delinquent supplemental taxes as for delinquent annual taxes.

Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5 percent of the unpaid tax per month to the time of redemption, plus costs and a redemption fee. If taxes remain unpaid for a period of five years following tax default, the property becomes subject to the County Tax Collector's power of sale. Properties may be redeemed under an installment plan by paying the current year's taxes, plus an initial payment of twenty percent of the redemption amount and an installment setup fee. The installment plan of redemption allows for the payment of delinquent taxes over a five-year period beginning the date the installment plan account is opened. An installment plan account can be opened any time after the property becomes tax defaulted and within five years of that date. After the five-year period an installment plan account may not be opened, as the property becomes subject to the County Tax Collector's power of sale.

Property taxes on the unsecured roll are due as of the January 1 lien date and, in general, become delinquent on August 31 and are thereafter subject to a ten percent penalty plus a collection fee. If unsecured taxes are unpaid on October 31, an additional penalty of 1.5 percent attaches to them on the first day of each month until paid. The City has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the clerk of the court 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) seizing and selling personal property, improvements or possessory interests belonging or assessed to the assessee.



Assessed Valuation. The table below presents the assessed valuation (secured and unsecured) of taxable property in the City for the last five fiscal years.

**TABLE 13**  
**City of Agoura Hills**  
**Assessed Values of All Taxable Property<sup>(1)</sup>**  
**Fiscal Years 2019-20 through 2023-24**

Fiscal Year	Secured Valuation	Unsecured Valuation	Total Valuation	Percent Change of Total Valuation
2019-20	\$4,327,282,685	\$18,852,198	\$4,346,134,883	4.04%
2020-21	4,498,942,626	17,568,707	4,516,511,333	3.92
2021-22	4,640,841,380	17,460,795	4,658,302,175	3.14
2022-23	4,905,952,742	16,936,491	4,922,889,233	5.68
2023-24	5,185,503,082	18,916,788	5,204,419,870	5.72

(1) Excludes secured and unsecured assessed values of properties included in the former redevelopment project area.  
 Source: City of Agoura Hills, based on information provided by the Los Angeles County Auditor-Controller.

Redevelopment Dissolution. The State’s Community Redevelopment Law (codified in Part 1 of Division 24 of the California Health and Safety Code) authorized the redevelopment agency of any city or county to receive an allocation of tax revenues resulting from increases in assessed values of properties within designated redevelopment project areas (the “incremental value”) occurring after the year the project area is formed. In effect, local taxing agencies, such as the City, realize tax revenues only in the assessed value of such property at the time the redevelopment project is created for the duration of such redevelopment project. Although Assembly Bill No. 26 (“AB X1 26”), enacted on June 29, 2011 as Chapter 5 of Statutes of 2011, statutorily dissolved redevelopment agencies as of February 1, 2012, the enforceable obligations of dissolved redevelopment agencies, continue to be paid from property taxes derived from such incremental value until the enforceable obligations are paid in full in accordance with 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 such statutory provisions may further be amended from time to time (as amended, the “Dissolution Act”). Under the Dissolution Act, taxing entities, such as the City, are to receive distributions (in proportion to such taxing entity’s share of property tax revenues in the tax rate area for the applicable fiscal year) of residual amounts of property taxes attributable to incremental value on each June 1 and January 2, commencing June 1, 2012, after payment of (i) tax sharing obligations established previously pursuant to the Community Redevelopment Law, (ii) enforceable obligations of the successor agency to the former redevelopment agency, and (iii) an administrative cost allowance to such successor agency. As enforceable obligations of the former redevelopment agency and its successor agency are paid and retired, residual amounts of property tax revenues attributable to redevelopment project area incremental value are expected to increase over time.

The top ten taxpayers, based on local secured assessed values of taxable property in the City, as shown on the 2023-24 tax roll, are set forth in the following table:

**TABLE 14**  
**City of Agoura Hills**  
**Top Ten Taxpayers Based on Local Secured Assessed Value**  
**Fiscal Year 2023-24**

Rank	Taxpayer	Type of Business	Taxable Assessed Value (Millions)	% of Total City Taxable Assessed Value
1	Tishman Speyer Archstone Smith Oak Creek	Residential	\$140.0	2.15%
2	Agoura Road Apartments California Llc	Residential	87.4	1.34%
3	Agoura Hills Hhg Hotel Development Lp	Commercial	61.2	0.94%
4	Kids From The Valley Llc	Commercial	57.9	0.89%
5	Khanna Enterprises Limited Lp	Commercial	48.7	0.75%
6	Agoura Business Center Llc	Industrial	44.9	0.69%
7	Arhc Mbaghca01 Llc	Unsecured	35.9	0.55%
8	Fw California Twin Oaks Shopping Center	Commercial	35.5	0.54%
9	Teradyne Inc	Commercial	32.1	0.49%
10	Hankey Investment Company Lp	Commercial	31.2	0.48%
<b>Total</b>			<b>\$575.0</b>	<b>8.81%</b>

The amounts shown above include assessed value data for both the City and the Redevelopment Agency  
Source: City of Agoura Hills.

### Transient Occupancy Taxes

Revenues from the transient occupancy taxes (“TOT”) also represent a significant source of revenues for the General Fund. In most years, the City’s third largest revenue source is TOT. However, due to the COVID-19 pandemic, TOT was the City’s fourth largest source of revenue in Fiscal Years 2019-20 and 2020-21. The transient occupancy tax is levied on persons staying 30 days or less in a hotel, inn, motel, tourist home or other lodging facility. The transient occupancy tax is applied to the customer’s lodging bill at a rate of 12%. The City’s transient occupancy tax revenues deposited in the General Fund were \$3,512,964 in fiscal year 2022-23 representing 22.05 percent of all General Fund revenues. The three sources of transient occupancy tax revenues in the City are the Sheraton Hotel, the Hampton Inn, and Homewood Suites.

### Vehicle License Fee

The motor vehicle license fee (“VLF”) is a fee charged for the privilege of operating a vehicle on public streets. This fee is collected by the State’s Department of Motor Vehicles and disbursed to other governmental agencies by the State Controller. VLF was originally based on a rate equivalent to 2% of the market value of motor vehicles, which is imposed annually by the State “in-lieu” of property tax.

In 1999, the State began reducing the VLF rate charged to vehicle owners and backfilling city and county revenue losses with state subventions. The Fiscal Year 2005 State Budget reduced the VLF from 2% to 0.65% of the value of a vehicle and deleted the requirement for backfill payments, providing instead that the amount of the backfill requirement will be met by an increase in the property tax allocation to cities and counties. In fiscal year 2022-23, the City received \$2,739,417 in

property tax revenues in lieu of VLF, representing 17.19 percent of the City's General Fund revenues for fiscal year 2022-23.

### Franchise Fees

The City collects franchise fees for the use of streets and rights-of-way from a number of utility services provided by private parties including natural gas, cable services, and electricity. Solid waste collection services are provided by a contracted private party that also pays a franchise fee to the City. In fiscal year 2022-23, the City received \$928,113 in franchise tax revenues representing 5.82 percent of the City's General Fund revenues for fiscal year 2022-23.

### Investment Policy and Portfolio

The City has adopted policies and procedures for the management of the investment of unexpended funds for the City itself and for other entities of the city, including the Authority, for which the City provides financial management services. The three basic objectives of the policies and procedures are: safety of invested funds, maintenance of sufficient liquidity to meet cash flow needs and attainment of the maximum yield possible consistent with the first two objectives.

The policies and procedures require the Director of Finance to prepare an investment report in accordance with requirements of Government Code Section 53646. The City manages cash and investments on a pooled basis, consisting primarily of participation in the local Agency Investment Fund (LAIF), a pooled fund controlled by the State Treasurer. The City's investment portfolio allows for investment, in U.S. Treasury, certain Agency securities (Federal Farm Credit Bank and Federal Home Loan Bank System only) Commercial Paper, Negotiable Certificates of Deposit, and Medium Term Corporate Notes.

The City's investment policy authorizes the following investments under provisions of California Government Code Section 53601:

Authorized Investments/Deposits	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (LAIF)	N/A	\$75 million	None
U.S. Treasuries	5 years	75%	20%
Federal Agency Securities	5 years	75%	20%
Commercial Paper	270 days	5%	5%
Negotiable Certificates of Deposit (CD)	5 years	30%	5%
Medium Term Corporate Notes	5 years	5%	5%
Bank Deposits	5 years	No limit	No limit
Money Market Funds	None	15%	15%

Portfolio as of December 31, 2023. As of December 31, 2023, the book value of the City's combined investment portfolio, general checking account and petty cash is \$21,846,471.97. The table below shows the City's investment portfolio, as categorized by types of investment securities:

**TABLE 15**  
**City of Agoura Hills**  
**Investment Report**  
**as of December 31, 2023**

Investment Type	Maturity	Interest Rate	Book Value	Market Value
Local Agency Investment Fund <sup>(1)</sup>	1 day	3.84%	\$17,178,690.64	\$17,067,770.08
Checking	n/a	0.00	\$1,000,000.00	\$1,000,000.00
Checking Sweep	1 day	5.23	\$3,666,981.33	\$3,666,981.33
Petty Cash	n/a	0.00	\$800.00	\$800.00
<b>Total</b>			<b>\$21,846,471.97</b>	<b>\$21,735,551.41</b>

(1) Per State Treasurer Report, dated June 30, 2023, LAIF has invested approximately 61.22 percent of its balance in Treasury bills and notes, 7.72 percent in certificates of deposit/bank notes, 5.71 percent in commercial paper, 3.34 percent in time deposits and 22.01 percent in others.

Source: City of Agoura Hills.

### Long-Term Liabilities

The City currently has two long-term liability payable from the General Fund: (i) its agreement to make semiannual lease payments to the Agoura Hills Improvement Authority in connection with the issuance of the Agoura Hills Improvement Authority's Lease Revenue Bonds, Series 2013, in the original principal amount of \$3,675,000, of which \$2,930,000 remains outstanding, and will be refunded by the Series 2024B Bonds; and (ii) its agreement to make semiannual lease payments to the Agoura Hills Improvement Authority in connection with the issuance of the Agoura Hills Improvement Authority's Lease Revenue Bonds, Series 2016, in the original principal amount of \$10,055,000, of which \$\_\_ remains outstanding . See "APPENDIX A – CITY OF AGOURA HILLS ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR YEAR ENDED JUNE 30, 2023."

### Pension Plans

*Plan Descriptions.* All qualified permanent and probationary employees are eligible to participate in the City of Agoura Hill's miscellaneous cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. The two Agoura Hills cost-sharing plans are Classic Miscellaneous and PEPRM Miscellaneous.

California Governor Jerry Brown signed the California Public Employee's Pension Reform Act of 2013 ("PEPRA") into law on September 12, 2012. For non-safety CalPERS participants hired after January 1, 2013 (the "Implementation Date"), the Reform Act changes the normal retirement age by increasing the eligibility for the 2 percent age factor from age 55 to 62 and also increases the eligibility requirement for the maximum age factor of 2.5 percent to age 67. PEPRA also implements certain other changes to CalPERS including the following: (a) all new participants enrolled in CalPERS after the Implementation Date are required to contribute at least 50 percent of the total annual normal cost of their pension benefit each year as determined by an actuary, (b) CalPERS is required to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating

retirement benefits for new participants enrolled after the Implementation Date, and (c) “pensionable compensation” is capped for new participants enrolled after the Implementation Date at 100 percent of the federal Social Security contribution and benefit base for members participating in Social Security or 120 percent for CalPERS members not participating in social security.

Benefits Provided. CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. Below is a summary of the plan’s provisions and benefits in effect at June 30, 2023, for which the City of Agoura Hills has contracted:

Major Benefit Options	Miscellaneous	Miscellaneous PEPRA
Hire Date	Prior to 1/1/13	On or after 1/1/13
Benefit Provision		
Benefit Formula	2.0% @55	2.0% @62
Social Security	No	No
Full/Modified	Full	Full
Benefit Vesting Schedule	5 yrs service	5 yrs service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required Employer Contribution Rate	10.34%	7.59%
Required Employee Contribution Rate	6.91%	6.75%
Required Employer Payment of Unfunded Liability	\$405,093	\$2,472

New entrants are not allowed in the Miscellaneous Classic Plan.

Contribution Description. Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS’ annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan’s actuarially determined rate is based on the estimated amount necessary to pay the Plan’s allocated share of the risk pool’s costs of benefits earned by employees during the year, and any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2023, the contributions recognized as a reduction to the net pension liability was \$742,201.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions. As of June 30, 2023, the City of Agoura Hills reported a net pension liability for its proportionate share of the net pension liability in the amount of \$6,636,241. The City of Agoura Hills’ net pension liability is measured as the proportionate share of the net pension liability. The net

pension liability of each of the Plans is measured as of June 30, 2022, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2021 and 2022, was as follows:

Proportions as a percentage of the CalPERS Miscellaneous risk pool:

	Miscellaneous
Proportion – June 30, 2021	0.04977%
Proportion – June 30, 2022	0.05745%
Change – Increase (Decrease)	<u>0.00768%</u>

For the year ended June 30, 2023, the City of Agoura Hills recognized pension expense of \$650,886. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 881,676	--
Changes of assumptions	680,022	--
Differences between expected and actual experience	133,269	\$ 89,258
Net differences between projected and actual earnings on pension plan investments	1,215,583	--
Change in employer's proportion and differences between contributions and proportionate share of contributions	--	408,047
Change in employer's proportions	472,862	--
Total	<u>\$3,338,412</u>	<u>\$497,305</u>

The \$881,676 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/(Inflows)
2024	\$ 511,727
2025	447,337
2026	256,874
2027	743,493
Total	<u>\$1,959,431</u>

Actuarial Assumptions. The proportionate share of the total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with

update procedures used to roll forward the total pension liability to June 30, 2022. The proportionate share of the total pension liability was based on the following assumptions:

Actuarial Assumptions	
Investment Rate of Return	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Mortality Rate Table <sup>(1)</sup>	Derived using CalPERS' Membership Data for all
Post Retirement Benefit	Contract COLA up to 2.30% until Purchasing Power

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report on the CalPERS website.

Discount Rate. The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be added at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term expected rate of return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expense.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability of the Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.90%) or 1% point higher (7.90%) than the current rate:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Proportionate Share of Net Pension Liability/(Assets)	\$10,411,135	\$6,636,241	\$3,530,440

Pension Plan Fiduciary Net Position. Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

The information above is derived from the City's 2022-23 audited financial statements included in the City's Annual Comprehensive Financial Report set forth in Appendix A.

City Plans Funding Status and History, Required Contributions

Around July of each year, CalPERS provides the City reports (each, a "CalPERS Report") of the actuarial valuation (as of June 30 of the calendar year preceding the year of the CalPERS Report) for each of the City's Plans. *The following information is based on information available from CalPERS and the CalPERS Reports. The City has not independently verified the information provided by CalPERS and expresses no opinion regarding the accuracy of such information. CalPERS' actuarial assessments are based on various assumptions (including demographic assumptions and economic assumptions) made by CalPERS, its actuaries, accountants and other consultants. One or more assumptions may not materialize or be changed in the future. The City expresses no opinion regarding the quality of such assumptions and cannot provide any guarantee as to the eventual results.*

Actuarial valuations used in the July 2023 CalPERS Reports were based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The CalPERS Board adopts these assumptions after considering the advice of CalPERS actuarial and investment teams and other professionals. Each actuarial valuation reflected all prior differences between actual and assumed experience and adjusts the contribution rates as needed. This valuation is based on an investment return assumption of 6.8 percent. Other assumptions used in July 2023 CalPERS Report are those recommended in the CalPERS Experience Study and Review of Actuarial Assumptions report. To the extent the actual investment return for Fiscal Year 2022- 23 differs from 6.8%, the actual contribution requirements for Fiscal Year 2025-26 will differ from those shown below.

The table below provides information on the current funded status of the plan under the funding policy. The funded status for this purpose is based on the market value of assets relative to the funding target produced by the entry age actuarial cost method and actuarial assumptions adopted by the board. The actuarial cost method allocates the total expected cost of a member's projected benefit (Present Value of Benefits) to individual years of service (the Normal Cost). The value of the projected benefit that is not allocated to future service is referred to as the Accrued Liability and is the plan's funding target on the valuation date. The Unfunded Accrued Liability (UAL) equals the funding target minus the assets. The UAL is an absolute measure of funded status and can be viewed as employer debt. The funded ratio equals the assets divided by the funding target. The funded ratio is a relative measure of the funded status and allows for comparisons between plans of different sizes.

	Miscellaneous		Miscellaneous PEPRA	
	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022
(1) Present Value of Benefits	\$29,518,628	\$30,839,784	\$1,988,254	\$2,686,483
(2) Entry Age Accrued Liability	26,438,169	27,912,895	406,916	617,025
(3) Market Value of Assets (MVA)	22,577,166	20,548,059	437,189	543,343
(4) Unfunded Accrued Liability (UAL) [(2) - (3)]	\$3,861,003	\$7,364,836	(\$30,273)	\$73,682
(5) Funded Ratio [(3)/(2)]	85.4%	73.6%	107.4%	88.1%



The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with Fiscal Year 2022-23 is assumed to be 6.80% per year, net of investment and administrative expenses. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund. The City aims to make additional payments above the required amounts if feasible, which is determined at the end of each fiscal year.

Miscellaneous

Fiscal Year	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2022-23 and Beyond)				
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Normal Cost %	11.88%	11.9%	11.9%	11.9%	11.9%	11.9%
UAL Payment	\$556,012	\$607,000	\$655,000	\$694,000	\$788,000	\$803,000

Miscellaneous PEPRA

Fiscal Year	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2022-23 and Beyond)				
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Normal Cost %	7.87%	7.9%	7.9%	7.9%	7.9%	7.9%
UAL Payment	\$2,769	\$4,600	\$6,500	\$8,400	\$10,000	\$10,000

**Other Post-Employment Benefits Other Than Pensions**

The Governmental Accounting Standards Board (“GASB”) issued Statement No. 45 entitled “Accounting and Financial Reporting By Employers for Post Employment Benefits Other Than Pensions” (“GASB 45”), which addresses how state and local governments should account for and report their costs and obligations related to post employment healthcare and other non-pension benefits, known collectively as “Other Post-Employment Benefits” or “OPEBs.” GASB 45 generally requires state and local governmental employers to account for and report the cost of OPEBs and outstanding obligations and commitments related to OPEBs in essentially the same manner as they currently do for pensions. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, would provide sufficient resources to pay benefits as they come due. The provisions of GASB 45 may be applied prospectively and do not require governments to fund their OPEB plans. An employer may establish its OPEB liability at zero as of the beginning of their initial year of implementation; however, the unfunded actuarial liability is required to be amortized over future periods. GASB 45 is to be phased in based on a government’s total annual revenues, over a three year period beginning with accounting periods beginning after December 15, 2006. The first fiscal year that the City was required to implement GASB 45 reporting was Fiscal Year 2008-09.

The City provides OPEBs to all full time employees in accordance with the City’s contract with CalPERS for participation in the State of California public Employees’ Medical and Hospital Care Act (PEMHCA). The City’s contribution for each retiree is the same as its contribution for full-time employees. Additionally, the City contributes longevity pay to a Retirement Health Savings (RHS) Trust plan of up to \$500 for those retirees with 10 years of service with the City of Agoura

Hills, enrolled in a CalPERS health plan. The total of the PEMHCA minimum employer contribution and the additional benefit will not exceed \$500 per month. The RHS contribution may only be used to reimburse medical premiums. In the event of the retiree's death, the CalPERS eligible surviving spouse has the right to \$300 per month to pay for medical premiums for a maximum of 12 months. After 12 months surviving spouses will still be eligible to receive the PEMHCA minimum employer contribution. The plan is an agent, multiple-employer plan administered by CalPERS through the California Employers' Retiree Benefit Trust (CERBT).

Employees are eligible for retiree health benefits if they retire from the City and are eligible for a PERS pension and are enrolled in a CalPERS retiree health plan. The benefits are available only to employees who retire from the City. Membership of the plan consisted of the following at June 30, 2022, measurement date:

Inactive members currently receiving benefits	16
Inactive members entitled to but not yet receiving benefits	2
Active members	34
<b>Total</b>	<b><u>52</u></b>

The contribution requirements of plan members and the City are established and may be amended by City Council. In September 2009, the City established an irrevocable trust through CalPERS, in order to prefund its other post-employment benefit (OPEB) liability. For the measurement date ended June 30, 2022, the City recognized \$181,331 in contributions to reduce the net OPEB liability. For the fiscal year ended June 30, 2023, the City's contributions were \$147,419, with \$121,601 in cash contributions and \$25,818 in implied subsidy benefits, respectively, making up the total contribution.

The City's net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021, based on actuarial methods and assumptions. The changes in the net OPEB liability for the plan are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2021 (measurement date)	\$2,778,063	\$2,890,368	\$(112,305)
Changes recognized for the measurement			
Service Cost	121,398	--	121,398
Interest on Total OPEB liability	178,384	--	178,384
Employer Contributions	--	181,331	(181,331)
Net Investment Income	--	(414,086)	414,086
Benefit Payments	(90,639)	(90,639)	--
Administrative Expense	--	(1,402)	1,402
Net Changes during 2021-22	<u>\$209,143</u>	<u>(324,796)</u>	<u>533,939</u>
Balance at June 30, 2022 (measurement date)	<u>\$2,987,206</u>	<u>\$2,565,572</u>	<u>\$421,634</u>

## Risk Management

### *Self-Insurance*

The City is a member of the California Joint Powers Insurance Authority (the "CJPIA"). CJPIA is comprised of 124 California public entities and is organized under a joint powers agreement pursuant to State law. The purpose of the CJPIA is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverages. The CJPIA's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the CJPIA's Board of Directors. The Board operates through a nine-member Executive Committee. Each member pays an annual contribution at the beginning of the coverage period. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program. Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on CJPIA's website.

Workers' Compensation. Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2022-23, CJPIA's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

### *Purchased Insurance*

Pollution Legal Liability Insurance. The City participates in the pollution legal liability insurance program through CJPIA which covers sudden and gradual pollution of scheduled

property, streets, and storm drains owned by the City. Coverage is on a claims-made basis with a \$250,000 deductible. CJPIA has an aggregate limit of \$20 million.

Property Insurance. The City participates in the all-risk property protection program of CJPIA. This insurance protection is underwritten by several insurance companies. City property is insured according to a schedule of covered property submitted by the City to CJPIA. City property has all-risk property insurance protection in the amount of \$37,683,930. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Crime Insurance. The City purchases crime insurance coverage through CJPIA in the amount of \$3,000,000 with a \$2,500 deductible.

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2022-23.

## **BONDOWNERS' RISKS**

**INVESTMENT IN THE BONDS INVOLVES ELEMENTS OF RISK. THE FOLLOWING SECTION DESCRIBES CERTAIN SPECIFIC RISK FACTORS AFFECTING THE PAYMENT AND SECURITY OF THE BONDS. THE FOLLOWING DISCUSSION OF RISKS IS NOT MEANT TO BE AN EXHAUSTIVE LIST OF THE RISKS ASSOCIATED WITH THE PURCHASE OF THE BONDS AND THE ORDER OF DISCUSSION OF SUCH RISKS DOES NOT NECESSARILY REFLECT THE RELATIVE IMPORTANCE OF THE VARIOUS RISKS. POTENTIAL INVESTORS ARE ADVISED TO CONSIDER THE FOLLOWING FACTORS ALONG WITH ALL OTHER INFORMATION IN THIS OFFICIAL STATEMENT IN EVALUATING THE BONDS. THERE CAN BE NO ASSURANCE THAT OTHER RISK FACTORS NOT DISCUSSED UNDER THIS CAPTION WILL NOT BECOME MATERIAL IN THE FUTURE.**

### **Limited Obligations with Respect to the Bonds**

The Bonds are limited obligations of the Authority payable solely from and secured by a pledge of Revenues and certain funds and accounts held under the Indenture. Revenues consist primarily of Base Rental Payments payable by the City under the Sublease and amounts on deposit from time to time in the funds and accounts held by the Trustee. If for any of the reasons described herein, or for any other reason, the Revenues collected under the Sublease are not sufficient to pay debt service on the Bonds, the Authority will not be obligated to utilize any other of its funds, other than amounts on deposit in the funds and accounts established under the Indenture, to pay debt service on the Bonds

The Authority has no taxing power. The obligation of the City to make Rental Payments under the Sublease does not constitute an obligation of the City which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Rental Payments under the Sublease constitutes an indebtedness of the City, State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitations.

### **Abatement**

The Sublease provides that the obligation of the City to pay Base Rental Payments will be abated during any period in which, by reason of any damage, destruction or condemnation, there is substantial interference with the use and occupancy of the Leased Property or any portion thereof by the City. Such abatement will continue until the restoration of the Leased Property to tenantable

condition. See “SECURITY FOR THE BONDS – Abatement; Insurance.” In the event that the Leased Property, if damaged or destroyed by an insured casualty, could not be replaced during the period of time that proceeds of the City’s rental interruption insurance will be available in lieu of Base Rental Payments, or in the event that casualty insurance proceeds or condemnation proceeds are insufficient to provide for complete repair or replacement of the Leased Property or a redemption of the Bonds in whole (see “THE BONDS – Redemption – *Extraordinary Redemption*”), a default on the Bonds may occur.

### **Risk of Uninsured Loss**

The City covenants under the Sublease to maintain certain insurance policies on the Leased Property. These insurance policies do not cover all types of risk. The Leased Property could be damaged or destroyed due to a casualty for which the Leased Property is uninsured. Additionally, the Leased Property could be the subject of an eminent domain proceeding. Under these circumstances an abatement of Base Rental Payments could occur and could continue indefinitely. There can be no assurance that the providers of the City’s liability and rental interruption insurance will in all events be able or willing to make payments under the respective policies for such loss should a claim be made under such policies. There can be no assurances that amounts received as proceeds from insurance or from condemnation of the Leased Property will be sufficient to redeem the Bonds.

### **City General Fund**

*In General.* The Base Rental Payments and other payments due under the Sublease (including payment of costs of repair and maintenance of, and taxes and other governmental charges levied against, the Leased Property) are payable from funds lawfully available to the City. If the amounts which the City is obligated to pay in a fiscal year exceed the City’s revenues for such year, the City may choose to make some payments rather than making other payments, including Base Rental Payments, based on the perceived needs of the City. See “CITY FINANCIAL INFORMATION” for a more detailed discussion of revenues deposited in and expenditures from the City’s General Fund. The same result could occur if, because of California Constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues or is required to expend available revenues to preserve the public health, safety and welfare. For more information regarding California Constitutional limits on expenditures see “LIMITATIONS ON TAX REVENUES AND APPROPRIATIONS – Appropriations Limitations: Article XIIB.”

*Risk of Increased Expenditures.* Under the Sublease, the City is permitted to enter into other obligations which constitute additional charges against its revenues without the consent of Owners of the Bonds. To the extent that additional obligations are incurred by the City, the funds available to pay Base Rental Payments could decrease.

*Risk of Decreased Revenues.* A variety of national, state or regional factors, which are beyond the control of the City’s fiscal policies, as well as the City’s fiscal policies could reduce the amount of the City’s General Fund revenues. To the extent that City revenues decrease, the funds available to pay Base Rental Payments could decrease. See “CITY FINANCIAL INFORMATION.”

### **No Reserve Fund**

The Authority has not funded a reserve fund in connection with the issuance of the Bonds.

## State Finances

The State's financial condition and budget policies affect communities and local public agencies throughout California. State budgets are affected by regional, national or even international economic conditions and a multitude of other factors over which the City has no control. The City cannot give any assurances regarding the financial conditions of the State during any period of time. Some of the State's budget solutions have caused in the past, and may cause in the future, increased financial stress to cities, counties and other local governments by: (i) decreasing local revenues (for example, the property tax, road improvement funding, public safety or other categorical funded initiatives), or (ii) increasing directly or indirectly demand for local programs (such as public safety or indigent health programs). In recent years, the State has faced significant financial and budgetary stress. AB X1 26 enacted in 2011, pursuant to which all redevelopment agencies in the State were dissolved, was enacted during the fiscal year 2011-12 budget process and was just one example where cities and counties throughout the State were significantly impacted. Even though California has experienced significantly improved fiscal condition during the past few fiscal years, the State is still facing continuing financial challenges and unfunded long-term liabilities.

According to the State Constitution, the Governor is required to propose a budget to the State Legislature by no later than January 10 of each year, and a final budget must be adopted by the vote of each house of the Legislature no later than June 15, although this deadline has been frequently breached in the past. Before fiscal year 2010-11, the State budget had to be adopted by a two-thirds vote of each house of the State Legislature. However, in November 2010, the voters of the State passed Proposition 25, which reduced the vote required to adopt a budget to a majority vote of each house and which provided that there would be no appropriation from the current budget or future budget to pay any salary or reimbursement for travel or living expenses for members of the Legislature for the period during which the budget was presented late to the Governor. The State budget becomes law upon the signature of the Governor, who may veto specific items of expenditure.

The Governor signed the fiscal year 2023-24 budget for the State on June 27, 2023, and released the fiscal year 2024-25 State budget on January 10, 2024. The City does not anticipate any material adverse effect on the City's finances based on the fiscal year 2023-24 State budget or the proposed fiscal year 2024-25 State budget. The City also cannot predict what measures the State will adopt to respond to any future financial difficulties. The City can provide no guarantees regarding the outcome of future State budget negotiations, the actions that will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures, or the impact that such budgets or actions will have on the City's finances and operations.

Information about the State budget and State spending is available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the State Department of Finance, [www.dof.ca.gov](http://www.dof.ca.gov). An analysis of the budget is posted by the Office of the Legislative Analyst at [www.lao.ca.gov](http://www.lao.ca.gov). In addition, various official statements for State-issued bonds, many of which contain a summary of the current and past State budgets may be found at the website of the State Treasurer, [www.treasurer.ca.gov](http://www.treasurer.ca.gov). None of the websites referenced above is in any way incorporated into this Official Statement. They are cited for informational purposes only. The City makes no representation concerning, and does not take any responsibility for, the accuracy or timeliness of information posted on such websites or the continued maintenance of such websites by the respective entities.

## **Natural Calamities; Earthquakes; Fire Hazard Zone Designation**

From time to time, the City is subject to natural calamities that may adversely affect economic activity in the City which therefore may have a negative impact on City finances. The occurrence of any natural calamity, including but not limited to an earthquake, uncontrolled fire or a major flood, may result in the substantial interference with the use and occupancy of the Leased Property, which could result in Base Rental Payments being subject to abatement. Under such circumstances, no assurance can be given that the City would have insurance or other resources available to make repairs to the Leased Property or to make Base Rental Payments under the Sublease.

The City, like most communities in California, is an area of unpredictable seismic activity, and therefore, is subject to potentially destructive earthquakes. Although the City is not directly on a fault line, there are several fault lines in the surrounding regions and if a large enough earthquake were to occur, they could possibly affect the City. The known faults in this region include: the Malibu Coast Fault (in City of Malibu approximately 15 miles away), Simi Fault (runs through Simi Valley, Moorpark, and Camarillo to the northwest approximately 17 miles away), and Northridge Hills Fault (located approximately 19 miles away). The casualty and liability insurance may not cover losses due to earthquake damage. The City is not required to maintain earthquake insurance under the Sublease. Rental interruption insurance will not cover interruption of Base Rental Payments due to an earthquake.

The County has classified the entire area within the City as a "Very High Fire Hazard Severity Zone" (the "Fire Hazard Zone"). This classification establishes a series of stringent building code requirements that apply to all properties within the Fire Hazard Zone and are intended to retard the rate of spread and reduce the potential intensity of uncontrolled fires. These building code provisions address roofing and siding materials, window glazing, exterior doors, protection of openings and unenclosed under-floor areas and accessory structures. The City has adopted building standards to meet the requirements of the Fire Hazard Zone classification.

## **Public Health Emergencies**

In recent years and as a result of the COVID-19 pandemic, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. Pandemic diseases arising in the future could have significant adverse health and financial impacts throughout the world, leading to loss of jobs and personal financial hardships, and/or actions by federal, State and local governmental authorities to contain or mitigate the effects of an outbreak.

There can be no assurances that future public health emergencies and/or responses intended to slow the spread of disease, such as limiting business and travel activity, will not materially adversely impact the state and national economies and, accordingly, materially adversely impact the financial condition of the City and the City's General Fund in the future. In addition, the City may experience increased personnel costs and/or reduced revenues due to the occurrence of future disease emergencies and the related impacts on economic and other activity in and around the City.

## **Cyber Security**

The City, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the City is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. To date, the City has not experienced an attack on its computer operating systems which resulted in a breach of

its cybersecurity systems that are in place. However, 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 administration of the Bonds. The City is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation the County tax collector and other authorities for the levy and collection of taxes, and the Trustee. No assurance can be given that the City and/or the other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

### **Limited Recourse on Sublease Default**

If an event of default occurs and is continuing under the Sublease, there is no remedy of acceleration of any Base Rental Payment which have not come due. The remedies provided for in the Sublease include, in addition to all other remedies provided at law, reletting the Leased Property or, without terminating the Sublease, collecting each installment of rent as it becomes due and holding the City liable therefor. If the Trustee does not terminate the Sublease, the Trustee may be required to seek a separate judgment each year for that year's defaulted Base Rental Payments. Any such suit for money damages would be subject to limitations on legal remedies against cities in California, including a limitation on enforcement of judgments against funds or property needed to serve the public welfare and interest could prove both expensive and time-consuming.

The Sublease permits the Trustee, as the Authority's assignee, to take possession of and relet the Leased Property in the event of a default by the City under the Sublease. However, due to the fact that the Leased Property serves essential governmental purposes, a court may determine to not permit such remedy to be exercised. Even if such remedy may be exercised, no assurance can be given that the Trustee could readily relet the Leased Property for rents which are sufficient to enable it to pay debt service on the Bonds in full when due.

### **Limitations on Remedies**

Remedies available to the Owners may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest and premium, if any, on the Bonds or to preserve the tax-exempt status of interest on the Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial discretion. Additionally, the Bonds are not subject to acceleration in the event of the breach of any covenant or duty under the Indenture. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay in the exercise of, or limitations on or modifications to, the rights of the Owners.

Enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the Authority, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles 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 Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against governmental entities in the State.



## Investment of Funds

All moneys in any of the funds or accounts held under the Indenture may be invested in Permitted Investments as provided under the Indenture. See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS." All investments, including Permitted Investments, authorized by law from time to time for investments by the Authority contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected, decline in market value and loss or delayed receipt of principal. The occurrence of these events with respect to amounts held under the Indenture could have a material adverse effect on the security for the Bonds.

## Future Initiative and Legislation

As discussed below under "LIMITATIONS ON TAX REVENUES AND APPROPRIATIONS," the California's Constitutional initiative process has resulted in the adoption of measures which pose certain limits on the ability of cities and local agencies to generate revenues, through property taxes or otherwise. From time to time, other initiative measures could be adopted, affecting the City's ability to generate revenues and to increase appropriations. No assurances can be given as to the potential impact of any future initiative or legislation on the finances and operations of the City.

### Taxpayer Protection and Government Accountability Act

On February 1, 2023, the California Secretary of State announced that a ballot initiative, designated as Initiative 1935 and known as the "Taxpayer Protection and Government Accountability Act" (the "Taxpayer Act") had received the required number of signatures to appear on the November 5, 2024 ballot.

If approved by the voters casting a ballot at the November 5, 2024 Statewide election, Initiative 1935 would make numerous significant changes to Articles XIII, XIII A, XIII C and XIII D of the California Constitution to further limit the authority of local governments, and electors via the initiative process, to adopt and impose taxes and fees. The full text of the Taxpayer Act may be viewed at the website of the California Attorney General.

The Taxpayer Act would, among other things, amend Article XIII C of the California Constitution to:

- state that every levy, charge or exaction of any kind imposed by local law is either a "tax" or an "exempt charge," and would amend the definition of "tax" added to Article XIII C by Proposition 26 to state that "every levy, charge, or exaction of any kind imposed by a local law that is not an "exempt charge" constitutes a tax. The Taxpayer Act narrows the definition of "exempt charge" to mean a "reasonable charge for a specific local government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the actual costs [as opposed to the reasonable costs] to the local government of providing the service or product to the payor." "Exempt charges" also encompass existing exceptions from the definition of "tax" added to Article XIII C by Proposition 26. "Actual costs" is defined in the Taxpayer Act to mean "the minimum amount necessary to reimburse the government for the cost of providing the service or product to the payor ... where the amount charged is not used by the government for any purpose other than reimbursing that cost. In computing "actual cost" the maximum amount that may be imposed is the actual cost less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product." The Taxpayer Act would

retain an exemption from the definition of “tax” for assessments, fees or charges which are subject to Article XIID.

- state that only the governing body of a local government, or an elector acting pursuant to the initiative power, has the authority to impose an exempt charge, and that exempt charges must be imposed by an ordinance specifying the type of exempt charge and the amount or rate of the exempt charge to be imposed, and passed by the governing body, other than for certain exempt charges imposed for a specific health care service. In addition, the Taxpayer Act would amend Article XIIC to prohibit any amendment to a municipal charter which provides for the imposition, extension or increase of a tax or exempt charge from being submitted to or approved by the electors.
- require the title, summary and ballot label or questions for a measure providing for the imposition of a tax to include: (a) the type and amount or rate of the tax; (b) the duration of the tax; and (c) the use of the revenue derived from the tax; and (d) if the proposed tax is a general tax, the phrase “for general government use.” In addition, no advisory measure may appear on the same ballot that would indicate that the revenue from the general tax will, could or should be used for specific purposes.
- require that any special tax, whether proposed by the governing body or by an elector, be approved by a two-thirds (2/3) vote of the electorate.
- state that the local government bears the burden of proving by *clear and convincing evidence* (as opposed to a preponderance of the evidence) that: (a) a levy, charge or exaction is an exempt charge and not a tax; and (b) the amount of the exempt charge is reasonable and that the amount charged does not exceed the actual cost of providing the service or product to the payor.
- state that any tax or exempt charge adopted after January 1, 2022, but prior to the effective date of the Taxpayer Act, which was not adopted in compliance with the requirements thereof is void 12 months after the effective date of the Taxpayer Act, if adopted, unless the tax or exempt charge is reenacted in compliance with the provisions of the Taxpayer Act.

The City cannot predict whether the Taxpayer Act will be approved by the voters casting a ballot at the November 5, 2024 Statewide election. If the Taxpayer Act is approved, the City cannot provide any assurances as to the effect of the implementation or judicial interpretations of the Taxpayer Act on the finances of the State or the City.

In September 2023, California Governor Gavin Newsom and the State Legislature filed an Emergency Petition For Writ Of Mandate with the California Supreme Court arguing that the Taxpayer Act is an unlawful attempt to revise the California Constitution and would impede the government’s ability to provide the essential functions of government. The Writ seeks the removal of the Taxpayer Act from the November 2024 Statewide general election. On November 29, 2023, the California Supreme Court granted a hearing. There can be no assurance as to the outcome and timing of any California Supreme Court decision with respect to the Writ.

### **Loss of Tax Exemption**

In order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds, the Authority and the City have covenanted to comply with the applicable requirements of Section 148 and certain other sections of the Internal Revenue Code of 1986, as

amended, relative to arbitrage and avoidance of characterization as private activity bonds, among other things. The interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds as a result of acts or omissions of the Authority and/or the City in violation of their covenants. Should such an event of taxability occur, the Bonds are not subject to acceleration, redemption or any increase in interest rates and will remain Outstanding until maturity or until redeemed under one of the redemption provisions contained in the Indenture. See "TAX MATTERS."

### **Secondary Market**

There can be no assurance 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, pricing of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could substantially differ from the original purchase price.

### **LIMITATIONS ON REVENUES AND APPROPRIATIONS**

There are a number of provisions in the State of California Constitution that limit the ability of the City to raise and expend revenues. Contained below is a description of some of these limitations. In addition to the ones discussed in this section below, other initiative measures could be adopted from time to time further affecting the City's revenues and finances.

#### **Property Tax Limitations - Article XIII A**

California voters, on June 6, 1978, approved an amendment (commonly referred to as "Proposition 13" or the "Jarvis-Gann Initiative") to the California Constitution. This amendment, which added Article XIII A to the California Constitution, among other things, affects the valuation of real property for the purpose of taxation in that it defines the 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." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed two percent 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 damage, destruction or other factors.

Article XIII A further limits the amount of any *ad valorem* tax on real property to one percent of the full cash value except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978. In addition, an amendment to Article XIII was adopted in August 1986 by initiative that exempts from the one percent limitation any bonded indebtedness approved by two-thirds of the votes cast by voters for the acquisition or improvement of real property. On December 22, 1978, the California Supreme Court upheld the amendment over challenges on several state and federal constitutional grounds (*Amador Valley Joint Union School District v. State Board of Equalization*).

In the general election held on November 4, 1986, voters of the State of California approved two measures, Propositions 58 and 60, which further amended Article XIII A. Proposition 58 amended Article XIII A to provide that the terms "purchased" and "change of ownership," for purposes of determining full cash value of property under Article XIII A, do 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 amended Article XIII A to

permit the Legislature to allow persons over age 55 who sell their residence to buy or build another of equal or lesser value within two years in the same county, to transfer the old residence's assessed value to the new residence. Pursuant to Proposition 60, the Legislature has enacted legislation permitting counties to implement the provisions of Proposition 60.

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 damage, destruction or other factors, 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 certain other minor or technical ways.

### **Article XIII A Implementing Legislation**

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1978.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated among the various jurisdictions in the "taxing area" based on their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in the 1981-82 fiscal year, assessors in California no longer record property values on tax rolls at the assessed value of 25 percent of market value, which was expressed as \$4 per \$100 of assessed value. All taxable property is now shown at full market value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. Unless otherwise noted, all taxable property value included in this Official Statement (unless noted differently) is shown at 100 percent of market value and all tax rates reflect the \$1 per \$100 of taxable value.

### **Challenges to Article XIII A**

California trial and appellate courts have upheld the constitutionality of Article XIII A's assessment rules in three significant cases. The United States Supreme Court, in an appeal to one of these cases, upheld the constitutionality of Article XIII A's tax assessment system. The City cannot predict whether there will be any future challenges to California's present system of property tax assessment and cannot evaluate the ultimate effect on the City's receipt of property tax revenues should a future decision hold unconstitutional the method of assessing property.

### **Appropriations Limitations: Article XIII B**

On November 6, 1979, California voters approved Proposition 4, the so-called Gann Initiative, which added Article XIII B to the California Constitution. Article XIII B limits the annual appropriations of the State and any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted annually for changes in the cost of living, population and services rendered by the government entity. The "base year" for establishing such appropriations limit is the 1978-79 fiscal year, and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies. Revenues received in excess of the appropriations limit must be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

## **Propositions 218 and 26: Article XIII C and Article XIII D**

On November 5, 1996, California voters approved Proposition 218, "the Right to Vote on Taxes Act." Proposition 218 added Articles XIII C and XIII D to the California Constitution, providing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments, and property-related fees and charges.

The general financial condition of the City may be affected by provisions of Article XIII C and Article XIII D. In particular, provisions of Article XIII C (i) require taxes for general governmental purposes to be approved by a majority vote and taxes for specific purposes, even if deposited into the General Fund, to be approved by two-thirds vote, (ii) require any general purpose tax which the City imposed, extended or increased, without voter approval, after December 31, 1994, to be approved by majority vote on November 5, 1998 and (iii) provide that all taxes, assessments, fees and charges to reduction or repeal at any time through the initiative process, subject to overriding constitutional principles relating to the impairment of contracts. Provisions of Article XIII D that affect the ability of the City to fund certain services or programs that it may be required or choose to fund include (i) adding notice, hearing, protest and, in some cases, voter approval requirements to impose, increase or extend certain assessments, fees and charges and (ii) adding stricter requirements for finding individualized benefits associated with such levies.

On November 2, 2010, California voters approved Proposition 26, the "Supermajority Vote to Pass New Taxes and Fees Act." Relevant to local governments, Proposition 26 amended Article XIII C of the California Constitution by adding an expansive definition for the term "tax," which previously was not defined under the California Constitution. As a result, Proposition 26 requires a local government to obtain two-thirds voter approval for many fees, charges and levies that a local government was previously authorized to adopt by a majority vote of its legislative body. Specifically, Proposition 26 defines a "tax" as any levy, charge, or exaction of any kind imposed by a local government except those enumerated in seven specified exceptions, as follows:

- (1) A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.
- (2) A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.
- (3) A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.
- (4) A charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property.
- (5) A fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law.
- (6) A charge imposed as a condition of property development.
- (7) Assessments and property-related fees imposed in accordance with the provisions of Article XIII D.

In the event that the City cannot properly impose a charge, which constitutes a "tax" pursuant to Article XIII, the City would have to choose whether to reduce or eliminate the services financed by

such tax or to finance such services from its General Fund. The foregoing discussion of Proposition 218 should not be considered an exhaustive or authoritative treatment of the provisions of Proposition 218 or the possible effects of Propositions 218 or 26. Interim rulings, final decisions, legislative proposals and legislative enactments affecting Propositions 218 and 26 may impact the City's ability to make Rental Payments. The City does not expect to be in a position to control the consideration or disposition of these issues and cannot predict the timing or outcome of any judicial or legislative activity related to these issues.

### **Proposition 62**

On November 4, 1986, California voters adopted Proposition 62, which requires that (i) any local tax for general governmental purposes (a "general tax") must be approved by a majority vote of the electorate; (ii) any local tax for specific purposes (a "special tax") must be approved by a two-thirds vote of the electorate; (iii) any general tax must be proposed for a vote by two-thirds of the legislative body; and (iv) proceeds of any tax imposed in violation of the vote requirements must be deducted from the local agency's property tax allocation.

Most of the provisions of Proposition 62 were affirmed by the 1995 California Supreme Court decision in *Los Angeles County Local Transportation Authority v. Guardino*, which invalidated a special sales tax for transportation purposes because fewer than two-thirds of the voters voting on the measure had approved the tax. The City does not believe any of the taxes constituting City revenues are levied in violation of Proposition 62.

### **Unitary Property**

AB 454 (Chapter 921, Statutes of 1986) provides that revenues derived from most utility property assessed by the State Board of Equalization ("Unitary Property"), commencing with the 1988-89 fiscal year, will be allocated as follows: (i) each jurisdiction will receive up to 102 percent of its prior year State-assessed revenue; and (ii) if county-wide revenues generated from Unitary Property are less than the previous year's revenues or greater than 102 percent of the previous year's revenues, each jurisdiction will share the burden of the shortfall or benefit of the excess revenues by a specified formula. This provision applies to all Unitary Property except railroads, whose valuation will continue to be allocated to individual tax rate areas.

The provisions of AB 454 do not constitute an elimination of the assessment of any State-assessed properties nor a revision of the methods of assessing utilities by the State Board of Equalization. Generally, AB 454 allows valuation growth or decline of Unitary Property to be shared by all jurisdictions in a county.

### **ABSENCE OF LITIGATION**

To the Authority's and the City's knowledge, there is no litigation pending or threatened to restrain or enjoin the issuance, execution or delivery of the Bonds, to contest the validity of the Bonds, the Indenture, the Lease, the Sublease or any proceedings of the City or the Authority with respect thereto. In the opinion of the Authority and its counsel, there is no lawsuit or claim pending against the Authority which will materially impair the Authority's ability to enter into the Indenture or restrain or enjoin the collection of Revenues as contemplated therein. In the opinion of the City and its counsel, there is no lawsuit or claim pending against the City which will materially impair the City's ability to enter into the Sublease or restrain or enjoin the payment of Base Rental Payments.

## CONTINUING DISCLOSURE

The City has undertaken for the benefit of holders and beneficial owners of the Bonds to provide certain financial information relating to the City and other data by not later March 1 of each year (the "Annual Report"), commencing March 1, 2025 with the report for the 2023-24 fiscal year, and to provide notices of the occurrence of certain enumerated events. The Annual Report, and any notice of material event will be filed by the City or Digital Assurance Certification, LLC, as the Dissemination Agent on behalf of the City, with the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access System (referred to as "EMMA"), at [www.emma.msrb.org](http://www.emma.msrb.org). The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in "APPENDIX E – FORM OF CONTINUING DISCLOSURE AGREEMENT." This undertaking has been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) (the "Rule") promulgated by the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended.

A failure by the City to comply with the provisions of the Continuing Disclosure Agreement is not an event of default under the Indenture (although the holders and beneficial owners of the Bonds do have remedies at law and in equity). However, a failure to comply with the provisions of the Continuing Disclosure Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds. Therefore, a failure by the City to comply with the provisions of the Continuing Disclosure Agreement may adversely affect the marketability of the Bonds on the secondary market.

A review of the City's prior compliance with its continuing disclosure obligations under the Rule reveals that it has complied, in all material respects, with its continuing disclosure requirements during the past five years.

## LEGAL MATTERS

The legality of the issuance of the Bonds is subject to the approval of Richards, Watson & Gershon, A Professional Corporation, Los Angeles, California, Bond Counsel. Bond Counsel's opinions with respect to the Bonds will be substantially in the forms set forth in APPENDIX B of this Official Statement.

## TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issue. These requirements include, but are not limited to, provisions which limit how the proceeds of the Bonds may be spent and invested, and generally require that certain investment earnings be rebated on a periodic basis to the United States of America. The City and the Authority have made certifications and representations and have covenanted to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code.

In the opinion of Richards, Watson & Gershon, A Professional Corporation, Bond Counsel, under existing law and assuming the accuracy of such certifications and representations by, and compliance with such covenants of, the City and the Authority, 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; however, for tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not

excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that, under existing law, interest on the Bonds is exempt from State of California personal income taxes. Bond counsel expresses no opinion as to any other tax consequences regarding the Bonds.

Under the Code, interest on the Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds. Bond Counsel will express no opinion regarding these and other such consequences.

Bond Counsel has not undertaken to advise in the future whether any circumstances or events occurring after the date of issue of the Bonds may affect the tax status of interest on the Bonds. Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the California legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. No assurance can be given that legislation enacted or proposed, or actions by a court, after the date of issue of the Bonds, will not eliminate, or directly or indirectly reduce the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes, or have an adverse effect on the market value or marketability of the Bonds. Investors should consult their own financial and tax advisors to analyze the importance of these risks.

For example, federal tax legislation enacted on December 22, 2017, reduced corporate tax rates, modified individual tax rates, eliminated many deductions, and generally eliminated the tax-exempt advance refunding of tax-exempt bonds and other tax advantaged bonds, among other things. In addition, investors in the Bonds should be aware that future legislative actions might increase, reduce, or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be adversely affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change.

Certain requirements and procedures contained or referred to in relevant documents may be changed and certain actions may be taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of nationally recognized bond counsel. Bond Counsel expresses no opinion as to any Bond, or the interest thereon, if any such change occurs or action is taken upon the advice or approval of bond counsel other than Richards, Watson & Gershon, A Professional Corporation.

If the issue price of a Bond (the first price at which a substantial amount of the bonds of a maturity are sold to the public) is less than the stated redemption price at maturity of such Bond, the difference constitutes original issue discount, the accrual of which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. Further, such original issue discount accrues actuarially on a constant yield method over the term of each such Bond and the basis of each Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for



purposes of determining various other tax consequences of owning such Bonds. Purchasers who acquire Bonds with original issue discount are advised that they should consult with their own independent tax advisors with respect to the state and local tax consequences of owning such Bonds.

If the issue price of a Bond is greater than the stated redemption price at maturity of such Bond, the difference constitutes original issue premium, the amortization of which is not deductible from gross income for federal income tax purposes. Original issue premium is amortized over the period to maturity of such Bond based on the yield to maturity of that Bond (or, in the case of a Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Bond), compounded semiannually. For purposes of determining gain or loss on the sale or other disposition of such Bond, the purchaser is required to decrease such purchaser's adjusted basis in such Bond by the amount of premium that has amortized to the date of such sale or other disposition. As a result, a purchaser may realize taxable gain for federal income tax purposes from the sale or other disposition of such Bond for an amount equal to or less than the amount paid by the purchaser for that Bond. A purchaser of that Bond in the initial public offering at the issue price for that Bond who holds it to maturity (or, in the case of a callable Bond, to its earlier call date that results in the lowest yield on that Bond) will realize no gain or loss upon its retirement.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If an owner of a Bond is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Prospective purchasers of the Bonds should consult their own independent tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Bonds at other than their original issuance at the respective prices indicated on the inside cover of this Official Statement should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City, the Authority or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the Authority as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to participate in the audit or to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX B.

#### **MUNICIPAL ADVISOR**

Columbia Capital Management, LLC has acted as municipal advisor to the Authority and the City concerning the Bonds. The municipal advisor is an independent municipal advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities.

## UNDERWRITING

Raymond James & Associates, Inc., as underwriter (the "Underwriter"), has agreed, subject to certain conditions, to purchase the 2024A Bonds at a purchase price of \$\_\_ (equal to the principal amount of the 2024A Bonds, [plus/less] original issue [premium/discount] of \$\_\_ and less an underwriter's discount of \$\_\_), and the 2024B Bonds at a purchase price of \$\_\_ (equal to the principal amount of the 2024B Bonds, [plus/less] original issue [premium/discount] of \$\_\_ and less an underwriter's discount of \$\_\_) The Underwriter intends to offer the Bonds to the public initially at the prices set forth on the inside cover page of this Official Statement, which prices may subsequently change without any requirement of prior notice.

## RATINGS

S&P Global Ratings ("S&P") has assigned its rating of "\_\_" to the Bonds. Such rating reflects only the views of S&P and any explanation of the significance of such ratings may be obtained only 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, suspended, or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision, suspension or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

## FINANCIAL STATEMENTS

The City's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023 (the "ACFR"), attached as Appendix A hereto, was audited by Lance, Soll & Lunghard, LLP, Brea, California (the "Auditor"). The Auditor was not requested to consent to the inclusion of its report in Appendix A and it has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness, or fairness of the statements made in the Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to its report. See "APPENDIX A – CITY OF AGOURA HILLS ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2023."

## MISCELLANEOUS

All of the preceding description and summaries of the Bonds, the Indenture and the Sublease, other applicable agreements, legislation and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the City for further information in connection therewith.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The Authority and the City have duly authorized the execution and delivery of this Official Statement by their duly authorized officers.

**AGOURA HILLS IMPROVEMENT AUTHORITY**

By: \_\_\_\_\_  
Nathan Hamburger  
Chief Administrative Officer

**CITY OF AGOURA HILLS**

By: \_\_\_\_\_  
Nathan Hamburger  
City Manager

**APPENDIX A**

**CITY OF AGOURA HILLS ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR YEAR ENDED JUNE 30, 2023**

## APPENDIX B

### FORM OF OPINION OF BOND COUNSEL

*Upon issuance and delivery of the Bonds, Richards, Watson & Gershon, A Professional Corporation, as Bond Counsel, proposes to render its final approving opinion in substantially the following form:*

[closing date], 2024

Agoura Hills Improvement Authority  
30001 Ladyface Court  
Agoura Hills, California 91301

#### Opinion of Bond Counsel

with reference to

[\$[Series A principal amount]  
Agoura Hills Improvement Authority  
Lease Revenue Bonds  
Series 2024A

[\$[Series B principal amount]  
Agoura Hills Improvement Authority  
Lease Revenue Refunding Bonds  
Series 2024B

Ladies and Gentlemen:

We have examined (i) a record of proceedings relating to the issuance of the above-captioned Series 2024A Bonds (the "**2024A Bonds**") and the Series 2024B Bonds (the "**2024B Bonds**," and together with the 2024A Bonds, the "**Bonds**") of the Agoura Hills Improvement Authority, a joint powers authority (the "**Authority**"), (ii) the Indenture, dated as of November 1, 2016, by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as predecessor trustee to U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"), as amended by the First Supplemental Indenture, dated as of March 1, 2024, by and between the Authority and the Trustee (collectively, the "**Indenture**"), (iii) the Lease Agreement, dated as of November 1, 2016 (the "**Lease**"), by and between the City of Agoura Hills (the "**City**") and the Authority, (iv) the Sublease, dated as of November 1, 2016, as amended by the First Amendment to Sublease (collectively, the "**Sublease**"), each by and between the Authority and the City, (v) the Assignment Agreement, dated as of November 1, 2016 (the "**Assignment Agreement**"), by and between the Authority and the Trustee; and (vi) such other matters of law as we have deemed necessary to enable us to render the opinions expressed herein. As to questions of fact material to this opinion, we have relied upon such certificates and documents without undertaking to verify the same by independent investigation. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Indenture.

The Bonds are issued under and pursuant to the Indenture, the provisions relating to the joint exercise of powers found in Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, as amended (the "**Act**"), including the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of the Act. The 2024A Bonds are issued for the purpose of assisting the City in financing the costs of construction of the City's outdoor lineal recreation area, known as the Ladyface Greenway project. The 2024B Bonds are issued

to effect a refunding of all of the Authority's remaining outstanding Lease Revenue Bonds, Series 2013.

Based upon such examination, we are of the opinion under existing law that:

1. The Indenture has been duly and lawfully authorized, executed and delivered by the Authority. Assuming due authorization, execution and delivery by the Trustee, the Indenture is in full force and effect in accordance with its terms and is valid and binding upon the Authority and enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create of the Revenues and certain funds established by the Indenture (including the investments, if any, thereof), subject to the provisions of the Indenture permitting the application thereof for the purposes, and on the terms and conditions set forth in the Indenture.

2. The Authority is duly authorized and entitled to issue the Bonds. The Bonds have been duly and validly authorized and issued by the Authority in accordance with the Constitution and statutes of the State of California, including the Act, and in accordance with the Indenture. The Bonds constitute the valid and binding obligations of the Authority as provided in the Indenture, are enforceable in accordance with their terms and the terms of the Indenture and entitled to the benefits of the Act and the Indenture. The Bonds are not an obligation of the State of California, any public agency thereof (other than the Authority), or any member of the Authority and neither the faith and credit nor the taxing power of the State of California or any public agency thereof or any member of the Authority is pledged for the payment of the Bonds. The Authority has no taxing power.

3. The Authority and the City have duly authorized, executed and delivered the Lease, the Sublease, and the Assignment Agreement, as applicable. The Lease and the Sublease constitute the valid and binding agreements of the Authority and the City enforceable according to their respective terms. The obligation of the City to make Base Rental Payments during the term of the Sublease constitutes a valid and binding obligation of the City, payable from funds of the City lawfully available therefor, and does not constitute a debt of the City or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the City or the State of California is obligated to levy or pledge any form of taxation or for which the City or the State of California has levied or pledged any form of taxation.

4. Interest on the Bonds is exempt from personal income taxes of the State of California.

5. Assuming compliance with the covenants described below, interest on the Bonds is excluded from gross income for federal income tax purposes. The Bonds are not "specified private activity bonds" within the meaning of Section 57(a)(5) of the Internal Revenue Code of 1986, as amended (the "Code") and, therefore, interest on the Bonds will not be treated as an item of tax preference for purposes of the federal individual alternative minimum tax, although we observe that, for tax years beginning after December 31, 2022, such interest included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax.

The Code sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issue of the Bonds. The

City has covenanted to satisfy, or take such actions as may be necessary to cause to be satisfied, each provision of the Code necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

Certain requirements and procedures contained or referred to in the Indenture and other relevant documents may be changed and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of nationally recognized bond counsel. We express no opinion as to any Bond, or the interest thereon, if any change occurs or action is taken or omitted upon the advice or approval of any counsel other than ourselves.

Except as stated in the foregoing paragraphs numbered 4 and 5 and the paragraph immediately following paragraph 5, we express no opinion as to any federal or state tax consequences of the ownership or disposition of the Bonds.

The opinions expressed herein are qualified to the extent that the enforceability of the Indenture, the Bonds, the Lease and the Sublease may be limited by applicable bankruptcy, insolvency, debt adjustment, receivership, fraudulent conveyance or transfer, moratorium, reorganization, arrangements or other laws affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State or other laws or equitable principles affecting the enforcement of creditors' rights generally. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents. We do not express any opinion with respect to the quality of title to, or interests in, any of the real or personal property subject to the lien of the Lease or Sublease or with respect to the accuracy or sufficiency of the description of any real property contained therein and in the Indenture. Without limiting the foregoing, we have assumed compliance with all agreements and covenants contained in the Indenture.

The opinions expressed herein are based on an analysis of existing law and cover certain matters not directly addressed thereby. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof, and we have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. We have assumed the genuineness of all documents and signatures presented to us. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in such documents. No opinion is expressed in this letter regarding the accuracy, completeness or fairness of the Official Statement or any other offering material relating to the Bonds.

Respectfully submitted,

Richards, Watson & Gershon,  
A Professional Corporation

**APPENDIX C**  
**SUMMARY OF PRINCIPAL LEGAL DOCUMENTS**



## APPENDIX D

### DTC'S BOOK-ENTRY ONLY SYSTEM

*The information in this Appendix D concerning The Depository Trust Company ("DTC"), New York, New York, and DTC's book-entry system has been obtained from DTC. The Authority and the City take no responsibility for the completeness or accuracy thereof. The City and the Authority cannot give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners: (i) payments of interest, principal or premium, if any, with respect to the Bonds, (ii) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (iii) 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 without error, 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.*

The Depository Trust Company ("DTC"), New York, NY, 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. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all of the Bonds 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 the Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds 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.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

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

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

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

**APPENDIX E**  
**FORM OF CONTINUING DISCLOSURE AGREEMENT**

Section 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and 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 Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first written above.

CITY OF AGOURA HILLS

---

Nathan Hamburger  
City Manager

DIGITAL ASSURANCE CERTIFICATION LLC  
as Dissemination Agent

---

Sharon Stringfellow  
Assistant Vice President-Client Service Manager

Exhibit G

*Form of Continuing Disclosure Agreement*

**APPENDIX E**  
**FORM OF CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (the “**Disclosure Agreement**”), dated as of March 1, 2024 is executed and delivered by the City of Agoura Hills, California (the “**City**”) and Digital Assurance Certification LLC, as dissemination agent (the “**Dissemination Agent**”) in connection with the issuance by the Agoura Hills Improvement Authority (“**Authority**”) of its \$\_\_ aggregate principal amount of Lease Revenue Bonds, Series 2024A (the “**2024A Bonds**”) and \$\_\_ aggregate principal amount of Lease Revenue Refunding Bonds, Series 2024B (the “**2024B Bonds**” and together with the 2024A Bonds, the “**Bonds**”). The Bonds are being issued pursuant to an Indenture, dated as of November 1, 2016, as supplemented by a First Supplemental Indenture, dated as of March 1, 2024 (collectively, the “**Indenture**”), each by and between the City and U.S. Bank Trust Company, National Association (the “**Trustee**”), as successor trustee to the Bank of New York Mellon Trust Company, N.A. The City and the Dissemination Agent covenant and agree as follows:

Section 1.     Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City and the Dissemination Agent for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

Section 2.     Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“**Dissemination Agent**” shall mean Digital Assurance Certification LLC, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“**Financial Obligation**” shall mean a: (A) Debt obligation; (B) Derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) Guarantee of any financial obligation outlined in the foregoing (A) or (B). 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.

“**Listed Events**” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board.

“**Obligated Person**” shall mean any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person

committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

“**Official Statement**” shall mean the final Official Statement, dated \_\_, 2024, relating to the Bonds.

“**Participating Underwriter**” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“**Rule**” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**Section 3. Provision of Annual Reports.**

(a) The City shall, or shall cause the Dissemination Agent to, not later than March 1 after the end of the City’s fiscal year of each year, commencing March 1, 2025 with the report for the 2023-2024 fiscal year, provide to the MSRB, in an electronic format accompanied by identifying information as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. 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 Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than fifteen (15) business days prior to the date specified in subsection (a) above for providing the Annual Report to the MSRB, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the first sentence of this subsection (b). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder.

If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall promptly send a notice to the MSRB, in an electronic format as prescribed by the MSRB.

(c) The Dissemination Agent (if other than the City) shall, if and to the extent, the City has provided an Annual Report in final form to the Dissemination Agent for dissemination, file a report with the City certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Agreement, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements of the City 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 City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not contained in the audited financial statements filed pursuant to the preceding subsection (a) by the date required by Section 3 hereof, the following information:

1) The principal amount of Bonds outstanding as of June 2 preceding the filing of the Annual Report.

2) The tabular financial information and operating data contained in the Official Statement under the following section headings presented on an annual basis, for the subject Fiscal Year:

- (i) Table 8, General Fund Budget Summary;
- (ii) Table 9, General Fund Balance Sheets;
- (iii) Table 10, Statements of Revenues, Expenditures and Changes in General Fund Balance;
- (iv) Table 11, Property Tax, Sales Tax, and Transient Occupancy Tax Revenues;
- (v) Table 13, Assessed Values of All Taxable Property; and
- (vi) Table 14, Top Twenty Taxpayers Based on Local Secured Assessed Value.

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 City or related public entities, which have been available to the public on the MSRB's internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.



Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds, which notice shall be given in a timely manner, not in excess of ten (10) business days after the occurrence of such Listed Event:

- 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 Obligated Person;
- 13) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the 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 Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
- 16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

(b) The Dissemination Agent shall, within one (1) business day after obtaining knowledge of the occurrence of any of the events listed in Section 5(a) (1), (3), (4), (5), (6), (9), (11), (12) or (16) inform the City of the occurrence of such event. As soon as reasonably practicable after obtaining knowledge of the occurrence of such event, the City shall, or shall cause the Dissemination Agent to, file in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, a notice of such occurrence with the MSRB.

(c) The Dissemination Agent shall, within one (1) business day after obtaining knowledge of the occurrence of any of any of the events listed in Section 5(a) (2), (7), (8), (10), (13), (14), or (15) inform the City of the occurrence of such event and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d).

(d) Whenever the City obtains knowledge of the occurrence of any event specified in Section 5(a) (2), (7), (8), (10), (13), (14) or (15), the City shall as soon as possible, in order to meet the ten (10) business day deadline to file notices required under the Rule and pursuant to the following sentence, determine if such event would be material under applicable Federal securities law. If the City determines that knowledge of the occurrence of such event would be material under applicable Federal securities law, the City shall, or shall cause the Dissemination Agent to, file in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, a notice of such occurrence with the MSRB, in an electronic format accompanied by identifying information as prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 7. Dissemination Agent.

(a) The City hereby appoints and engages Digital Assurance Certification LLC as the Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Agreement. The City may replace the Dissemination Agent with or without cause. If at the time there is no designated Dissemination Agent appointed by the City, the City shall be the Dissemination Agent and undertake or assume its obligations hereunder.

Any company succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor to the Dissemination Agent hereunder without the execution or filing of any paper or any further act. The Dissemination Agent may resign its duties hereunder by giving 30-days written notice to the City.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees agreed to between the Dissemination Agent and the City from time to time and for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, holders or beneficial owners of the Bonds or any other party. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any direction from the City or an opinion of bond counsel.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City and the Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to 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 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 financial information 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 the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB in the same manner as for a Listed Event under Section 5(b).

No amendment to this Agreement which modifies the duties or rights of the Dissemination Agent shall be made without the prior written consent of the Dissemination Agent. The Dissemination Agent may rely conclusively on any opinion of bond counsel delivered pursuant to the provisions of this Section 8, and shall have no duty to determine or liability for failing to determine whether any amendment made pursuant to this Section 8 is consistent with guidance provided by the Securities and Exchange Commission with regard to permitted amendments, or the manner of effecting such amendments, under the Rule.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any 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 City or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it 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 be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the MSRB, or any other party. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any direction from the City or an opinion of bond counsel. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. No person shall have any right to commence any action against the Dissemination Agent seeking any remedy other than to compel specific performance of this Agreement. The Dissemination Agent shall not be liable under any circumstances for monetary damages to any person for any breach of this Agreement.

Section 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the City: City of Agoura Hills  
30001 Ladyface Court  
Agoura Hills, California 91301  
Attention: City Manager  
Fax: (818) 597-7352

To the Dissemination Agent: Digital Assurance Certification LLC  
315 E. Robinson Street, Suite 300  
Orlando, Florida 32801  
Attention: Sharon Stringfellow,  
Assistant Vice President-Client Service Manager  
Phone: 407-515-1100  
Fax: 407-515-6513  
E-mail: sharon@dacbond.com

Section 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and 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 Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first written above.

CITY OF AGOURA HILLS

---

Nathan Hamburger  
City Manager

DIGITAL ASSURANCE CERTIFICATION LLC  
as Dissemination Agent

---

Sharon Stringfellow  
Assistant Vice President-Client Service Manager

Exhibit H

*Escrow Agreement*

**ESCROW AGREEMENT**

by and among

AGOURA HILLS IMPROVEMENT AUTHORITY,

CITY OF AGOURA HILLS

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,  
as 2013 Bonds Trustee and Escrow Agent

Dated as of March 1, 2024

Relating to the Defeasance and Redemption of

\$2,930,000 outstanding principal amount of  
Agoura Hills Improvement Authority  
Lease Revenue Bonds  
Series 2013



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SCHEDULE A – REFUNDING REQUIREMENTS

SCHEDULE B – ESCROW SECURITIES

APPENDIX A – FORM OF NOTICE OF FULL OPTIONAL REDEMPTION AND DEFEASANCE  
AND TERMINATION OF CONTINUING DISCLOSURE REPORTING OBLIGATION

## ESCROW AGREEMENT

This Escrow Agreement (this “**Agreement**”), is dated as of March 1, 2024, by and among the Agoura Hills Improvement Authority, a joint exercise of powers authority duly organized and existing pursuant to the laws of the State of California (the “**Authority**”), the City of Agoura Hills (the “**City**”), a public body, corporate and politic, duly formed and existing pursuant to the laws of the State of California, and U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America, as 2013 Bonds Trustee (defined below) and escrow agent (the “**Escrow Agent**”).

### RECITALS:

A. The Authority is a joint powers authority duly organized and existing under and pursuant to the provisions of Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the “**Act**”) and is authorized pursuant to Article 4 of the Act (commencing with Section 6584 of the California Government Code) to borrow money for the purpose of financing and refinancing public capital improvements.

B. The Agoura Hills Improvement Authority is issuing \$[Series B principal amount] aggregate principal amount of its Lease Revenue Refunding Bonds, Series 2024B (the “**2024B Bonds**”) pursuant to an Indenture, dated as November 1, 2016, as supplemented by a First Supplemental Indenture, dated as of March 1, 2024 (collectively, the “**2024 Indenture**”), by and between the Agoura Hills Improvement Authority and U.S. Bank Trust Company, National Association, as trustee (the “**2024 Trustee**”).

C. The Authority previously issued its \$3,675,000 original principal amount of Lease Revenue Bonds, Series 2013 (the “**2013 Bonds**”) pursuant to an Indenture, dated as of September 1, 2013 (the “**2013 Indenture**”), by and between the Authority and U.S. Bank Trust Company, National Association, successor trustee to The Bank of New York Mellon Trust Company, N.A. (the “**2013 Bonds Trustee**”).

D. In connection with the issuance of the 2013 Bonds, the Authority and the City entered into a Sublease Agreement, dated as of September 1, 2013 (the “**2013 Sublease**”), pursuant to which the City is obligated to make certain Base Rental payments (as defined in the 2013 Sublease).

E. The 2024B Bonds are being issued to effect a prepayment of the Base Rental payments and a corresponding refunding of all of the 2013 Bonds outstanding in the amount of \$2,930,000 (the “**Refunded 2013 Bonds**”).

F. Pursuant, and subject, to the terms of the 2013 Indenture, if there has been deposited with the Escrow Agent, to be held in escrow, cash or qualified securities (or a combination thereof) which shall provide sufficient moneys to pay and redeem the Refunded 2013 Bonds through a designated redemption date, then the Authority’s obligations with

respect to the Refunded 2013 Bonds shall be discharged and the lien with respect to the Refunded 2013 Bonds under the 2013 Indenture shall cease (except for the payment thereof from the moneys held in escrow by the Escrow Agent) and the Refunded 2013 Bonds shall be defeased.

G. Pursuant to the 2024 Indenture and this Agreement, the Agoura Hills Improvement Authority will cause to be transferred to the Escrow Agent, a portion of the sale proceeds of 2024B Bonds, together with other moneys, for the deposit into the escrow fund (the “**Escrow Fund**”) established under this Agreement, to effect the defeasance of the Refunded 2013 Bonds.

H. The deposit of moneys in the Escrow Fund will be concurrently deemed a prepayment pursuant to the 2013 Sublease of that portion of the Base Rental payments which corresponds to the Refunded 2013 Bonds.

I. The Authority and the City are entering into this Agreement in order to provide for the proper and timely application of the proceeds from the 2024B Bonds and other moneys towards the defeasance and the payment and redemption of the Refunded 2013 Bonds.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

Section 1. Definitions. Unless the context clearly requires otherwise, capitalized terms used in this Agreement shall have the meanings ascribed to them in the introductory paragraph and the Recitals hereof, or if not therein, in the 2013 Indenture or 2013 Sublease. In addition, as used herein, the following terms shall have the following meanings:

“Bond Counsel” means Richards, Watson & Gershon, A Professional Corporation, or such other attorney or firm of attorneys experienced in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code selected by the Authority and the City.

“Closing Date” means March \_\_\_\_, 2024, the date on which the 2024B Bonds are being issued.

“Code” means the Internal Revenue Code of 1986, as amended.

“Escrow Fund” means the fund by that name established by the Escrow Agent pursuant to Section 4.

“Escrow Securities” means the Investment Securities set forth in Schedule B attached hereto.

“Investment Securities” means any of the following non-callable securities: (a) obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the

U.S., including U.S. treasury obligations, all direct or fully guaranteed obligations, Farmers Home Administration, General Services Administration, Guaranteed Title XI financing, Government National Mortgage Association (GNMA), and State and Local Government Series; or (b) the following obligations of Government-Sponsored Agencies that are not backed by the full faith and credit of the U.S. Government - Federal Home Loan Mortgage Corp. (FHLMC) Debt obligations, Farm Credit System (formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives), Federal Home Loan Banks (FHL Banks), Federal National Mortgage Association (FNMA) Debt obligations, Financing Corp. (FICO) Debt obligations, Resolution Funding Corp. (REFCORP) Debt obligations, and U.S. Agency for International Development (U.S.A.I.D.) Guaranteed notes which mature at least four business days before the appropriate payment date.

“Redemption Date” means March \_\_, 2024.

“Refunded 2013 Bonds” means the 2013 Bonds to be defeased and redeemed pursuant to this Agreement, as further described in Schedule A.

“Refunding Requirements” means an amount sufficient to pay (i) all installments of interest on the Refunded 2013 Bonds prior to the Redemption Date, and (ii) the principal, interest and the redemption premium (if any) with respect to the Refunded 2013 Bonds on the Redemption Date, all as set forth in Schedule A.

Section 2. Escrow Agent’s Acceptance of Duties. The Escrow Agent hereby accepts the duties and obligations expressly provided in this Agreement and agrees that the irrevocable instructions to the Escrow Agent contained herein are in a form satisfactory to it.

Section 3. Incorporation of Indenture. The applicable and necessary provisions of the 2013 Indenture, including redemption and defeasance provisions set forth in Articles II and X of the 2013 Indenture are incorporated herein by reference. Reference herein to, or citation herein of, any provisions of the 2013 Indenture shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

Section 4. Escrow Fund; Deposits.

(a) There is hereby created and established with the Escrow Agent a special and irrevocable trust fund designated the “Escrow Fund,” to be held by the Escrow Agent separate and apart from all other funds of the Authority, the City, the 2013 Bonds Trustee, or the Escrow Agent and used only for the purposes and in the manner provided in this Agreement. The Escrow Fund constitutes a special and irrevocable trust fund for purposes of effecting the defeasance of the Refunded 2013 Bonds.

(b) On the Closing Date, the Authority shall cause to be transferred to the Escrow Agent a portion of the proceeds of the 2024B Bonds for deposit in the Escrow Fund, in the amount of \$\_\_\_\_.

(c) On the Closing Date, the 2013 Bonds Trustee shall also release and transfer \$\_\_\_\_\_ from the funds and accounts established under the 2013 Indenture for deposit in the Escrow Fund.

Section 5. Maintenance of Escrow Fund.

(a) The Escrow Agent, upon receipt of the moneys described in Section 4, shall immediately invest \$\_\_\_ of such moneys in the Escrow Securities described in Schedule B and deposit such Escrow Securities in the Escrow Fund, and deposit the remaining \$\_\_\_ in the Escrow Fund to hold uninvested. The Escrow Agent is hereby authorized and empowered to deposit uninvested monies held hereunder from time to time in demand deposit accounts, without payment of interest thereon as provided hereunder, established at commercial banks that are corporate affiliates of the Escrow Agent.

(b) Notwithstanding the foregoing or any other provision of this Agreement to the contrary, at the written request of the Authority and the City and upon compliance with the conditions hereinafter set forth, the Escrow Agent shall have the power to sell, transfer, request the redemption of or otherwise dispose of some or all of the Escrow Securities in the Escrow Fund and to substitute Investment Securities. The foregoing may be effected only if: (a) the substitution of Investment Securities for the substituted Escrow Securities occurs simultaneously; (b) the amounts of and dates on which the anticipated transfers from the Escrow Fund for the payment of the principal or interest with respect to the Refunded 2013 Bonds will not be diminished or postponed thereby, as shown in the verification report (described below) of an independent certified public accountant; (c) the Escrow Agent shall receive the unqualified opinion of counsel, addressed to the Escrow Agent, to the effect that the substitution will not affect the exclusion from gross income, for Federal income tax purposes, of the interest on the 2013 Bonds; and (d) the Escrow Agent shall receive from an independent certified public accountant a verification report, addressed to the Authority, the City, the Escrow Agent, and Bond Counsel, certifying that, immediately after such transaction, the principal of and interest on the Investment Securities in the Escrow Fund will, together with other moneys available for such purpose, be sufficient to pay the Refunding Requirements. Any cash received from the disposition and substitution of Escrow Securities pursuant to this Section to the extent that, as shown in such certification, such cash will not be required, in accordance with the 2013 Indenture and this Agreement, at any time for the payment when due as provided in Section 6, shall be applied as set forth in Section 20 of this Agreement.

Section 6. Reinvestment; Payment of Refunding Requirements.

(a) As the principal of the Escrow Securities shall mature and be paid, and the investment income and earnings thereon are paid, the Escrow Agent shall reinvest such moneys in Investment Securities in accordance with the written instructions of the Authority and the City; provided, in connection with any such reinvestment, the Authority and the City shall provide to the Escrow Agent: (i) a verification report of an independent certified public accountant, addressed to the Authority, the City, the Escrow Agent, and Bond Counsel, certifying that, immediately after such reinvestment, the principal of and interest on the

Investment Securities in the Escrow Fund will, together with other moneys available for such purpose, be sufficient to pay the Refunding Requirements, and (ii) an opinion of bond counsel to the effect that the reinvestment will not affect the exclusion from gross income, for Federal income tax purposes, of the interest on the 2013 Bonds.

(b) The Escrow Agent shall disburse moneys from the Escrow Fund to the 2013 Bonds Trustee for application toward the payment of the Refunding Requirements for the Refunded 2013 Bonds for the equal and ratable benefit of the holders of the Refunded 2013 Bonds, in the amounts and on the dates set forth in Schedule A.

Section 7. Compliance with Indenture and this Agreement. The Authority and the City hereby direct, and the Escrow Agent, in its capacities as escrow agent hereunder and as the 2013 Bonds Trustee, hereby agrees that the Escrow Agent will take all the actions required to be taken by it hereunder, including the timely transfer of moneys for the payment of principal, interest and redemption premium (if any) with respect to the Refunded 2013 Bonds, in order to effectuate this Agreement. The liability of the Escrow Agent for the payment of the Refunding Requirements, pursuant to this Section and under the 2013 Indenture, shall be limited to the application, in accordance with this Agreement, of moneys in the Escrow Fund (including interest earnings thereon, if any) available for the purposes of and in accordance with this Agreement.

Section 8. Tax Covenant. Notwithstanding any other provision of this Agreement, the Authority and the City hereby covenant that no part of the proceeds of 2024B Bonds or of the moneys or funds held by the Escrow Agent hereunder shall be used, and that the Authority and the City shall not direct the Escrow Agent to use any of such moneys or funds at any time, directly or indirectly, in a manner that would cause any of the 2024B Bonds to be an “arbitrage bond” under Section 148 of the Code and the regulations of the Treasury Department thereunder proposed or in effect at the time of such use and applicable to obligations issued on the date of execution and delivery of the 2024B Bonds. None of the Authority, the City nor the Escrow Agent shall dispose of moneys held in the Escrow Fund except as set forth in this Agreement; provided that the Escrow Agent may effectuate the transfer of such moneys to a successor trustee in accordance with the provisions of Section 16 relating to the transfer of rights and property to successor trustees.

Section 9. Redemption and Defeasance Notice. The Authority hereby instructs the Escrow Agent, in its capacity as the 2013 Bonds Trustee, to send a notice of redemption at least 30 days but no more than 60 days before the Redemption Date of \_\_, 2024, to the registered owners of the Refunded 2013 Bonds, the Depository Trust Company, and to be filed on the Electronic Municipal Market Access System (“**EMMA**”), a facility of the Municipal Securities Rulemaking Board (the “**MSRB**”), in an electronic format accompanied by identifying information as prescribed by the MSRB, all in the form and manner prescribed by Sections 2.03(d) and 10.03 of the 2013 Indenture. Such notice of redemption and defeasance shall be substantially in the form set forth in Appendix A.

Section 10. Defeasance of Refunded 2013 Bonds. Concurrently with the deposit of the moneys in the Escrow Fund pursuant to Section 4 of this Agreement, the Refunded 2013 Bonds shall no longer be deemed to be "Outstanding" and unpaid within the meaning and with the effect expressed in the 2013 Indenture.

Section 11. Prepayment of Lease Payments. Concurrently with the deposit of the moneys in the Escrow Fund pursuant to Section 4 of this Agreement, the Base Rental corresponding to the 2013 Bonds shall be deemed prepaid and satisfied.

Section 12. Nature of Lien. The trust hereby created shall be irrevocable. The holders of the Refunded 2013 Bonds shall have an express lien on all of the moneys in the Escrow Fund, including the earnings thereon, until paid out, used and applied in accordance with this Agreement.

Section 13. Amendments. This Agreement shall not be repealed, revoked, altered, amended or supplemented without the written consent of all such holders and the written consent of the Escrow Agent, the City and the Authority; provided, however, that the Authority, the City and the Escrow Agent may, without the consent of, or notice to, such holders enter into such agreement supplemental to this Agreement as shall not materially adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Agreement;
- (b) To grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded 2013 Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent;
- (c) To transfer to the Escrow Agent and make subject to this Agreement additional funds, securities or properties;
- (d) To conform the Agreement to the provisions of any law or regulations governing the tax-exempt status of the Refunded 2013 Bonds and the 2024B Bonds in order to maintain their tax-exempt status; and
- (e) To make any other change determined by the Authority to be not materially adverse to the holders of the Refunded 2013 Bonds.

The Escrow Agent shall be entitled to rely exclusively upon an opinion of Bond Counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification or addition affects the rights of the holders of the Refunded 2013 Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

Section 14. Compensation of Escrow Agent. In consideration of the services rendered by the Escrow Agent under this Agreement, the Authority agrees to and shall pay to the Escrow Agent its proper fees and expenses in accordance with the agreement therefor

reached by the Escrow Agent and the Authority, including all reasonable expenses, charges, counsel fees and other disbursements incurred by it or by its attorneys, agents and employees in and about the performance of their powers and duties hereunder, from any moneys of the City and the Authority lawfully available therefor and the Escrow Agent shall have no lien whatsoever upon any of the moneys in the Escrow Fund for the payment of such proper fees and expenses.

Section 15. Resignation or Removal of Escrow Agent; Appointment of Successor. The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trusts hereby created by giving written notice to the Authority and the City specifying the date when such resignation will take effect, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of the Refunded 2013 Bonds or by the Authority as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Authority and the City and signed by the registered holders of a majority in principal amount of the Refunded 2013 Bonds. The Escrow Agent may also be removed at any time by the Authority and the City with not less than 30 days' written notice to the Escrow Agent and the registered holders of the Refunded 2013 Bonds.

In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor Escrow Agent may be appointed by the holders of a majority in principal amount of the Refunded 2013 Bonds, by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys in fact, duly authorized in writing; provided, nevertheless, that in any such event, the Authority shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the holders of a majority in principal amount of the Refunded 2013 Bonds, and any such temporary Escrow Agent so appointed by the Authority and the City shall immediately and without further act be superseded by the Escrow Agent so appointed by such holders.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by such holders or the Authority pursuant to the foregoing provisions of this Section within 30 days after written notice of the removal or resignation of the Escrow Agent has been given to the Authority and the City, the holder of any of the Refunded 2013 Bonds, or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a national banking association or a corporation with trust powers organized under the



banking laws of the United States or any state, and shall have at the time of appointment capital and surplus of not less than \$100,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Authority and City, an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the Authority execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all moneys and securities held by it to its successor. Should any transfer, assignment or instrument in writing from the Authority or the City be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instrument in writing shall, on request, be executed, acknowledged and delivered by the Authority or the City.

Any entity into which the Escrow Agent, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any entity resulting from any merger, conversion, consolidation or tax-free reorganization to which the Escrow Agent or any successor to it or any entity succeeding to all or substantially all of the Escrow Agent's corporate trust business shall be a party, shall, if it meets the qualifications set forth in the fifth paragraph of this Section, and if it is otherwise satisfactory to the Authority and the City, be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 16. Limitation of Powers and Duties.

(a) The Escrow Agent shall have no power or duty to invest any funds held under this Agreement except as provided in Section 5.

The Escrow Agent shall furnish the Authority and the City periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Agent or brokers selected by the Authority and the City. Upon the election of the Authority and the City, such statements will be delivered via the Escrow Agent's online service and upon electing such service, paper statements will be provided only upon request. The Authority and the City waive the right to receive brokerage confirmations of security transactions effected by the Escrow Agent as they occur, to the extent permitted by law. The Authority and the City further understand that trade confirmations for securities transactions effected by the Escrow Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(b) The Escrow Agent shall have no power or duty to transfer or otherwise dispose of the moneys held hereunder except as provided in this Agreement.

Section 17. Indemnification. To the extent permitted by law, the Authority and the City hereby assume liability for, and hereby agree (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its successors, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Agent at any time (whether or not also indemnified against the same by the Authority or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the moneys and securities deposited therein, the purchase of any securities to be purchased pursuant thereto, the retention of such securities or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the Authority and the City shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Agent's agents, employees or servants. In no event shall the City, the Authority or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement and removal or resignation of the Escrow Agent.

Section 18. Limitation of Liability.

(a) The Escrow Agent and its agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or any securities deposited therein, the purchase of the securities to be purchased pursuant hereto, the retention of such securities or the proceeds thereof, the sufficiency of the securities or uninvested moneys held hereunder to accomplish the payment and redemption of the Refunded 2013 Bonds, or any payment, transfer or other application of moneys of securities by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties. The Escrow Agent shall incur no liability for losses arising from any investment made in accordance with this Agreement. The recitals of fact contained in the Recitals of this Agreement shall be taken as the statements of the Authority and the City, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of any securities to be purchased pursuant hereto and any moneys to accomplish the payment and redemption of the Refunded 2013 Bonds pursuant to the 2013 Indenture or to the validity of this Agreement as to the Authority or the City and, except as otherwise provided herein, the Escrow Agent shall incur

no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence or willful misconduct, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. Anything in this Agreement notwithstanding, the Escrow Agent shall not be liable for any consequential (i.e., special or indirect) losses or damages in performing its duties or in exercising its rights or power pursuant to this Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the City or the Authority. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of bond counsel) may be deemed to be conclusively established by a written certification of the Authority or the City. Whenever the Escrow Agent shall deem it necessary or desirable that a matter specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of bond counsel be proved or established prior to taking, suffering, or omitting any such action, such matter may be established only by such a certificate or such an opinion. No provision of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties in accordance with this Agreement, or in the exercise of its rights or powers.

(b) The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions (“**Instructions**”) given pursuant to this Agreement 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 Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder); provided, however, that the Authority and the City shall provide to the Escrow Agent an incumbency certificate listing officers with the authority to provide such Instructions (“**Authorized Officers**”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority and the City whenever a person is to be added or deleted from the listing. If the Authority or the City elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent’s understanding of such Instructions shall be deemed controlling. The Authority and the City understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The Authority and the City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the Authority and the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority and the City. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent’s

reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority and the City agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including without limitation the risk of the Escrow Agent 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 Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority and the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

(c) If the Escrow Agent learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of Securities that is to be submitted pursuant to this Escrow Agreement, the Escrow Agent shall promptly request alternative written investment instructions from the City with respect to escrowed funds which were to be invested in securities. The Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Agent shall hold funds uninvested and without liability for interest until receipt of further written instructions from the City. In the absence of investment instructions from the City, the Escrow Agent shall not be responsible for the investment of such funds or interest thereon. The Escrow Agent may conclusively rely upon the City's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

(d) The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

(e) The Escrow Agent shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys or Escrow Securities deposited with it to pay the principal, interest, or premiums, if any, on the Refunded 2013 Bonds.

Section 19. Termination. This Agreement shall terminate when moneys have been applied to redeem and pay the Refunded 2013 Bonds on the Redemption Date pursuant to this Agreement. Upon such termination, all moneys remaining in the Escrow Fund, if any, after payment of any amounts due the Escrow Agent hereunder shall be transferred to the Lease Revenue Fund established and held under the 2024 Indenture for application to the payment of interest on the 2024B Bonds.

Section 20. Governing Law. This Agreement shall be governed by the law of the State of California.

Section 21. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Authority, the City, or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

Section 22. Successor is Deemed Included in All References to Predecessor. All the covenants, promises and agreements in this Agreement contained by or on behalf of the Authority, the City or the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 23. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

*(Escrow Agreement)*

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers as of the date first written above.

**AGOURA HILLS IMPROVEMENT AUTHORITY**

By: \_\_\_\_\_

Nathan Hamburger  
Chief Administrative Officer

ATTEST:

\_\_\_\_\_

Kimberly M. Rodrigues  
Secretary

**CITY OF AGOURA HILLS**

By: \_\_\_\_\_

Nathan Hamburger  
City Manager

ATTEST:

\_\_\_\_\_

Kimberly M. Rodrigues  
City Clerk

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION,  
as Escrow Agent and 2013 Bonds Trustee**

By: \_\_\_\_\_

Authorized Officer

**SCHEDULE A**

**REFUNDING REQUIREMENTS**

<u>Redemption Date</u>	<u>Principal*</u>	<u>Interest</u>	<u>Redemption Premium</u>	<u>Refunding Requirement</u>
___, 2024	\$	\$	0.00%	\$

\* Consists of the following 2013 Bonds to be redeemed on the Redemption Date:

<u>Maturity Date (February 1)</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Redemption Price</u>
			100%
			100
			100
			100
			100
			100
			100

**SCHEDULE B**

**ESCROW SECURITIES**

<b>Securities Type</b>	<b>Maturity</b>	<b>Principal Amount</b>	<b>Interest</b>	<b>Interest Rate</b>	<b>Expected Receipt at Maturity (including principal and interest)</b>
SLGS	__2024	\$	\$	%	\$

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\* The expected receipt of \$\_\_, together with the \$\_\_ of uninvested cash in the Escrow Fund, will be sufficient to pay the Refunding Requirement of \$\_\_ on the Redemption Date of \_\_, 2024.



APPENDIX A

**FORM OF NOTICE OF FULL OPTIONAL REDEMPTION AND DEFEASANCE  
AND TERMINATION OF CONTINUING DISCLOSURE REPORTING OBLIGATION**

with reference to

**AGOURA HILLS IMPROVEMENT AUTHORITY  
LEASE REVENUE BONDS  
SERIES 2013**

This Notice is being given on behalf of the Agoura Hills Improvement Authority (the “**Authority**”), to the owners of the above-captioned bonds (the “**2013 Bonds**”), issued pursuant to the Indenture, dated as of September 1, 2013, by and between the Authority and The Bank of New York Mellon Trust Company, N.A., predecessor trustee to U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”), that all of the outstanding 2013 Bonds, in the aggregate principal amount of \$\_\_\_\_, have been refunded and called for redemption, subject to the provisions of the succeeding paragraphs of this notice, and pursuant to the provisions of the governing documents of the 2013 Bonds.

The 2013 Bonds being defeased and called for redemption have the maturity dates, principal amounts, interest rates, and CUSIP numbers as set forth below:

Maturity (February 1)	Principal Amount	Interest Rate	CUSIP* (00848L)
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On \_\_\_\_, 2024 (the “**Redemption Date**”), the 2013 Bonds maturing on and after February 1, 2025 will be redeemed at a redemption price equal to 100 percent of the principal amount thereof, plus unpaid accrued interest thereon, without premium (the “**Redemption Price**”), in accordance with the 2013 Indenture. Interest on all such 2013 Bonds shall cease to accrue from and after the Redemption Date.

As a result of the deposit into the Escrow Fund, the 2013 Bonds are deemed to have been paid and defeased in accordance with the 2013 Indenture. Obligations of the Authority to the owners of the defeased 2013 Bonds are hereafter limited to the application of moneys in the Escrow Account for the principal and interest payment on the 2013 Bonds as the same become due and payable on the Redemption Date described above.

Pursuant to Article X of the 2013 Indenture, the lien under the 2013 Indenture with respect to the 2013 Bonds has been discharged through the irrevocable deposit of cash or escrow securities in an escrow fund (the “**Escrow Fund**”), and held pursuant to an Escrow Agreement, dated as of March 1, 2024 (the “**Escrow Agreement**”), by and among the Agoura Hills Improvement Authority, the City of Agoura Hills and the Trustee. The amount of moneys deposited in the Escrow Fund has been calculated to provide sufficient money to pay and redeem all of the outstanding principal and unpaid accrued interest due on the 2013 Bonds through the Redemption Date (defined below).

NOTICE IS HEREBY GIVEN, FURTHER, that such defeasance constitutes the legal defeasance of all of the remaining outstanding 2013 Bonds, and accordingly, pursuant to Section 6 of the Continuing Disclosure Agreement with respect to the 2013 Bonds (the “**2013 Continuing Disclosure Agreement**”), the obligations of the City and the dissemination agent under the 2013 Continuing Disclosure Agreement have also terminated.

Owners of the 2013 Bonds should surrender said 2013 Bonds on the Redemption Date at the following address:

BY HAND OR MAIL  
U.S. Bank Trust Company, National  
Association  
Global Corporate Trust Services  
111 Fillmore Ave. E  
St. Paul, MN 55107

The method of presentation and delivery of a 2013 Bond is at the option and risk of the owner of each 2013 Bond. If mail is used, insured registered mail, return receipt requested is suggested.

*IMPORTANT NOTICE: Federal law requires the Trustee to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit [www.irs.gov](http://www.irs.gov) or contact the Internal Revenue Service for additional information on the tax forms and instructions.*

\* The CUSIP numbers are included solely for the convenience of the holders of the 2013 Bonds. No representation is made as to the correctness of the CUSIP number either as printed on any 2013 Bond or as contained herein, and any error in the CUSIP number shall not affect the validity of the proceedings for redemption of the 2013 Bonds. None of the Authority, the City of Agoura Hills, nor the Trustee shall be responsible for any error of any nature relating to such numbers.

Dated: \_\_\_\_\_, 2024

U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION,  
as Trustee

Exhibit I

*Memorandum Regarding Termination of 2013  
Lease, Sublease and Assignment Agreement*

Recorded, requested by and  
when recorded return to:

City of Agoura Hills  
c/o Richards, Watson & Gershon,  
A Professional Corporation  
350 South Grand Avenue, 37th Floor  
Los Angeles, California 90071  
Attention: Lolly Enriquez

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*This Document is recorded for the benefit of the City of Agoura Hills and is exempt from California documentary transfer tax pursuant to Section 11928 of the California Revenue and Taxation Code and from recording fees pursuant to Sections 6103, 27383 and 27388.1 of the California Government*

**MEMORANDUM REGARDING TERMINATION OF 2013  
LEASE, SUBLEASE AND ASSIGNMENT AGREEMENT**

This MEMORANDUM REGARDING TERMINATION OF 2013 LEASE, SUBLEASE AND ASSIGNMENT AGREEMENT, dated as of March 1, 2024 (this “Memorandum of Termination”), is entered into by and among the AGOURA HILLS IMPROVEMENT AUTHORITY, a joint powers agency duly formed and existing pursuant to the laws of the State of California (the “Authority”), the CITY OF AGOURA HILLS, a municipal corporation duly organized and existing under the laws of the State of California (the “City”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as successor trustee to The Bank of New York Mellon Trust Company, N.A., under the 2013 Indenture (as defined below).

**RECITALS**

A. The Authority issued its Lease Revenue Bonds, Series 2013 (the “2013 Bonds”) pursuant to the Indenture, dated as of September 1, 2013 (the “2013 Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A, predecessor trustee to U.S. Bank Trust Company, National Association (the “Trustee”).

B. In connection with the issuance of the 2013 Bonds, the Authority and the City entered into the following with respect to certain real property described in Exhibit A attached hereto: (i) the Lease Agreement, dated as of September 1, 2013 (the “2013 Lease”), by and between the City, as the lessor, and the Authority, as the lessee, and (ii) the Sublease Agreement, dated as of September 1, 2013 (the “2013 Sublease”), by and between the Authority as the sublessor, and the City, as the sublessee.

C. The 2013 Bonds were primarily secured by certain "Base Rental Payments" paid by the City under the 2013 Sublease.

D. Pursuant to the Assignment Agreement, dated September 1, 2013, the Authority assigned its rights to receive Base Rental Payments and certain other rights and interest of the Authority in the 2013 Sublease to the Trustee.

E. The 2013 Lease was recorded on September 25, 2013 at the offices of the Los Angeles County Registrar-Recorder (the "County Recorder") as Instrument No. 20131392345 of the Official Records.

F. A "Memorandum of Sublease," evidencing the 2013 Sublease, was recorded on September 25, 2013 at the offices of the County Recorder as Instrument No. 20131392346 of the Official Records.

G. The Assignment Agreement was recorded on September 25, 2013 at the offices of the County Recorder as Instrument No. 20131392347 of the Official Records.

H. Pursuant to their terms, the 2013 Lease and the 2013 Sublease terminate on the date of discharge of the lien with respect to the 2013 Bonds in accordance with Section 10.03 of the 2013 Indenture, and the effect of the Assignment Agreement concurrently expires.

I. The Authority has provided for the defeasance of all of the remaining outstanding 2013 Bonds in accordance with Section 10.03 of the 2013 Indenture (and therefore a discharge of the lien with respect to the 2013 Bonds), by a deposit of certain funds with the Trustee in an amount which will be sufficient to pay the 2013 Bonds, including all principal, interest, and redemption premium, if any, to the redemption date.

J. In connection with the provision for the defeasance of the remaining outstanding 2013 Bonds, the parties wish to record this Memorandum of Termination.

NOW, THEREFORE, THE PARTIES HERETO ACKNOWLEDGE AND AGREE AS FOLLOWS:

1. The 2013 Lease, the 2013 Sublease and the Assignment Agreement were terminated on March \_\_, 2024, concurrently with the deposit of funds with the Trustee as described above, and the defeasance of all of the remaining outstanding 2013 Bonds.

2. This Memorandum of Termination shall be governed and construed by the laws of the State of California.

3. This Memorandum of Termination may be executed in counterparts, and all such executed counterparts shall constitute the same instrument. It shall be necessary to account for only one set of such counterparts in proving this Memorandum of Termination.

IN WITNESS WHEREOF, the parties hereto have entered into this Memorandum of Termination by their authorized signatories as of the date first written above.

**AGOURA HILLS IMPROVEMENT AUTHORITY**

By \_\_\_\_\_  
Nathan Hamburger, Chief Administrative Officer

ATTEST:

By \_\_\_\_\_  
Kimberly M. Rodrigues, Secretary

**CITY OF AGOURA HILLS**

By \_\_\_\_\_  
Nathan Hamburger, City Manager

ATTEST:

By \_\_\_\_\_  
Kimberly M. Rodrigues, City Clerk

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee**

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

**EXHIBIT A**  
**Description of Site**

**Description of the Site**

For APN/Parcel ID: 2061-005-915

**Parcel 1:**

Lot 3 of Tract No. 40477, in the City of Agoura Hills, County of Los Angeles, State of California, as per Map recorded in Book 1062, Page 91 through 95, inclusive of Maps, in the office of the County Recorder of said County.

EXCEPT all oil, oil rights, minerals, mineral rights, natural gas rights and other hydrocarbon substances by whatsoever name known, geothermal steam and all products derived from any of the foregoing, that may be within or under the parcel of land herein above described, together with the perpetual right of drilling, mining, exploring and operating therefore and storing in and removing the same from said land or any other operating therefore and storing in and removing the same from said land or any other land, including the right of whipstock or directionally drill and mine from lands other than those herein above described, oil or gas wells, tunnels and shafts into, through or across the subsurface of the land herein above described, and to bottom such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof, and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines without, however, the right to drill, mine, store, explore and operate through the surface or the upper 500 feet of the subsurface of the land herein above described, together with the right to grant and transfer all or a portion of same, as provided in deed recorded June 12, 1979, as Document No. 79-629585 of Official Records.

Together with that portion of Ladyface Circle adjoining said land, as vacated by Resolution No. 98-1076 of the City Council of the City of Agoura Hills, a certified copy of which recorded October 23, 1998, as Document No. 98-1950127 of Official Records, which would pass by operation of law.

**Parcel 2:**

A non-exclusive easement over portions of Lots 1 and 4 of Tract No. 40477, in the City of Agoura Hills, County of Los Angeles, State of California, as per Map recorded in Book 1062, Page 91 through 95 inclusive of Maps, in the office of the County Recorder of said County, for the purpose stated in that certain Easement Agreement, recorded October 28, 1998, as Document No. 98-1968699 of Official Records, and subject also to all of the terms, conditions and provisions contained therein.

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 El Dorado )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

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 El Dorado )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)