

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: Ron Ahlers, Finance Director / Treasurer 

DATE: February 8, 2012 (Meeting of February 15, 2012)

SUBJECT: Consider Resolution Authorizing the Issuance of City of Moorpark, Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements), Special Tax Refunding Bonds, Series 2012

BACKGROUND:

The City issued its \$7,645,000 Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) Special Tax Bonds (the "1997 Bonds") in July of 1997, the proceeds of which were used to finance public improvements in CFD 97-1 (the "District"). The District includes the Village at Moorpark, Moorpark Marketplace, and the Patriot Commerce Center. The current outstanding bond principal amount is \$5,740,000.

DISCUSSION:

Interest rates for tax-exempt bonds are currently at all-time lows. The City can refund the 1997 Bonds by issuing the proposed refunding special tax bonds (the "Proposed 2012 Bonds") and generate a debt service savings of approximately \$1.5 million over the remaining term of the bonds. The original maturity date will not be extended, as the Proposed 2012 Bonds will use the same maturity date (September 1, 2027) as the 1997 Bonds.

The Proposed 2012 Bonds will have a term of 15.5 years. The interest rate is expected to be approximately 5.00% for the Proposed 2012 Bonds with the longest maturity, as compared to the current rate of 6.70% for the comparable maturity date on the 1997 Bonds. The source of funds for repayment of the bonds is the annual special tax amount collected from the District. The bonds are not a debt of the City's general fund.

The Proposed 2012 Bonds are anticipated to be priced on February 22nd, with the closing expected to occur by February 29th in order to meet the next available call date of March 1st for the 1997 Bonds. The forms of the Fiscal Agent Agreement, Bond Purchase Agreement, Preliminary Official Statement and Continuing Disclosure Certificate are on file with the City Clerk.

FISCAL IMPACT:

The Proposed 2012 Bonds would not be a debt of the City, and the City's general fund would not be liable for repayment of the Proposed 2012 Bonds. Debt service payments on the Proposed 2012 Bonds would be secured by the Special Tax Revenues generated from CFD 97-1. All costs of issuance for the Proposed 2012 Bonds will be funded from bond proceeds. The City will receive a \$50,000 administrative fee from the proceeds of the Proposed 2012 Bonds, as reimbursement for administrative and maintenance expenses related to CFD 97-1 as well as reimbursement for direct costs plus 15% for City Attorney review of the bond documents.

STAFF RECOMMENDATION: (Roll Call Vote)

Adopt Resolution No. 2012-_____, Authorizing the Issuance of Refunding Special Tax Bonds and Approving and Authorizing Related Documents and Actions for Community Facilities District No. 97-1

Attachments

1. Resolution No. 2012-_____
2. Preliminary Official Statement ~ Draft 2/6/12
3. Bond Purchase Agreement ~ Draft 2/7/12
4. Fiscal Agent Agreement, Draft 2/7/12
5. Irrevocable Refunding Instructions, Draft 2/7/12

ATTACHMENT 1

RESOLUTION NO. 2012-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA AUTHORIZING THE ISSUANCE OF REFUNDING SPECIAL TAX BONDS AND APPROVING AND AUTHORIZING RELATED DOCUMENTS AND ACTIONS FOR COMMUNITY FACILITIES DISTRICT NO. 97-1 (CARLSBERG BUSINESS PARK PUBLIC IMPROVEMENTS)

WHEREAS, this Council has conducted proceedings under and pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311 of the California Government Code (the "Act"), to form Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) (the "CFD"), and, for the CFD authorized the levy of special taxes upon the land within the CFD, and to issue bonds secured by such special taxes the proceeds of which were used to finance certain public facilities (the "Facilities"), all as described in those proceedings;

WHEREAS, this Council heretofore in 1997 authorized, issued, sold and delivered its \$7,645,000 City of Moorpark, Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) Special Tax Bonds (the "Prior Bonds") to finance facilities necessary for development of property within the CFD; and

WHEREAS, this Council now wishes to provide for the issuance of special tax refunding bonds (the "Refunding Bonds") for the CFD to refund, in advance of their stated maturities, the Prior Bonds, and which refunding will result in a savings on the interest costs levied on properties in the CFD as part of the special taxes, and there have been submitted to this Council certain documents described below providing for the issuance of the Refunding Bonds and the use of the proceeds of those bonds, and this Council with the aid of its staff, has reviewed the documents and found them to be in proper order; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Refunding Bonds and the levy of the special taxes as contemplated by this resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES RESOLVE AS FOLLOWS:

SECTION 1. Finding. This Council finds and determines that it would be prudent in the management of its fiscal affairs to issue the Refunding Bonds to refund the Prior Bonds and that such refunding will result in a lower overall interest cost to payers of special taxes of the CFD and reductions in scheduled annual special taxes.

SECTION 2. Law Applicable. For the purposes of these proceedings in and for the CFD, the Act shall be the authority for the issuance of the Refunding Bonds.

SECTION 3. Bonds Authorized. Pursuant to the Act, this Resolution and the Fiscal Agent Agreement, (as hereafter defined) the bonds of the City for the CFD designated "City of Moorpark, Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements), Special Tax Refunding Bonds, Series 2012" (the "Refunding Bonds") in an aggregate principal amount not to exceed \$6,000,000 are hereby authorized to be issued on the earliest date from the date hereof as the Finance Director of the City determines appropriate. The Refunding Bonds shall be dated and executed in the forms, be in the denominations, mature, be payable at the place and in the priorities and bear interest at the rates as set forth in and otherwise as provided in the Fiscal Agent Agreement (defined below) and the designated costs of issuing the Refunding Bonds (as defined in Section 53363.8 of the Act) shall not exceed the amount authorized therein. The Council hereby finds that the Refunding Bonds constitute "refunding bonds" within the meaning of the Act because the proceeds thereof will be used to refund the Prior Bonds. For the purposes of these proceedings for the issuance of the Refunding Bonds, the Council hereby preliminarily determines that the projected total net interest cost to maturity on such Refunding Bonds plus the principal portion thereof will be less than the total net interest cost to maturity of the Prior Bonds plus the principal amount thereof; the Refunding Bonds shall not be issued unless an interest rate minimum is obtained such that the parameter projected herein can actually be met upon issuance of the Refunding Bonds and the maturity dates of the Refunding Bonds shall not exceed the latest maturity date of the Prior Bonds.

SECTION 4. Authorities Granted. The City Manager, Assistant City Manager, Finance Director or such other official of the City as may be designated by any such official (each an "Authorized Officer") are hereby separately authorized and directed to execute and deliver the documents and instruments herein specified in substantially the forms on file with the City Clerk, with such additions thereto or changes therein as are approved by the Authorized Officer upon consultation with City's bond counsel, including such additions or changes as are necessary or advisable to permit the timely issuance, sale and delivery of the Refunding Bonds, provided, however, that no additions or changes shall: (a) authorize an aggregate principal amount of Refunding Bonds in excess of \$6,000,000; (b) result in an average interest rate on the Refunding Bonds in excess of 5.50% per annum or such greater amount permitted by applicable law at the time of the sale of the Refunding Bonds; or (c) result in an underwriter's discount in excess of 1.0% of the aggregate principal amount of the Refunding Bonds; or (d) result in a maturity of the Refunding Bonds in excess of the remaining term of the Prior Bonds. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery of the documents and instruments herein specified by the Authorized Officer.

SECTION 5. Fiscal Agent Agreement. The proposed form of the Fiscal Agent Agreement between the City and U.S. Bank, National Association, as fiscal agent, (the "Agreement") with respect to the Refunding Bonds, in the form on file with the City Clerk is hereby approved. The date, manner of payment, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place

of payment, terms of redemption and other terms of the Refunding Bonds shall be as provided in the Agreement as finally executed. The terms and provisions of the Agreement, as finally executed, are incorporated herein by this reference as if fully set forth herein. The Authorized Officer is hereby authorized and directed to execute the Agreement on behalf of the City, subject to the savings parameter described in SECTION 3 hereof and subject to terms of Section 4 hereof.

SECTION 6. Sale of Bonds. The form of agreement for the purchase of the Refunding Bonds (the "Bond Purchase Agreement") between the City and Piper Jaffray & Co. (the "Underwriter") substantially in the form currently on file with the City is hereby approved. The Authorized Officer is hereby authorized and directed to execute the Bond Purchase Agreement for the City, subject to the provisions of Section 3 hereof. The Council hereby finds and determines that the sale of the Refunding Bonds at negotiated sale as contemplated by the Bond Purchase Agreement will result in a lower overall cost to the City than would a competitively bid sale.

SECTION 7. Bond Preparation and Delivery. Upon completion of the sale thereof, the Refunding Bonds shall be prepared, executed and delivered to the Fiscal Agent for authentication, all in accordance with the terms of the executed Bond Purchase Agreement. The Fiscal Agent, the Authorized Officers and other responsible officers of the City are hereby authorized and directed to take such actions as are required under the executed Bond Purchase Agreement and the Agreement to cause the delivery of the Refunding Bonds upon receipt of the purchase price thereof from the Underwriter.

SECTION 8. Official Statement. The Council hereby approves the Official Statement describing the financing for the Refunding Bonds, in substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by the Authorized Officer. The Council approves and authorizes the distribution by the Underwriter of the Official Statement to prospective purchasers of the Refunding Bonds, and authorizes and directs an Authorized Officer on behalf of the City to deem "final," pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"), the Official Statement prior to its distribution to prospective purchasers of the Refunding Bonds (the Official Statement, as so deemed final, being referred to as the "Preliminary Official Statement"). The execution of the final Official Statement, which shall include such changes and additions to the Preliminary Official Statement as may be permitted by the Rule and deemed advisable by the Authorized Officer and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule (the "Official Statement"), shall be conclusive evidence of the approval of the Official Statement by the City.

SECTION 9. Continuing Disclosure. The Council hereby approves the form of the City's Continuing Disclosure Agreement with respect to the Refunding Bonds in substantially the form thereof attached to the Preliminary Official Statement. The Authorized Officer is hereby authorized and directed to complete and execute the Agreement on behalf of the City with such changes, additions, deletions as may be approved by an Authorized Officer in consultation with the City's bond counsel.

SECTION 10. Actions Authorized. All actions heretofore taken by the officers, employees and agents of the City with respect to the establishment of the CFD and the sale and issuance of the Refunding Bonds are hereby approved, confirmed and ratified, and the Authorized Officers of the City are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Refunding Bonds in accordance with this resolution, and any certificate, agreement, and other document described in the documents herein approved. All actions to be taken by a specified Authorized Officer as specified herein, may be taken by the Authorized Officer or any designee, with the same force and effect as if taken by such Authorized Officer. This Council hereby determines and directs to be made any reductions in the annual levy of special taxes for the CFD in a manner consistent with that prescribed in the Act as a result of the savings achieved through the issuance of the Refunding Bonds.

SECTION 11. Effectiveness. This resolution shall take effect from and after its adoption. Any previous resolutions in any way inconsistent with the provisions hereof in and for the issuance of the Refunding Bonds as herein described are hereby repealed.

SECTION 12. Certification. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original Resolutions.

PASSED AND ADOPTED this 15th day of February, 2012

Janice S. Parvin, Mayor

ATTEST:

Maureen Benson, City Clerk

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2012

NEW ISSUE-FULL BOOK ENTRY

NO RATING

In the opinion of Jones Hall, a Professional Law Corporation, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions and assuming (among other things) compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that it is included in adjusted current earnings in calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences caused by ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.

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**CITY OF MOORPARK
COMMUNITY FACILITIES DISTRICT NO. 97-1
(CARLSBERG BUSINESS PARK PUBLIC IMPROVEMENTS)
SPECIAL TAX REFUNDING BONDS
SERIES 2012**

Dated: Date of Delivery

Due: September 1, as shown below

The bonds captioned above (the "Bonds"), are being issued by the City of Moorpark (the "City") by and through its Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) (the "District"). The Bonds are special tax obligations of the City, authorized pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being California Government Code Section 53311, et seq. (the "Act"), and are issued pursuant to a Fiscal Agent Agreement dated as of February 1, 2012 (the "Fiscal Agent Agreement") by and between the City and U.S. Bank, National Association, as fiscal agent (the "Fiscal Agent"). The Bonds are issued to refund all of the City's outstanding Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) Special Tax Bonds issued in 1997, to provide for the establishment of a reserve fund, and to pay the costs of issuance of the Bonds. Interest on the Bonds is payable September 1, 2012, and thereafter semiannually on March 1 and September 1 of each year.

The Bonds are being issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. See "APPENDIX E – BOOK-ENTRY SYSTEM."

The Bonds are secured by and payable from a pledge of Special Taxes (as defined herein) to be levied by the City on real property within the boundaries of the District, from the proceeds of any foreclosure actions brought following a delinquency in the payment of the Special Taxes, and from amounts held in certain funds under the Fiscal Agent Agreement, all as more fully described herein. **Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the parcels within the District. In the event of delinquency, proceedings may be conducted only against the parcel of real property securing the delinquent Special Tax. There is no assurance the owners will be able to pay the Special Tax or that they will pay a Special Tax even though financially able to do so.** To provide funds for payment of the Bonds and the interest thereon as a result of any delinquent Special Taxes, the City will establish a Reserve Fund from proceeds of the Bonds, as described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

Property in the District subject to the Special Tax comprises 59 parcels subject to the Special Tax; approximately 80% of the Special Taxes are levied upon developed parcels. See "THE DISTRICT."

The Bonds are subject to optional and mandatory redemption prior to maturity as described herein. See "THE BONDS — Redemption."

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE COUNTY OF LOS ANGELES, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS DO NOT CONSTITUTE A DEBT OF THE CITY WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL DEBT LIMITATION. THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT, INCLUDING INFORMATION UNDER THE HEADING "SPECIAL RISK FACTORS," SHOULD BE READ IN ITS ENTIRETY.

This cover page contains certain information for general reference only. It is not a summary of all of the provisions of the Bonds. Prospective investors must read the entire Official Statement to obtain information essential to the making of

an informed investment decision. See "SPECIAL RISK FACTORS" herein for a discussion of the special risk factors that should be considered, in addition to the other matters and risk factors set forth herein, in evaluating the investment quality of the Bonds.

MATURITY SCHEDULE*

Maturity Date (September 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP † (_____)	Maturity Date (September 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP † (_____)
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† Copyright 2012, American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc., and are provided for convenience of reference only. Neither the City nor the Underwriter assumes any responsibility for the accuracy of these CUSIP data.

The Bonds are offered when, as and if issued, subject to approval as to their legality by Jones Hall, a Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters will also be passed on by Jones Hall, as Disclosure Counsel. Certain legal matters will be passed upon for the City by the City Attorney. It is anticipated that the Bonds will be available for delivery to DTC on or about _____, 2012.

Piper Jaffray & Co.

The date of this Official Statement is _____, 2012.

* Preliminary, subject to change.

CITY OF MOORPARK, CALIFORNIA

City Council

Janice Parvin, *Mayor*
David Pollock, *Mayor Pro Tem*
Roseann Mikos, PhD., *Councilmember*
Keith Millhouse, *Councilmember*
Mark Van Dam, *Councilmember*

City Staff

Steven Kueny, *City Manager*
Hugh Riley, *Assistant City Manager*
Joseph M. Montes, Esq., *City Attorney*
Deborah Traffenstedt, *Administrative Services Director/City Clerk*

SPECIAL SERVICES

Bond Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Fiscal Agent

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

Financial Advisor

Urban Futures, Incorporated
Orange, California

Disclosure Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the Bonds.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the City, in any press release and in any oral statement made with the approval of an authorized officer of the City, the words or phrases "will likely result," "are expected to", "will continue", "is anticipated", "estimate", "project," "forecast", "expect", "intend" and similar expressions identify "forward looking statements." Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the City since the date hereof.

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and if given or made, such other information or representation must not be relied upon as having been authorized by the City or the Underwriter. 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.

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

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness. The information and expressions of opinions herein are subject to change without notice and neither 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 since the date hereof. All summaries of the documents referred to in this Official Statement, 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.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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OFFICIAL STATEMENT

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**CITY OF MOORPARK
COMMUNITY FACILITIES DISTRICT NO. 97-1
(CARLSBERG BUSINESS PARK PUBLIC IMPROVEMENTS)
SPECIAL TAX REFUNDING BONDS
SERIES 2012**

This Official Statement, including the cover page and all Appendices hereto, is provided to furnish certain information in connection with the issuance by the City of Moorpark (the "**City**") by and through its Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) (the "**Community Facilities District**" or the "**District**") of the bonds captioned above (the "**Bonds**").

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. Definitions of certain terms used herein and not defined herein have the meaning set forth in the Fiscal Agent Agreement.

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 attached appendices, and the documents summarized or described in this Official Statement. 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.

Purpose of the Bonds. The Bonds are being issued to provide funds to refund all of the City's Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) Special Tax Bonds (the "**Prior Bonds**") issued in July 1997. Proceeds of the Bonds will also be used to establish a reserve fund for the Bonds and to pay the cost of issuance of the Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS." See also "PLAN OF FINANCE."

* Preliminary, subject to change.

Authority for Issuance. The Bonds are issued pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311, *et seq.*, of the Government Code of the State of California) (the “**Act**”) and pursuant to a Fiscal Agent Agreement dated as of February 1, 2012 (the “**Fiscal Agent Agreement**”) between the City and U.S. Bank, National Association, Los Angeles, California, as fiscal agent (the “**Fiscal Agent**”) and a resolution adopted on _____, 2012 (the “**Resolution**”) by the City Council of the City (the “**City Council**”) which authorized the issuance of the Bonds payable from Special Taxes (as defined herein) levied on property within the District according to a methodology approved by the City.

Bond Terms. The Bonds will be dated as of their date of delivery and bear interest from such date at the rate or rates set forth on the cover page of this Official Statement. Interest on the Bonds is payable on March 1 and September 1 of each year (each an “**Interest Payment Date**”), commencing September 1, 2012. The Bonds will be issued without coupons in denominations of \$5,000 or any integral multiple thereof.

Registration of Ownership of Bonds. The Bonds will be issued only as fully registered bonds in book-entry form, registered in the name of Cede & Co., as nominee of The Depository Trust Company (“**DTC**”). Ultimate purchasers of Bonds will not receive physical certificates representing their interest in the Bonds. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners will mean Cede & Co., and will not mean the ultimate purchasers of the Bonds. Payments of the principal, premium, if any, and interest on the Bonds will be made directly to DTC, or its nominee, Cede & Co. so long as DTC or Cede & Co. is the registered owner of the Bonds. Disbursements of such payments to DTC’s Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC’s Participants and Indirect Participants, as more fully described herein. See “APPENDIX E – BOOK-ENTRY SYSTEM.”

Source of Payment of the Bonds. The Bonds are payable from special taxes (the “**Special Tax**” or “**Special Taxes**”) which are to be levied by the City on taxable real property within the boundaries of the District. The Bonds are also payable from the proceeds of any foreclosure actions brought following a delinquency in payment of the Special Taxes, and from amounts held in certain funds and accounts pursuant to the Fiscal Agent Agreement, including a reserve fund, all as more fully described herein. The Special Tax applicable to each taxable parcel in the District will be levied and collected according to the tax liability determined by the City Council through the application of a rate and method of apportionment of Special Tax for the District (the “**Special Tax Formula**”) which has been approved by the City. The Special Tax Formula is set forth in APPENDIX A hereto. The Special Taxes represent liens on the parcels of land subject to a Special Tax and failure to pay the Special Taxes could result in proceedings to foreclose the delinquent property. The Special Taxes do not constitute the personal indebtedness of the owners of taxed parcels. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Special Tax Methodology” and “APPENDIX A — RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.” The maximum authorized indebtedness for the District is \$10,500,000; no additional bonds secured by the Special Taxes are allowed to be issued in the future (excluding possible refunding bonds).

In the Fiscal Agent Agreement, the City directs the Fiscal Agent to establish a Reserve Fund (the “**Reserve Fund**”) from Bond proceeds in the amount of the Reserve Requirement, which amount is available to be transferred to the Bond Fund in the event of delinquencies in the payment of the Special Taxes, to the extent of such delinquencies. The Reserve Fund is required to be maintained at the Reserve Requirement from moneys available under the Fiscal

Agent Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Reserve Fund." If there are additional delinquencies after depletion of funds in the Reserve Fund, the City is not obligated to pay the Bonds or supplement the Reserve Fund.

Property Subject to the Special Tax. The District is generally located at the southwest corner of the intersection of the State Route 23 freeway and Los Angeles Avenue in the City, in the vicinity of Miller Parkway and Patriot Drive. The District includes 59 parcels that are subject to the levy of the Special Tax, 10 of which are undeveloped. The District is comprised of the Moorpark Marketplace retail center, The Village at Moorpark retail center, and the Patriot Commerce Center business park. The District consists of approximately 73 net taxable acres. Approximately 80% of the Special Taxes are levied upon developed parcels. See "THE DISTRICT."

Assessed Value of Property. Property in the District is security for the Special Tax. The City has obtained the 2011-12 County assessed valuation (the "**Assessed Valuation**") of the property in the District. The 2011-12 aggregate County assessed valuation of taxable property in the District is \$152,132,439, however due to a recent sale of six parcels, the City expects it to be adjusted downward to at or below \$143,207,542, as described herein. The reduced estimated assessed valuation of property in the District is approximately _____* times the \$_____ * aggregate principal amount of the Bonds. See "THE DISTRICT - Valuation and Value to Lien Ratio of Property in the District" and " - Overlapping Liens and Priority of Lien" below.

Debt Service Coverage on the Bonds. The maximum Special Tax authorized to be levied in the District is approximately _____% of the maximum annual debt service of the Bonds. See "DEBT SERVICE SCHEDULES" herein.

Risks of Investment. See the section of this Official Statement entitled "SPECIAL RISK FACTORS" for a discussion of special factors that should be considered, in addition to the other matters set forth herein, in considering the investment quality of the Bonds.

Limited Obligation of the City. The general fund of the City is not liable and the full faith and credit of the City is not pledged for the payment of the interest on, or principal of or redemption premiums, if any, on the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any property of the City or any of its income or receipts, except the money in the Special Tax Fund (described herein) established under the Fiscal Agent Agreement, and neither the payment of the interest on nor principal of or redemption premiums, if any, on the Bonds is a general debt, liability or obligation of the City. The Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restrictions and neither the City Council, the City nor any officer or employee thereof are liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds other than from the proceeds of the Special Taxes and the money in the Special Tax Fund, as provided in the Fiscal Agent Agreement.

* Preliminary, subject to change.

Summary of Information. Brief descriptions of certain provisions of the Fiscal Agent Agreement, the Bonds and certain other documents are included herein. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all its respective terms and conditions, copies of which are available for inspection at the office of the Administrative Services Director/Treasurer of the City. All statements herein with respect to certain rights and remedies are qualified by reference to laws and principles of equity relating to or affecting creditors' rights generally. Capitalized terms used in this Official Statement and not otherwise defined herein have the meanings ascribed to such terms in the Fiscal Agent Agreement. The information and expressions of opinion herein speak only as of the date of this Official Statement and are subject to change without notice. Neither delivery of this Official Statement, any sale made hereunder, nor any future use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the District since the date hereof.

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. Definitions of certain terms used herein and not defined herein shall have the meaning ascribed to them in the Fiscal Agent Agreement unless otherwise noted.

PLAN OF FINANCE

The Bonds are being issued to facilitate the refunding all of the City's Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) Special Tax Bonds (the "**Prior Bonds**") issued in July 1997 in the original principal amount of \$7,465,000 and outstanding in the aggregate principal amount of \$_____. The Prior Bonds were issued to provide money to finance the construction and acquisition of certain public infrastructure improvements necessary for development of property in the District. Most of the improvements have been completed. See "THE DISTRICT." Proceeds of the Bonds will additionally be used to fund the reserve fund requirement for the Bonds and to pay the cost of issuance of the Bonds.

On the date of issuance of the Bonds, a portion of the proceeds will be transferred to U.S. Bank, National Association, for deposit into an Escrow Fund established in connection with irrevocable refunding instructions, in an amount sufficient for the payment of the principal of and interest on the Prior Bonds on March 1, 2012 at par. The Escrow Fund will be irrevocably committed for such purpose.

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the Fiscal Agent Agreement, approved by Resolution No. _____ adopted by the City Council on _____, 2012, and the Act.

On July 16, 1997, the City Council adopted a Resolution of Formation forming the District. The District was established and authorized to incur bonded indebtedness in an aggregate principal amount not to exceed \$10,500,000 at a special election in the District held on the same day. Under the provisions of the Act, since there were fewer than 12 registered voters residing within the District at a point during the 90-day period preceding the adoption of the Resolution of Formation, the qualified electors entitled to vote in the special election consisted of the then landowners/developers, who cast one vote for each gross acre or portion of an acre of land owned within the District. The landowners voted to incur the indebtedness and to approve the annual levy of Special Taxes to be collected within the District, for the purpose of paying for the authorized improvements, including repaying any indebtedness of the District, replenishing the Reserve Fund and paying the administrative expenses of the District. The maximum authorized indebtedness for the District is \$10,500,000; \$7,645,000 has been issued and no additional bonds secured by the Special Taxes are allowed to be issued in the future (excluding possible refunding bonds). See "THE DISTRICT" herein.

Description of the Bonds

Bond Terms. The Bonds will be dated as of and bear interest from the date of delivery thereof at the rates and mature in the amounts and years, as set forth on the cover page hereof. The Bonds are being issued in the denomination of \$5,000 or any integral multiple thereof.

Interest on the Bonds will be payable semiannually on March 1 and September 1 of each year (each an "**Interest Payment Date**"), commencing September 1, 2012. The principal of the Bonds and premiums due upon the redemption thereof, if any, will be payable in lawful money of the United States of America at the principal corporate trust office of the Fiscal Agent in Los Angeles, California, or such other place as designated by the Fiscal Agent, upon presentation and surrender of the Bonds; provided that so long as any Bonds are in book-entry form, payments with respect to such Bonds will be made by wire transfer, or such other method acceptable to the Fiscal Agent, to DTC.

Book-Entry Only System. The Bonds are being issued as fully registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"), and will be available to ultimate purchasers under the book-entry system maintained by DTC. Ultimate purchasers of Bonds will not receive physical certificates representing their interest in the Bonds. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners will mean Cede & Co., and will not mean the ultimate purchasers of the Bonds. The Fiscal Agent will make payments of the principal, premium, if any, and interest on the Bonds directly to DTC, or its nominee, Cede & Co., so long as DTC or Cede & Co. is the registered owner of the Bonds. Disbursements of such payments to DTC's Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and Indirect Participants, as more fully described herein. See "APPENDIX E –BOOK ENTRY SYSTEM." below.

Calculation and Payment of Interest. Interest on the Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check of the Fiscal Agent mailed on each Interest Payment Date by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon written instructions received by the Fiscal Agent on or before the Record Date preceding the Interest Payment Date, of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds; provided that so long as any Bonds are in book-entry form, payments with respect to such Bonds will be made by wire transfer, or such other method acceptable to the Fiscal Agent, to DTC. See "APPENDIX E – BOOK ENTRY SYSTEM" below.

Each Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it will bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it will bear interest from the Dated Date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, payments of the principal, premium, if any, and interest on the Bonds will be made directly to DTC, or its nominee, Cede & Co. Disbursements of such payments to DTC's Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and Indirect Participants, as more fully described herein. See "APPENDIX E – BOOK ENTRY SYSTEM" below.

Redemption

Optional Redemption. The Bonds are subject to optional redemption from any source of available funds prior to maturity, in whole, or in part among maturities as specified by the City and by lot within a maturity, on any Interest Payment Date at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 1, _____ through March 1, _____	
September 1, _____ and March 1, _____	
September 1, _____ and March 1, _____	
September 1, _____ and Interest Payment Dates thereafter	

Mandatory Redemption From Prepayments. The Bonds are subject to mandatory redemption from prepayments of the Special Tax by property owners, in whole or in part among maturities as specified by the City and by lot within a maturity, or any Interest Payment Date at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 1, _____ through March 1, _____	
September 1, _____ and March 1, _____	
September 1, _____ and March 1, _____	
September 1, _____ and Interest Payment Dates thereafter	

Mandatory Sinking Fund Redemption. The Term Bonds maturing September 1, _____ and _____ are subject to mandatory sinking payment redemption in part on September 1 in each year as indicated below at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

Term Bonds of _____

<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>
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Term Bonds of _____

<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>
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The amounts in the foregoing tables will be reduced pro rata, in order to maintain substantially uniform debt service, as a result of any prior partial optional redemption or mandatory redemption of the Bonds.

Redemption Procedure by Fiscal Agent. The Fiscal Agent will cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to the Securities Depositories and to one or more Information Services, and to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but such mailing is not a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of such Bonds.

Such notice will state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, will designate the CUSIP

numbers and Bond numbers of the Bonds to be redeemed by giving the individual CUSIP number and Bond number of each Bond to be redeemed or will state that all Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption, will state as to any Bond called in part the principal amount thereof to be redeemed, and will require that such Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and will state that further interest on such Bonds will not accrue from and after the redemption date.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose will, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the Bonds of any maturity, the Fiscal Agent will select the Bonds to be redeemed, from all Bonds or such given portion thereof of such maturity by lot in any manner which the Fiscal Agent in its sole discretion deems appropriate. Upon surrender of Bonds redeemed in part only, the City will execute and the Fiscal Agent will authenticate and deliver to the registered Owner, at the expense of the City, a new Bond or Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds so called for redemption are deposited in the Bond Fund, such Bonds so called will cease to be entitled to any benefit under the Fiscal Agent Agreement other than the right to receive payment of the redemption price, and no interest will accrue thereon on and after the redemption date specified in such notice.

Transfer or Exchange of Bonds

So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, transfers and exchanges of Bonds will be made in accordance with DTC procedures. See "Appendix E" below. Any Bond may, in accordance with its terms, be transferred or exchanged by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. Whenever any Bond or Bonds are surrendered for transfer or exchange, the City will execute and the Fiscal Agent will authenticate and deliver a new Bond or Bonds, for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer or exchange will be paid by the City. The Fiscal Agent will collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer or exchange.

No transfers or exchanges of Bonds will be required to be made (i) within 15 days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

ESTIMATED SOURCES AND USES OF FUNDS

A summary of the estimated sources and uses of funds associated with the Prior Bonds and the sale of the Bonds follows:

Estimated Sources of Funds:
Principal Amount of Bonds
Plus Funds Available from Prior Bonds
Total

Estimated Uses of Funds:
Deposit to Escrow Fund
Deposit to Reserve Fund
Costs of Issuance ⁽¹⁾
Total

⁽¹⁾ Includes legal fees, initial fees, expenses and charges of the Fiscal Agent, costs of printing the Official Statement, administrative fees of the City, Underwriter's discount, financial advisory fees, and other costs of issuance.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Under the Fiscal Agent Agreement, the Bonds are secured by the proceeds of the Special Taxes received by the City, including all scheduled payments and delinquent payments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes (collectively, the “**Special Tax Revenues**”). All of the Special Tax Revenues and all moneys deposited in the Bond Fund, the Reserve Fund and the Special Tax Fund are pledged to secure the repayment of the Bonds. Such pledge constitutes a first lien on the Special Tax Revenues and such amounts.

Special Taxes

A Special Tax applicable to each taxable parcel in the District will be levied and collected according to the tax liability determined by the City Council through the application of the Special Tax Formula and set forth in APPENDIX A hereto, for all taxable properties in the District. Interest and principal on the Bonds is payable from the annual Special Taxes to be levied and collected on taxable property within the District, from amounts held in the funds and accounts established under the Fiscal Agent Agreement (other than the Rebate Fund) and from the proceeds, if any, from the sale of such property for delinquency of such Special Taxes.

The Special Taxes are exempt from the property tax limitation of Article XIII A of the California Constitution, pursuant to Section 4 thereof as a “special tax” authorized by a two-thirds vote of the qualified electors. The levy of the Special Taxes was authorized by the City pursuant to the Act in an amount determined according to the Special Tax Formula approved by the City. See “Special Tax Methodology” below and “APPENDIX A — RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.”

The amount of Special Taxes that the District may levy in any year, and from which principal and interest on the Bonds is to be paid, is strictly limited by the maximum rates approved by the qualified electors within the District which are set forth as the annual “**Maximum Special Tax**” in the Special Tax Formula. Under the Special Tax Formula, Special Taxes for the purpose of making payments on the Bonds will be levied annually in an amount, not in excess of the annual Maximum Special Tax.

The Special Taxes and any interest earned on the Special Taxes constitute a trust fund for the principal of and interest on the Bonds pursuant to the Fiscal Agent Agreement and, so long as the principal of and interest on these obligations remains unpaid, the Special Taxes and investment earnings thereon will not be used for any other purpose, except as permitted by the Fiscal Agent Agreement, and will be held in trust for the benefit of the owners thereof and will be applied pursuant to the Fiscal Agent Agreement. The Special Tax Formula apportions the Special Tax Liability (as defined in the Special Tax Formula and described below) among the taxable parcels of real property within the District according to the rate and methodology set forth in the Special Tax Formula. See “Special Tax Methodology” below. See also “APPENDIX A — RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.”

The City may levy the Special Tax at the annual Maximum Special Tax rate authorized by the qualified electors within the District as set forth in the Special Tax Formula if conditions so require. The City has covenanted to annually levy the Special Taxes in an amount at least sufficient to pay the Special Tax Liability (as defined below). Because each Special Tax levy is limited to the annual Maximum Special Tax rates authorized as set forth in the Special Tax Formula, no assurance can be given that, in the event of Special Tax delinquencies, the amount

of the Special Tax Liability will in fact be collected in any given year. See "SPECIAL RISK FACTORS — Tax Delinquencies" herein. The Special Taxes are collected for the City by the County of Los Angeles in the same manner and at the same time as *ad valorem* property taxes.

Special Tax Methodology

The Special Tax authorized under the Act applicable to land within the District will be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate as described in the Special Tax Formula set forth in "APPENDIX A — RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." Capitalized terms set forth in this section and not otherwise defined have the meanings set forth in the Special Tax Formula.

Each year, the City will approve the costs of the District for the upcoming fiscal year. The annual Special Tax Liability is defined in the Special Tax Formula as annual debt service on the Bonds, annual administrative expenses of the District, the amount needed for replenishment of the Reserve Fund as determined by the City, an amount determined by the City necessary to pay certain Services (as defined in the Special Tax Formula), and an amount determined by the City as necessary to make any other payments required to be made in the applicable Fiscal Year by the City or District under the Fiscal Agent Agreement. This Special Tax Liability will be spread among the parcels in the District subject to the Special Tax in accordance with the methodology set forth in the Special Tax Formula.

Parcels Subject to the Special Tax. The City will prepare a list of the parcels subject to the Special Tax according to the Special Tax Formula and using the records of the City and the County Assessor. The City will tax all parcels within the District except tax-exempt parcels and parcels that have prepaid their Special Tax obligations as described in the Special Tax Formula.

Assignment of Maximum Annual Special Tax. The property in the District is classified as within "Zone A" or "Zone B" as described in the Special Tax Formula, and describes in detail the method for assigning the Maximum Annual Special Tax to parcels within each zone. The Special Tax Formula assigns a total maximum tax of \$11,200 per acre to property in Zone A and \$7,800 in Zone B. Within each zone, the Special Tax is further allocated to developed property based on a floor area calculation. See "APPENDIX A — RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." The Special Tax will be levied and collected for as long as needed to pay the principal and interest on the Bonds.

Prepayment of the Special Tax. Subject to certain conditions, including a condition that the ratio of assessed value of property in the District subject to the Special Tax (after prepayment) to outstanding Bonds is equal to or greater than a ratio of 3.5:1, landowners may permanently satisfy all or a portion of the Special Tax obligation by a cash settlement with the City as permitted under Government Code Section 53344. No property in the District currently has an assessed value to Bond allocation less than 3.5:1; the lowest current ratio is approximately 7:1. The prepayment amount is established by the procedures described in the Special Tax Formula.

Levy of Annual Special Tax; Maximum Special Tax

The The Maximum Annual Special Tax on all parcels in the District for fiscal year 2011-12 is \$_____. This represents approximately _____%* of the maximum annual debt service of the Bonds. The Fiscal Agent Agreement provides that no additional bonds secured by the levy of Special Tax may be issued (other than refunding bonds).

Special Tax Fund

When received, the Special Taxes are required under the Fiscal Agent Agreement to be deposited into a Special Tax Fund to be held by the City in trust for the benefit of the City and the Owners of the Bonds, to the credit of which the City will deposit, immediately upon receipt, all Special Tax Revenue. Moneys in the Special Tax Fund will be disbursed as provided below and, pending any disbursement, will be subject to a lien in favor of the Owners of the Bonds. From time to time, the City may withdraw from the Special Tax Fund amounts needed to pay the City's administrative expenses and County fees; provided that such transfers will not be in excess of the portion of the Special Tax Revenues collected by the City that represent levies for administrative expenses.

All Special Tax Revenue will be deposited in the Special Tax Fund upon receipt. No later than 10 Business Days prior to each Interest Payment Date, the City will withdraw from the Special Tax Fund amounts needed for administrative expenses and thereafter transfer (i) to the Fiscal Agent for deposit in the Reserve Fund, an amount which when added to the amount then on deposit therein is equal to the Reserve Requirement, and (ii) to the Fiscal Agent for deposit in the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund, such that the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds on the next Interest Payment Date. At such time as deposits to the Special Tax Fund equal the principal, premium if any, and interest becoming due on the Bonds for the current Bond Year and the amount needed to restore the Reserve Fund balance to the Reserve Requirement, the amount in the Special Tax Fund in excess of such amount may, at the discretion of the City, be used to pay administrative expenses not previously reimbursed and/or transferred to the Bond Fund to pay the principal of and interest on the Bonds.

* Preliminary, subject to change.

Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure

The Special Tax will be collected in the same manner and the same time as *ad valorem* property taxes, except at the City's option, the Special Taxes may be billed directly to property owners. In the event of a delinquency in the payment of any installment of Special Taxes, the City is authorized by the Act to order institution of an action in superior court to foreclose the lien therefor.

The City has covenanted in the Fiscal Agent Agreement that it will annually on or before September 1 of each year review the public records of the County of Los Angeles relating to the collection of the Special Tax in order to determine the amount of the Special Tax collected in the prior fiscal year, and if the City determines on the basis of such review that the amount so collected is deficient by more than 5% of the total amount of the Special Tax levied in such Fiscal Year, it will within thirty (30) days thereafter hire counsel to institute foreclosure proceedings as authorized by the Act in order to enforce the lien of the delinquent installment of the Special Tax against each separate lot or parcel of land in the District for which such installment of the Special Tax is delinquent, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale in the manner advised by such counsel; *provided*, that if the City determines on the basis of such review that (a) the amount so collected is deficient by less than 5% of the total amount of the Special Tax levied in the District in such Fiscal Year, but that property owned by any single property owner in the District is delinquent by more than \$5,000 with respect to the Special Tax due and payable by such property owner in such Fiscal Year, or (b) that property owned by any single property owner in the District is delinquent cumulatively by more than \$3,000 with respect to the current and past Special Tax due (irrespective of the total delinquencies in the District) then the City will institute, prosecute and pursue such foreclosure proceedings in the time and manner provided herein against each such property owner. See "THE DISTRICT – Delinquency Information."

Under the Act, foreclosure proceedings are instituted by the bringing of an action in the superior court of the county in which the parcel lies, naming the owner and other interested persons as defendants. The action is prosecuted in the same manner as other civil actions. In such action, the real property subject to the special taxes may be sold at a judicial foreclosure sale for a minimum price which will be sufficient to pay or reimburse the delinquent special taxes.

The owners of the Bonds benefit from the Reserve Fund established pursuant to the Fiscal Agent Agreement; however, if delinquencies in the payment of the Special Taxes with respect to the Bonds are significant enough to completely deplete the Reserve Fund, there could be a default or a delay in payments of principal and interest to the owners of the Bonds pending prosecution of foreclosure proceedings and receipt by the City of the proceeds of foreclosure sales. Provided that it is not levying the Special Tax at the annual maximum Special Tax rates set forth in the Special Tax Formula, the City may adjust (but not to exceed the annual maximum Special Tax) the Special Taxes levied on all property within the District subject to the Special Tax to provide an amount required to pay debt service on the Bonds and to replenish the Reserve Fund.

Under current law, a judgment debtor (property owner) has at least 140 days from the date of service of the notice of levy in which to redeem the property to be sold. If a judgment debtor fails to redeem and the property is sold, his or her only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale. If, as a result of such an

action a foreclosure sale is set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made (California Code of Civil Procedure Section 701.680).

Foreclosure by court action is subject to normal litigation delays, the nature and extent of which are largely dependent upon the nature of the defense, if any, put forth by the debtor and the condition of the calendar of the superior court of the county. Such foreclosure actions can be stayed by the superior court on generally accepted equitable grounds or as the result of the debtor's filing for relief under the Federal bankruptcy laws. The Act provides that, upon foreclosure, the Special Tax lien will have the same lien priority as is provided for *ad valorem* taxes and special assessments.

No assurances can be given that the real property subject to a judicial foreclosure sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. The Act does not require the District to purchase or otherwise acquire any lot or parcel of property foreclosed upon if there is no other purchaser at such sale.

Section 53356.6 of the Act requires that property sold pursuant to foreclosure under the Act be sold for not less than the amount of judgment in the foreclosure action, plus post-judgment interest and authorized costs, unless the consent of the owners of 75% of the outstanding Bonds is obtained. However, under Section 53356.6 of the Act, the District, as judgment creditor, is entitled to purchase any property sold at foreclosure using a "credit bid," where the District could submit a bid crediting all or part of the amount required to satisfy the judgment for the delinquent amount of the Special Tax. If the District becomes the purchaser under a credit bid, the District must pay the amount of its credit bid into the redemption fund established for the Bonds, but this payment may be made up to 24 months after the date of the foreclosure sale.

For current delinquency information on parcels in the District, see "THE DISTRICT – Delinquency Information" below.

Reserve Fund

A Reserve Fund (the "**Reserve Fund**") for the Bonds will be established under the Fiscal Agent Agreement, to be held by the Fiscal Agent. Upon delivery of the Bonds, the Reserve Fund will be established by depositing with the Fiscal Agent proceeds of the Bonds in the amount of the "**Reserve Requirement**" for the Bonds. The Reserve Requirement is the lesser of 10% of the original principal amount of the Bonds, 100% of maximum annual debt service on the Bonds, or 125% of average annual debt service on the Bonds, and will initially be \$_____. The City is required to maintain an amount of money from Special Tax collections equal to the Reserve Requirement in the Reserve Fund at all times that the Bonds are outstanding. All amounts deposited in the Reserve Fund will be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of, and interest on, the Bonds. Whenever transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Fiscal Agent will provide written notice thereof to the City.

Whenever, on the Business Day prior to any Interest Payment Date, the amount in the Reserve Fund exceeds the then applicable Reserve Requirement, the Fiscal Agent will transfer an amount equal to the excess from the Reserve Fund to the Bond Fund to be used for the

payment of the principal of and interest on the Bonds in accordance with the Fiscal Agent Agreement and/or to pay administrative expenses, except that investment earnings on amounts in the Reserve Fund may be withdrawn from the Reserve Fund for purposes of making payment to the Federal government to comply with rebate requirements.

Moneys in the Reserve Fund will be invested and deposited in accordance with the Fiscal Agent Agreement. Interest earnings and profits resulting from the investment of moneys in the Reserve Fund and other moneys in the Reserve Fund will remain therein until the balance exceeds the Reserve Requirement.

Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, and make any other transfer required under the Fiscal Agent Agreement, the Fiscal Agent will transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding Interest Payment Date, to the payment and redemption of all of the Outstanding Bonds. If the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund will be transferred to the City, after payment of any amounts due the Fiscal Agent, to be used for any lawful purpose of the City.

DEBT SERVICE SCHEDULE

The annual debt service on the Bonds, based on the interest rates and maturity schedule set forth on the cover of this Official Statement, is set forth below.

**Community Facilities District No. 97-1
(Carlsberg Business Park Public Improvements)
Special Tax Refunding Bonds Series 2012
Debt Service**

Year Ending (Sept. 1)	Principal*	Interest	Total
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*Preliminary, subject to change.

The annual debt service coverage for the Bonds is approximately \$_____ million and the annual Maximum Special Tax on properties in the District is approximately \$_____ million, resulting in annual debt service coverage for the Bonds of approximately _____%*, based on the levy of the Maximum Special Tax on properties in the District, as shown in the table set forth below.

**Community Facilities District No. 97-1
(Carlsberg Business Park Public Improvements)
Special Tax Refunding Bonds Series 2012
Debt Service Coverage**

Year Ending (Sept. 1)	Total Max Special Tax	Bonds Debt Service	Debt Service Coverage
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*Preliminary, subject to change.

THE DISTRICT

Formation of the District

On July 16, 1997, the City Council adopted a Resolution of Formation to form a community facilities district under the Act, to levy a special tax and to incur bonded indebtedness for the purpose of financing the Improvements and making contributions to certain public facilities. The Resolution of Formation established Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements), set forth the Special Tax Formula within the District and set forth the necessity to incur bonded indebtedness in a total amount not to exceed \$10,500,000. No additional bonds for the District are allowed under the Fiscal Agent Agreement (other than refunding bonds).

Improvements Financed With Prior Bonds

The District was formed for the purpose of issuing the bonds to provide a funding source to the then-owners of the land in the District for financing infrastructure improvements necessary for development of property in the District, including streets and roads, facilitation of utilities, landscaping and related improvements, all of which were eligible to be financed by the District as set forth in the proceedings for formation of the District. Most of the improvements intended to be financed by bonds or special taxes for the District have been completed.

Location and Description of the District and the Immediate Area

The District is generally located at the southwest corner of the intersection of the State Route 23 freeway and Los Angeles Avenue in the City of Moorpark, in the vicinity of Miller Parkway and Patriot Drive. The District includes 59 parcels that are subject to the levy of the Special Tax, 10 of which are vacant. The District is comprised of the Moorpark Marketplace retail center, The Village at Moorpark retail center, and the Patriot Commerce Center business park.

The Moorpark Marketplace center includes a Target store, Kohl's department store, TJ Maxx, Michael's, and Smart & Final. Restaurants in the center include In-N-Out Burgers, Denny's, Del Taco, Panda Express, Jamba Juice, It's a Grind coffee house, and Natural Café Moorpark. The total building area in Moorpark Marketplace is approximately 350,000 square feet. The Target and In-N- Out stores are located on separate parcels owned by each respective company.

The Village at Moorpark contains approximately 126,000 square feet of building space, with a Petco store, Staples, Dick's Sporting Goods, and several restaurants including the Dugout Sports Grill, and Camille's Sidewalk Café.

The Patriot Commerce Center is a business park located on Patriot Drive, adjacent to the Moorpark Marketplace retail center. Phase 1 of Patriot Commerce Center is complete, consisting of over 160,000 square feet of professional and medical office and industrial space, and business condominium space. Approximately 52,000 square feet of Phase 1 has been purchased or leased as of February 1, 2012. A second phase of the Patriot Commerce Center is planned, which will provide approximately 140,000 of additional industrial space.

Assessed Valuation of Property in the District

The City has not engaged an independent appraiser to provide an opinion concerning the value of the parcels in the District subject to the Special Tax. The City has utilized county assessed values for purposes of estimated values. As provided by Article XIII A of the California Constitution, county assessors' assessed values are to reflect market value as of the date the property was last assessed (or 1975, which ever is more recent), increased by a maximum of 2% per year. Properties may be reassessed by the County only upon a change of at least 51% ownership of existing property or upon new construction. The assessed values of parcels in the District thus reflect, for undeveloped parcels, the estimate of the County Assessor (the "**Assessor**") of market value when acquired (or 1975, whichever is later), possibly increased by 2% per year, and for parcels on which construction has occurred since their date of acquisition, the Assessor's estimate of market value as of the time of construction, possibly increased by 2% per year. The actual market value of parcels in the District, if sold at foreclosure, may be higher or lower than the Assessor's assessed values, depending upon the date of the Assessor's most recent assessment. The actual fair market value of any parcel can often be more accurately established through an arms-length sale or an appraisal by an independent appraiser.

Assessed values have declined statewide in recent years due to economic conditions; in some counties the Assessor has lowered rather than increased values. The actual market value of parcels in the District is likely to be different from the assessed valuation and the actual fair market value of any parcel can often be more accurately established through an arms-length sale or an appraisal by an independent appraiser, however the City did not undertake such an appraisal in connection with the Bonds.

2010-11 County Assessed Valuation. The 2011-2012 County assessed valuation (the "**Assessed Valuation**") of the property in the District is \$152,132,439, however due to a recent sale of six parcels, the City expects it to be adjusted downward to at or below \$143,207,542, because property now owned by Moorpark Center LLC, comprising six parcels which are most of the Moorpark Marketplace retail center (not including the Target property and In-N-Out Burger property), was recently sold to that entity. The sale price is not yet available, however the City assumes the sale was less than the assessed value because the \$41,000,000 list price was below the \$51,924,897 2011-12 assessed valuation. The table below shows the County assessed valuation for the District for the last four fiscal years, except that as to property owned by Moorpark Center LLC, the list price was used instead of the 2011-12 assessed value.

TABLE 1
City of Moorpark
Community Facilities District No. 97-1
(Carlsberg Business Park Public Improvements)
Historical Assessed Value

Assessor Parcel Number	Owner	Existing Land Use	FY 2008-09 Assessed Valuation	FY 2009-10 Assessed Valuation	FY 2010-11 Assessed Valuation	FY 2011-12 Assessed Valuation*
512-0-350-045	Village at Moorpark LLC	Commercial - Shopping Center	\$ 26,132,960	\$ 28,319,519	\$28,453,699	\$29,252,595
512-0-410-045	Moorpark Center LLC*	Commercial - Kohl's Dept. Store	11,860,567	11,407,911	10,869,395	9,495,686
512-0-410-115	Target Corporation	Commercial - Target Store	12,855,737	13,112,850	13,081,770	14,445,573
512-0-430-045	Moorpark Carlsberg	Vacant - Commercial	27,050,399	18,500,000	18,456,154	10,440,000
512-0-410-125	Moorpark Center LLC*	Commercial - T J Maxx; various	27,579,662	26,527,091	25,274,867	22,080,537
512-0-410-055	Moorpark Center LLC*	Commercial - Smart & Final; various	8,456,574	8,133,831	7,749,869	6,770,428
512-0-430-015	UST & Patriot LP	Vacant - Industrial	**	32,126,000	2,500,000	1,350,000
512-0-430-055	Moorpark Comprehensive LLC	Professional Office - Medical Group	**	**	**	4,367,512
512-0-410-065	In-N-Out Burgers	Commercial - In-N-Out Restaurant	2,193,006	2,238,865	2,231,561	2,248,362
512-0-410-155	Moorpark Center LLC*	Commercial - Panda Express; various	1,859,108	1,788,156	1,703,745	1,488,400
512-0-412-095	Moorpark Center LLC*	Commercial - Denny's Restaurant	1,750,992	1,786,011	1,540,000	1,486,634
512-0-						
410-075	Moorpark Center LLC*	Commercial - Del Taco Restaurant	2,096,280	2,016,276	1,921,097	1,678,316
Various	UST & Patriot LP	Professional; Industrial; Vacant	**	6,324,000	42,461,886	32,297,157
Various	Various	Professional; Industrial Condominium	**	**	2,040,487	5,806,343
Totals			\$121,835,286	\$152,278,511	\$158,284,531	\$143,207,542

* FY 2011-12 assessed value for parcels owned by Moorpark Center LLC are estimated based on the listing price relating to a transfer of these properties which occurred on 9/1/2011. The list price was less than the current assessed valuation.

** Not on tax roll.

Economic and other factors beyond the property owners' control, such as economic recession, deflation of land values, acts of terrorism, or the complete or partial destruction of taxable property caused by, among other possibilities, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within the District.

In comparing the aggregate value of the real property within the District and the principal amount of the Bonds, it should be noted that only the real property upon which there is a delinquent special tax can be foreclosed upon, and the real property within the District cannot be foreclosed upon as a whole to pay delinquent special taxes of the owners of such parcels within the District unless all of the property is subject to a delinquent special tax. In any event, individual parcels may be foreclosed upon to pay delinquent special taxes levied against such parcels. The principal amount of the Bonds will not be allocated pro-rata among the parcels within the District; rather, the total special taxes for the District is allocated according to the Special Tax Formula.

Other public agencies whose boundaries overlap those of the District could, without the consent of the City and in certain cases without the consent of the owners of the land within the District, impose additional taxes or assessment liens on the land within the District. The purpose would be to finance additional regional or local public improvements or services. The lien created through the levy of such additional taxes or assessments may be on a parity with the lien of the special taxes. See "Value to Lien Ratios" below for a description of a community facilities district that has levied a special tax on a certain parcel in the District that is payable on parity with the Special Tax.

Special taxes are levied on each parcel within the District and only the respective individual parcel is responsible for such special taxes.

Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the parcels within the District. There is no assurance that the present property owners or any subsequent owners will have the ability to pay the Special Taxes or that, even if they have the ability, they will choose to pay the Special Taxes. An owner may elect to not pay the Special Taxes when due and cannot be legally compelled to do so. Neither the City nor any Bondowner will have the ability at any time to seek payment directly from the owners of property within the District of the Special Tax or the principal or interest on the Bonds, or the ability to control who becomes a subsequent owner of any property within the District.

The value of the land within the District is a critical factor in determining the investment quality of the Bonds. If a property owner defaults in the payment of a special tax, the City's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent special tax. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Covenant to Commence Superior Court Foreclosure" and "BONDOWNERS' RISKS - Bankruptcy and Foreclosure." Reductions in District property values due to a downturn in the economy, natural disasters such as earthquakes or floods, stricter land use regulations or other events could have an adverse impact on the security for payment of the special taxes.

Assessed Valuation Appeals.

[appeal information to come]

Value to Lien Ratios

The aggregate property valuation of the real property within the District, using the 2011-12 County assessed valuation adjusted for an estimated recent sale price of the Moorpark Marketplace (as described above) is \$143,207,542. See "Valuation of Property in the District" above. The principal amount of the Bonds for the District is \$ _____* and the aggregate value of the taxable real property within the District is approximately _____* times the aggregate principal amount of Bonds. No additional bonds for the District are allowed to be issued (other than refunding bonds).

In comparing the aggregate value of the real property within the District and the principal amount of the Bonds, it should be noted that only the Assessor's parcel of real property upon which there is a delinquent special tax can be foreclosed upon. All of the real property within the District cannot be foreclosed upon as a whole to pay delinquent special taxes unless all of the property is subject to delinquent special taxes. Individual parcels may be foreclosed upon to pay delinquent special taxes levied against such parcels only. See "SECURITY FOR THE BONDS AND SOURCES OF PAYMENT THEREFOR."

The principal amount of the Bonds is not allocated pro-rata among the parcels within the District; rather, the annual special taxes for the District will be billed annually for each parcel within the District. Upon sale of parcels, the buyer typically acquires the property subject to the unpaid portion of any special taxes and assessments levied against the parcel purchased. Special taxes and assessments are not required to be removed from the property and are not required to be, but may be, paid off in full upon transfer of property or upon development of the property.

The table on the following page shows valuation as described above and value to bonded debt information for the property owners in the District.

* Preliminary, subject to change.

TABLE 2
City of Moorpark
Community Facilities District No. 97-1
(Carlsberg Business Park Public Improvements)
Special Tax Payers Profile and Value to Lien Ratio

Assessor Parcel Number	Special Tax Levy FY 2011-12	Refunding Bond Share Based on Special Tax Levied	Owner	Existing Land Use	Acreage	Number of Parcels	FY 2011-12 Assessed Valuation*	Value to Lien
512-0-350-045	\$127,764.64	\$1,210,001	Village at Moorpark LLC	Commercial - Shopping Center	11.52	1	\$29,252,595	24.18 to 1
512-0-410-045	110,161.40	1,043,289	Moorpark Center LLC	Commercial - Kohl's Dept. Store	7.24	1	9,495,686	9.10 to 1
512-0-410-115	106,581.44	1,009,385	Target Corporation	Commercial - Target Store	9.61	1	14,445,573	14.31 to 1
512-0-430-045	98,633.78	934,116	Moorpark Carlsberg Moorpark Center	Vacant - Commercial	12.77	1	10,440,000	11.18 to 1
512-0-410-125	43,624.00	413,143	Moorpark Center LLC	Commercial - TJ Maxx; various	6.08	1	22,080,537	53.45 to 1
512-0-410-055	37,432.56	354,507	Moorpark Center LLC	Commercial - Smart & Final; various	3.22	1	6,770,428	19.10 to 1
512-0-430-015	20,004.80	189,456	UST & Patriot LP Moorpark	Vacant - Industrial Professional Office - Medical Group	2.59	1	1,350,000	7.13 to 1
512-0-430-055	8,882.44	84,122	Comprehensive LLC	Commercial - In-N-Out	1.15	1	4,367,512	51.92 to 1
512-0-410-065	7,874.38	74,575	In-N-Out Burgers Moorpark Center	Restaurant	0.71	1	2,248,362	30.15 to 1
512-0-410-155	6,280.78	59,482	Moorpark Center LLC	Commercial - Panda Express; various	0.73	1	1,488,400	25.02 to 1
512-0-412-095	5,141.06	48,689	Moorpark Center LLC	Commercial - Denny's Restaurant	0.75	1	1,486,634	30.53 to 1
512-0-410-075	3,646.78	34,537	Moorpark Center LLC	Commercial - Del Taco Restaurant	0.58	1	1,678,316	48.59 to 1
Various	30,898.54	292,626	UST & Patriot LP	Professional; Industrial; Vacant	13.64	40	32,297,157	110.37 to 1
Various	<u>4,970.44</u>	<u>47,073</u>	Various	Professional; Industrial Condominium	<u>2.41</u>	<u>7</u>	<u>5,806,343</u>	<u>123.35 to 1</u>
Totals	611,897.04	5,795,000			73.00	59.00	143,207,542.00	24.71 to 1

* FY 2011-12 assessed value for parcels owned by Moorpark Center LLC are estimated based on the listing price relating to a transfer of these properties which occurred on 9/1/2011. The list price was less than the current assessed valuation.

Delinquency Information

The following table summarizes the delinquency status of property in the District for the past four years, followed by a table showing more detail for fiscal years 2008-09 through the first installment of 2011-12.

**TABLE 3
City of Moorpark
Community Facilities District No. 97-1
(Carlsberg Business Park Public Improvements)
Delinquency Summary
Fiscal Years 2007-08 to 2011-12**

Fiscal Year	No. of Parcels Levied	Parcels Delinquent	Annual Special Tax	Amount Delinquent	Percent Delinquent
2007-08					
2008-09					
2009-10					
2010-11					

Source: Los Angeles County Tax Collector data, compiled by Urban Futures.

**TABLE 4
City of Moorpark
Community Facilities District No. 97-1
(Carlsberg Business Park Public Improvements)
Delinquency Summary for Semi-Annual Installments
Fiscal Years 2008-09 to 2010-11**

Due Date	Dollars Levied	Dollars Delinquent	% Dollars Delinquent	Parcels Levied	Parcels Delinquent	Data Date
2008/09-1						
2008/09-2						
2009/10-1						
2009/10-2						
2010/11-1						
2010/11-2						
2011/12-1						
Total						

Source: Los Angeles County Tax Collector data, compiled by Urban Futures.

Foreclosure Proceedings. No foreclosure proceedings have been commenced or completed with respect to collection of the Special Tax for payment of the Prior Bonds.

For information on the foreclosure covenant related to delinquent Special Taxes securing the Bonds, see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Covenant to Commence Superior Court Foreclosure."

Overlapping Liens and Priority of Lien

The principal of and interest on the Bonds are payable from the Special Tax authorized to be collected within the District, and payment of the Special Tax is secured by a lien on certain real property within the District. Such lien is co-equal to and independent of the lien for general taxes and any other liens imposed under the Act, regardless of when they are imposed on the property in the District. The imposition of additional special taxes, assessments and general property taxes will increase the amount of independent and co-equal liens which must be satisfied in foreclosure. The City, the County and certain other public agencies are authorized by the Act to form other community facilities districts and improvement areas and, under other provisions of State law, to form special assessment districts, either or both of which could include all or a portion of the land within the District.

Set forth below is an overlapping debt table showing the existing authorized indebtedness payable with respect to property within the District. This table has been prepared by California Municipal Statistics Inc. as of the date indicated, and is included for general information purposes only. The City has not reviewed the data for completeness or accuracy and makes no representations in connection therewith.

TABLE 5
City of Moorpark
Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements)
Summary of Overlapping Debt

Private liens, such as deeds of trust securing loans obtained by the Developer, may be placed upon property in the District at any time. Under California law, the Special Taxes have priority over all existing and future private liens imposed on property subject to the lien of the Special Taxes.

SPECIAL RISK FACTORS

The purchase of the Bonds described in this Official Statement involves a degree of risk that may not be appropriate for some investors. The following includes a discussion of some of the risks which should be considered before making an investment decision.

Limited Obligation of the City to Pay Debt Service

The City has no obligation to pay principal of and interest on the Bonds in the event Special Tax collections are delinquent, other than from amounts, if any, on deposit in the Reserve Fund or funds derived from the tax sale or foreclosure and sale of parcels on which levies of the Special Tax are delinquent, nor is the City obligated to advance funds to pay such debt service on the Bonds. The Bonds are not general obligations of the City but are limited obligations of the City and the District payable solely from the proceeds of the Special Tax and certain funds held under the Fiscal Agent Agreement, including amounts deposited in the Reserve Fund and investment income thereon, and the proceeds, if any, from the sale of property in the event of a foreclosure. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." Any tax for the payment of the Bonds will be limited to the Special Tax to be collected within the jurisdiction of the District.

Property Values

The value of Taxable Property within the District is a critical factor in determining the investment quality of the Bonds. If a property owner defaults in the payment of the Special Tax, the City's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. Land development and land values could be adversely affected by economic and other factors beyond the City's control, such as a general economic downturn, decline in the residential or commercial real estate market, adverse judgments in future litigation that could affect the scope, timing or viability of development, relocation of employers out of the area, stricter land use regulations, shortages of water, electricity, natural gas or other utilities, an increase in crime in the area, destruction of property caused by earthquake, flood or other natural disasters, environmental pollution or contamination, or unfavorable economic conditions. No assurance can be given that, should a parcel with delinquent Special Taxes be foreclosed upon and sold for the amount of the delinquency, any bid will be received for such property or, if a bid is received, that such bid will be sufficient to pay all delinquent Special Taxes.

Natural Disasters. The value of the parcels in the District in the future can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on the parcels in the District and the continued habitability and enjoyment of such private improvements. For example, the areas in and surrounding the District, like those in much of California, may be subject to earthquakes or other unpredictable seismic activity, however, the District is not located in a seismic special studies zone.

Other natural disasters could include, without limitation, landslides, floods, droughts or tornadoes. One or more natural disasters could occur and could result in damage to improvements of varying seriousness. The damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost, or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances there could be

significant delinquencies in the payment of Special Taxes, and the value of the parcels may well depreciate.

Legal Requirements. Other events that may affect the value of a parcel include changes in the law or application of the law. Such changes may include, without limitation, local growth control initiatives, local utility connection moratoriums and local application of statewide tax and governmental spending limitation measures. Final development in the District may also be adversely affected by the application of laws protecting endangered or threatened species.

Hazardous Substances. Any discovery of a hazardous substance detected on property within the District would affect the marketability and the value of some or all of the property in the District. In that event, the owners and operators of a parcel within the District may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws. California laws with regard to hazardous substances are also applicable to property within the District and are as stringent as the federal laws. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels be contaminated by a hazardous substance is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels within the District resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a parcel within the District that is realizable upon a foreclosure sale.

Current Market Conditions Increasing Risk of Mortgage Default

During calendar years 2003 and into 2008, many persons financed the purchase of new homes using mortgage loans that featured adjustable interest rates and "creative" loan structures, such as interest only payments, negative amortization of principal, and introductory "teaser" rates. Largely as a result of such loans and reduced underwriting standards associated with loans made during that time period, there has been a significant increase in foreclosures and decrease in home prices nationwide. The area in and near the District has been negatively affected by the housing downturn and has experienced higher than average mortgage loan defaults and foreclosure rates, reflecting the fact that homeowners with limited economic resources may be unable or unwilling to pay higher mortgage payments as well as assessments and ad valorem tax payments when due. This circumstance has additionally been negatively impacted by the current general downturn in the United States economy, which includes significantly high unemployment rates both nationwide and in the area of the District.

Continued declines in the housing sales volume and pricing market could result in an increase in the Special Tax delinquency rate in the District and possible depletion of the Reserve Fund. If there were significant delinquencies in Special Tax collections in the District

and the Reserve Fund was depleted, there could be a default in the payment of principal of and interest on the Bonds. In the event the owners of property within the District experience a decline in income or an increase in mortgage interest rates, or both, they may be less able to pay their Special Taxes when due.

Bankruptcy and Foreclosure Delays

The payment of the Special Tax and the ability of the District to foreclose the lien of a delinquent unpaid tax, as discussed in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure," may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State of California relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the Special Taxes to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings and could result in the possibility of delinquent Special Tax installments not being paid in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds. See "THE DISTRICT – Delinquency Information."

To the extent that bankruptcy or similar proceedings were to involve a large property owner or large number of property owners in the District, the chances would increase the likelihood that the Bond Reserve Fund could be fully depleted during any resulting delay in receiving payment of delinquent Special Taxes. As a result, sufficient monies may not be available to pay principal of and interest on the Bonds on a timely basis.

Tax Delinquencies

Under provisions of the Act, the Special Taxes will be billed to the properties within the District on the regular property tax bills sent to owners of such properties. Such Special Tax installments are due and payable, and bear the same penalties and interest for nonpayment, as do regular property tax installments. Special Tax installment payments cannot be made separately from property tax payments. Therefore, the unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Special Tax payments in the future.

The annual Special Tax will be billed and collected in two installments payable without penalty by December 10 and April 10. In the event such Special Taxes are not timely paid, moneys available to pay debt service on the Bonds becoming due on the subsequent respective March 1 and September 1 may be insufficient, except to the extent moneys are available in the Reserve Fund.

In the event of non-payment of Special Taxes, funds in the Reserve Fund, if available, may be used to pay principal of and interest on the Bonds. If funds in the Reserve Fund for the Bonds are depleted, the funds can be replenished from the proceeds of the levy and collection

of the Special Tax that are in excess of the amount required to pay all amounts to be paid to the Bond holders pursuant to the Fiscal Agent Agreement. However, if the levy of the Special Tax against property within the District at the maximum Special Tax rates, together with other available funds, is insufficient to pay principal and interest on the Bonds and replenish the Reserve Fund, it is possible that the Reserve Fund will be depleted and principal and interest on the Bonds will not be paid on a timely basis.

See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure," for a discussion of the provisions which apply, and procedures which the City is obligated to follow, in the event of delinquency in the payment of Special Taxes. See also "THE DISTRICT – Delinquency Information."

No Acceleration Provisions

The Bonds do not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Fiscal Agent Agreement. Under the Fiscal Agent Agreement, a Bond holder is given the right for the equal benefit and protection of all Bond holders similarly situated to pursue certain remedies. So long as the Bonds are in book-entry form, DTC will be the sole Bond holder and will be entitled to exercise all rights and remedies of Bond holders.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the District by not later than the next January 31st after the end of the City's fiscal year (presently June 30) in each year (the "**City Annual Report**") commencing with its report for the 2011-12 fiscal year (due January 31, 2013) and to provide notices of the occurrence of certain enumerated events.

The City Annual Report will be filed with the Municipal Securities Rulemaking Board or otherwise as required by law. The notices of material events will be filed with the Municipal Securities Rulemaking Board. The covenants of the City have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"). The specific nature of the information to be contained in the Annual Report or the notices of material events by the City is summarized in "APPENDIX D — FORM OF CONTINUING DISCLOSURE UNDERTAKING."

The City has had no instance in the previous five years in which it failed to comply in all material respects with any previous continuing disclosure obligation under the Rule.

UNDERWRITING

The Bonds were purchased through negotiation by Piper Jaffray & Co. (the “Underwriter”). The Underwriter agreed to purchase the Bonds at a price of \$ _____ (which is equal to the par amount of the Bonds, plus an original issue premium of \$ _____ and less the Underwriter’s discount of \$ _____). The initial public offering prices set forth on the cover page hereof may be changed by the Underwriter. The Underwriter may offer and sell the Bonds to certain dealers and others at a price lower than the public offering prices set forth on the cover page hereof.

FINANCIAL ADVISOR

The City has retained Urban Futures, Incorporated, of Orange, California, as financial advisor (the “Financial Advisor”) in connection with the issuance of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. Urban Futures, Incorporated is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

LEGAL OPINION

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Jones Hall, a Professional Law Corporation, Bond Counsel. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix C to this Official Statement, and the final opinion will be made available to registered owners of the Bonds at the time of delivery. The fees of Bond Counsel are contingent upon the sale and delivery of the Bonds.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the “Code”) establishes certain requirements which must be met subsequent to the issuance of the Bonds for the interest on the Bonds 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 the date of issuance of the Bonds. These requirements include, but are not limited to, restrictions on the use of bond proceeds and provisions which prescribe yield and other limits within which the proceeds of the Bonds are to be invested and require that certain investment earnings must be rebated on a periodic basis to the United States of America. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. Pursuant to the Fiscal Agent Agreement, the City has covenanted to comply with the requirements of the Code and to cause the payment to the United States Treasury of any and all amounts required to be rebated under the Code with respect to the outstanding Bonds.

In the opinion of Jones Hall, a Professional Law Corporation, San Francisco, California, Bond Counsel, subject to the qualifications set forth below, under existing law and assuming compliance by the City with the aforementioned covenants, interest on the Bonds is excluded

from gross income for purposes of federal income taxation. Bond Counsel is further of the opinion that interest on the Bonds is not a specific preference item for purposes of the alternative minimum tax provisions of the Code. However, interest on the Bonds received by corporations will be included in certain earnings for purposes of federal alternative minimum taxable income of such corporations.

Although Bond Counsel has rendered an opinion that the interest on the Bonds is excluded from gross income for purposes of federal income taxation, the accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend on the recipient's particular tax status or other items of income or deduction and Bond Counsel expresses no opinion regarding any such consequences. Additionally, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring after the date of delivery of the Bonds may affect the tax status of the Bonds.

Bond Counsel is further of the opinion that under existing law, interest on the Bonds is exempt from personal income taxation imposed by the State of California.

NO RATING

The City has not applied for a rating on the Bonds and does not intend to.

NO LITIGATION

At the time of delivery of and payment for the Bonds, the City Attorney will deliver his opinion that to the best of its knowledge there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or regulatory agency pending against the City affecting its existence or the titles of its officers to office or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, or the collection or application of the Special Tax to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Fiscal Agent Agreement or any action of the City contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any of said documents.

EXECUTION

All quotations from, and summaries and explanations of the Fiscal Agent Agreement, the Bonds, the Act or other statutes and documents contained herein do not purport to be complete, and reference is made to said documents and statutes for full and complete statements of their provisions.

This Official Statement is submitted only in connection with the sale of the Bonds by the City. All estimates, assumptions, statistical information and other statements contained herein, while taken from sources considered reliable, are not guaranteed by the City or the Underwriter. The information contained herein should not be construed as representing all conditions affecting the City or the Bonds.

The execution and delivery of this Official Statement by the City has been duly authorized by the City Council on behalf of the District.

CITY OF MOORPARK

By: _____
Finance Director

APPENDIX A
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

APPENDIX B

GENERAL INFORMATION ABOUT THE CITY OF MOORPARK AND VENTURA COUNTY

The following information concerning the City of Moorpark and the County of Ventura is included only for the purpose of supplying general information regarding the area of the District. The Series B Bonds are not a debt of the County, the State or any of its political subdivisions, and neither the County, the State nor any of its political subdivisions is liable therefor.

Population

The table below shows population estimates for the City, County of Ventura and the State of California for the last six years.

CITY OF MOORPARK, COUNTY OF VENTURA AND STATE OF CALIFORNIA Population Estimates

Calendar Year*	City of Moorpark	County of Ventura	State of California
2006	35,665	814,853	37,087,005
2007	35,926	820,470	37,463,609
2008	36,617	827,191	37,871,509
2009	37,051	835,298	38,255,508
2010	34,389	822,108	37,223,900
2011	34,710	828,383	37,510,766

* 2006 through 2009 data based on 2000 Census benchmark; 2010 and 2011 data based on 2010 Census benchmark.

Source: State Department of Finance estimates.

Employment and Industry

The unemployment rate in Ventura County was 10.3% in June 2011, down from 10.6% unemployment in June 2010. This compares with an unadjusted unemployment rate of 12.1% for California and 9.3% for the nation during the same period.

The following table shows civilian labor force and wage and salary employment data for the Oxnard-Thousand Oaks-Ventura Metropolitan Statistical Area, which is coterminous with Ventura County and, therefore, includes the City of Ventura, for the past five calendar years. These figures are area-wide statistics and may not necessarily accurately reflect employment trends in the City.

OXNARD-THOUSAND OAKS-VENTURA METROPOLITAN STATISTICAL AREA Civilian Labor Force, Employment and Unemployment (Annual Averages)

	2006	2007	2008	2009	2010
Civilian Labor Force ⁽¹⁾	422,000	425,600	431,400	431,300	430,900
Employment	403,800	404,900	404,400	388,200	384,300
Unemployment	18,100	20,700	26,900	43,100	46,600
Unemployment Rate	4.3%	4.9%	6.2%	10.0%	10.8%
<u>Wage and Salary Employment:</u> ⁽²⁾					
Agriculture	22,900	24,000	25,100	24,000	24,400
Mining and Logging	1,100	1,100	1,200	1,200	1,200
Construction	20,500	18,800	16,700	13,300	11,300
Manufacturing	38,400	38,000	35,900	32,600	31,600
Wholesale Trade	12,600	13,000	12,800	12,100	12,300
Retail Trade	37,600	37,600	37,300	34,700	35,200
Trans., Warehousing and Utilities	5,100	5,100	5,000	4,300	5,400
Information	6,000	5,800	5,600	5,200	5,200
Finance and Insurance	19,600	17,900	16,400	16,100	16,200
Real Estate and Rental and Leasing	4,500	4,800	4,700	4,300	4,000
Professional and Business Services	39,300	38,300	38,300	36,100	35,500
Educational and Health Services	28,900	30,500	31,800	32,200	32,900
Leisure and Hospitality	30,500	32,000	31,500	29,500	30,300
Other Services	10,200	9,900	10,000	9,400	8,900
Federal Government	7,500	7,300	7,300	7,400	7,600
State Government	2,400	2,600	2,700	2,600	2,600
Local Government	32,700	33,200	33,100	33,000	32,400
Total, All Industries ⁽³⁾	320,700	320,800	316,400	299,000	296,800

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

Major Employers

The following table lists the major employers within the City and the County.

**CITY OF MOORPARK
Principal Employers
As of 2010**

<u>Employer</u>	<u>Number of Employees</u>	<u>Percent of Total Employment</u>
Moorpark Unified School District	825	4.88%
Moorpark College	750	4.44
Pentair Pool Products	377	2.23
Kavlico	350	2.07
Target	150	0.89
Boething Tree Farm	145	0.86
Vons	120	0.71
American Board Assembly	115	0.68
General Optics	75	0.44
Prudential Overall Supply	70	0.41

Source: City of Moorpark, Comprehensive Annual Financial Report, Year Ended June 30, 2010.

**VENTURA COUNTY
Major Employers
As of January 2011**

<u>Employer Name</u>	<u>Location</u>	<u>Industry</u>
Amgen Inc	Thousand Oaks	Biotechnology Products and Services
Anthem Blue Cross	Westlake Village	Health Care Management
Baxter Healthcare	Westlake Village	Medical Groups
Boskovich Farms Inc.	Oxnard	Fruits & Vegetable Growers and Shippers
Calif. State- Channel Islands School	Camarillo	Schools
Camarillo Lodge Loyal Order	Camarillo	Fraternal Organizations
Central Purchasing Inc	Camarillo	Tools-New & Used
Coleman Welding	Ventura	Welding
Community Memorial Hospital	Ventura	Hospitals
Farmers Insurance Group Of Co	Simi Valley	Insurance
Haas Automation Inc.	Oxnard	Machinery Manufacturer
Harbor Freight Tools	Camarillo	Tools-New & Used
JNB Industries LLC	Oxnard	Street Cleaning
Los Robles Hospital & Med Ctr	Thousand Oaks	Hospitals
Moorpark College	Moorpark	Schools-Universities & Colleges Academic
MOVE Inc	Westlake Village	Real Estate Support Services
Nancy Reagan Breast Ctr	Simi Valley	Mammograph
Naval Air Warfare Ctr Weapons	Point Mugu Nawc	Federal Government-National Security
Naval Construction Battalion	Port Hueneme	Federal Government-National Security
Oxnard College	Oxnard	College
Sheriff's Department- Jails	Ventura	Sheriff
Simi Valley Hospital	Simi Valley	Hospitals
Simi Valley Hospital & Hlthcr	Simi Valley	Health Services
St John's Regional Medical Ctr	Oxnard	Hospitals
Ventura County Executive Offices	Ventura	Government9

Source: California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2011 1st Edition.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying income for the City, the County, the State and the United States for the period 2005 through 2010.

CITY OF MOORPARK; VENTURA COUNTY Effective Buying Income As of January 1, 2005 through 2010

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2005	City of Moorpark	\$ 812,663	\$65,641
	Ventura County	17,665,402	54,108
	California	720,798,106	44,681
	United States	5,894,663,750	40,529
2006	City of Moorpark	\$ 845,318	\$68,804
	Ventura County	18,619,655	56,424
	California	764,120,963	46,275
	United States	6,107,092,244	41,255
2007	City of Moorpark	\$ 902,675	\$74,370
	Ventura County	20,238,013	59,954
	California	814,894,438	48,203
	United States	6,300,794,040	41,792
2008	City of Moorpark	\$ 909,955	\$73,847
	Ventura County	19,931,933	59,275
	California	832,531,445	498,952
	United States	6,443,994,426	42,303
2009	City of Moorpark	\$ 945,568	\$75,767
	Ventura County	20,448,570	62,193
	California	844,823,319	49,736
	United States	6,571,536,768	43,252
2010	City of Moorpark	\$ 913,825	\$71,102
	Ventura County	19,427,353	58,583
	California	801,393,028	47,177
	United States	6,365,020,076	41,368

Source: *The Neilson Company (US), Inc.*

Commercial Activity

In 2009, the State Board of Equalization converted the business codes of sales and use tax permit holders to North American Industry Classification System codes. As a result of the coding change, data for 2009 is not comparable to that of prior years. A summary of historic taxable sales within the City and County during the past five years in which data is available is shown in the following tables.

CITY OF MOORPARK Taxable Retail Sales Number of Permits and Valuation of Taxable Transactions (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2005	242	\$181,440	766	\$251,076
2006	254	191,377	767	261,049
2007	256	214,013	767	285,945
2008	274	221,838	789	290,250
2009	450	220,853	776	276,104

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Total taxable sales through the 3rd quarter of 2010 in the City were reported to be \$218,520,000, a 10.94% increase over the total taxable sales of \$196,972,000 reported through the 3rd quarter of 2009. Annual figures are not yet available for 2010.

VENTURA COUNTY Taxable Retail Sales Number of Permits and Valuation of Taxable Transactions (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2005	8,273	\$8,781,725	24,228	\$11,909,068
2006	8,469	8,901,901	24,093	12,316,912
2007	8,623	8,822,848	23,953	12,230,207
2008	8,902	8,075,751	23,940	11,322,410
2009	14,331	7,213,606	22,564	9,883,853

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Total taxable sales through the 3rd quarter of 2010 in the County were reported to be \$7,449,295,000, a 2.84% increase from the total taxable sales of \$7,243,240,000 reported through the 3rd quarter of 2009. Annual figures are not yet available for 2010.

Construction Activity

The following table shows a five-year summary of the valuation of building permits issued in the City.

CITY OF MOORPARK Building Permit Valuation (Valuation In Thousands Of Dollars)

	2006	2007	2008	2009	2010
<u>Permit Valuation</u>					
New Single-family	\$99,531.4	\$18,508.3	\$18,923.2	\$18,859.7	\$13,087.2
New Multi-family	0.0	5,501.4	2,839.1	6,169.3	
Res. Alterations/Additions	<u>3,580.0</u>	<u>3,053.5</u>	<u>2,366.5</u>	<u>1,740.0</u>	
Total Residential	103,111.4	27,063.2	24,128.8	26,769.0	
New Commercial	8,455.2	4,871.1	9,873.1	0.0	0.0
New Industrial	4,070.1	0.0	0.0	0.0	0.0
New Other	6,016.7	3,316.3	1,320.0	914.0	1,126.6
Com. Alterations/Additions	<u>5,354.2</u>	<u>9,638.4</u>	<u>4,805.6</u>	<u>1,999.5</u>	<u>3,056.7</u>
Total Nonresidential	\$23,896.2	\$17,825.9	15,998.7	2,913.5	4,183.2
New Dwelling Units					
Single Family	278	61	64	48	40
Multiple Family	<u>0</u>	<u>36</u>	<u>21</u>	<u>30</u>	<u>20</u>
TOTAL	278	97	85	78	60

Source: Construction Industry Research Board, Building Permit Summary.

The following table shows a five-year summary of the valuation of building permits issued in the County.

VENTURA COUNTY Building Permit Valuation (Valuation In Thousands Of Dollars)

	2006	2007	2008	2009	2010
<u>Permit Valuation</u>					
New Single-family	\$490,209.4	\$218,176.6	\$119,157.3	\$81,959.7	\$68,191.5
New Multi-family	143,184.6	145,424.2	82,542.3	32,433.1	52,395.9
Res. Alterations/Additions	<u>122,632.7</u>	<u>100,261.4</u>	<u>79,040.2</u>	<u>60,450.2</u>	<u>61,349.0</u>
Total Residential	756,026.7	463,862.2	280,739.8	174,843.0	181,936.4
New Commercial	133,318.0	143,630.7	120,076.7	30,640.9	41,329.1
New Industrial	21,429.8	29,407.8	16,258.5	16,561.1	0.0
New Other	60,671.5	48,598.8	49,012.6	31,878.8	39,078.1
Com. Alterations/Additions	<u>110,182.8</u>	<u>124,144.5</u>	<u>159,278.0</u>	<u>74,224.4</u>	<u>80,035.6</u>
Total Nonresidential	\$325,602.1	\$345,781.9	344,625.9	153,305.2	160,442.7
New Dwelling Units					
Single Family	1,560	736	354	231	192
Multiple Family	<u>901</u>	<u>1,111</u>	<u>488</u>	<u>173</u>	<u>398</u>
TOTAL	2,461	1,847	842	404	590

Source: Construction Industry Research Board, Building Permit Summary.

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

_____, 2012

City Council
City of Moorpark
799 Moorpark Avenue
Moorpark, California 93021

OPINION: \$_____ City of Moorpark Community Facilities District No. 97-1
(Carlsberg Business Park Public Improvements) Special Tax Refunding Bonds
Series 2012

Members of the City Council:

We have acted as bond counsel in connection with the issuance by the City of Moorpark (the "City") of \$_____ City of Moorpark Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) Special Tax Refunding Bonds Series 2012 (the "Bonds"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Section 53311, et seq. of the California Government Code (the "Act") and a Fiscal Agent Agreement dated as of February 1, 2012 (the "Fiscal Agent Agreement") by and between the City on behalf of the City of Moorpark Community Facilities District and U.S. Bank, National Association We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Fiscal Agent Agreement, and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The City is duly created and validly existing as a public body, corporate and politic, with the power to adopt the resolution authorizing the issuance of the Bonds, enter into the Fiscal Agent Agreement, and perform the agreements on its part contained therein and issue the Bonds.

2. The Bonds have been duly authorized, executed and delivered by the City and are valid and binding limited obligations of the City, payable solely from the sources provided therefor in the Fiscal Agent Agreement.

3. The Fiscal Agent Agreement has been duly entered into by the City and constitutes a valid and binding obligation of the City enforceable upon the City.

4. Pursuant to the Act the Fiscal Agent Agreement creates a valid lien on the funds pledged by the Fiscal Agent Agreement.

3. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings. The opinion set forth in the preceding sentence is subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that such interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Fiscal Agent Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the "Disclosure Agreement") is dated as of February 1, 2012, is by and between the City of Moorpark, a public body, corporate and politic, organized and existing under and by virtue of the laws of the State of California (the "Issuer" or the "City"), and Willdan Financial Services, in its capacity as Dissemination Agent (the "Dissemination Agent").

RECITALS:

WHEREAS, pursuant to a Fiscal Agent Agreement dated as of February 1, 2012 (the "Fiscal Agent Agreement") by and between the City and U.S. Bank, National Association, as the Fiscal Agent, the City has issued its City of Moorpark Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) Special Tax Refunding Bonds Series 2012 (the "Bonds"), in the aggregate principal amount of \$_____; and

WHEREAS, 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 of the Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5);

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

SECTION 1. Definitions. In addition to the definitions set forth in the Fiscal Agent Agreement, 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 2 and 3 of this Disclosure Agreement.

"*Annual Report Date*" means the date that is 7 months after the end of the City's fiscal year (currently June 30 based on the City's fiscal year end of June 30).

"Dissemination Agent" shall mean Willdan Financial Services, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the City.

"Listed Events" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement and any other event legally required to be reported pursuant to the Rule.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

"Official Statement" means the Official Statement, dated _____, 2012, 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.

"State" shall mean the State of California.

SECTION 2. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing January 31, 2013, with the report for the 2011-12 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) 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 previous sentence. 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 Annual Report Date, 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(c). 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 the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, and stating the date it was provided.

SECTION 3. Content of Annual Reports. The City's Annual Report shall contain or include by reference the following:

(a) The following information:

1. Principal amount of Bonds outstanding.
2. Balance in debt service reserve fund, and statement of the reserve fund requirement. Statement of projected reserve fund draw, if any.
3. Valuation and value to lien information for property owners in the District responsible for 5% or more of the Special Tax levy for the year reported, similar to Table 6 of the Official Statement.
4. Value to lien summary similar to Table 7 of the Official Statement.
5. Statement of debt service coverage for the year.
6. The Special Tax levy, the delinquency rate, total amount of delinquencies, number of parcels delinquent in payment for the five most recent fiscal years, similar to Table 7 of the Official Statement.
7. Status of current and previously reported foreclosure proceedings. If any foreclosure has been completed, summary of results of foreclosure sales or transfers.
8. Status of any bankruptcy proceedings for any property owners in the District responsible for 5% or more of the Special Tax levy.

(b) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 2(a), the Annual Report shall contain unaudited financial statements in a format similar to that used for the City's audited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available; provided, that in each Annual Report or other filing containing the City's financial statements, the following statement shall be included in bold type:

THE CITY'S ANNUAL FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15C2-12. NO FUNDS OR ASSETS OF THE CITY OF MOORPARK (OTHER THAN THE PROCEEDS OF THE SPECIAL TAXES LEVIED FOR THE NORTH CENTRAL FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT AND SECURING THE BONDS) ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS AND THE CITY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE CITY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

(c) In addition to any of the information expressly required to be provided under this Disclosure Agreement, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

SECTION 4. Reporting of Significant Events.

(a) 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:

- (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 City or other obligated person.
- (13) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the

assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Fiscal Agent Agreement.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the City obtains knowledge of the occurrence of any of these Listed Events, the City will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the City will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Agreement, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

SECTION 5. Termination of Reporting Obligation. The obligations of the City, the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of 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 4(e) hereof. If the City's obligations under the Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the City, and the City shall have no further responsibility hereunder.

SECTION 6. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a

successor Dissemination Agent. The Dissemination Agent may resign at any time by providing at least 30 days' notice in writing to the Issuer and the City.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Issuer, provided no amendment increasing or affecting the obligations or duties of the Dissemination Agent shall be made without the consent of either such party) and any provision of this Disclosure Agreement may be waived if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the Issuer, the City and the Dissemination Agent to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 8. 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 Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their respective 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 Issuer, the Bondholders, or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 10. 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 Moorpark 799 Moorpark Avenue Moorpark, California 93021 Attn: CFD Administrator
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To the Dissemination Agent:	Willdan Financial Services 27368 Via Industria, Suite 110
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Temecula, California 92590

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 11. 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 12. 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 above written.

CITY OF MOORPARK, for and on behalf of
City of Moorpark Community Facilities
District No. 97-1 (Carlsberg Business Park
Public Improvements)

By: _____
Authorized Officer

WILLDAN FINANCIAL SERVICES, as
Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Moorpark
Name of Bond Issue: \$_____ City of Moorpark Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) Special Tax Refunding Bonds Series 2012
Date of Issuance: _____, 2012

NOTICE IS HEREBY GIVEN that the City of Moorpark (the "City") on behalf of City of Moorpark Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) has not provided an Annual Report with respect to the above-named Bonds as required by the Fiscal Agent Agreement dated as of February 1, 2012 (the "Fiscal Agent Agreement") by and between the City and U.S. Bank, National Association, as Fiscal Agent. The City anticipates that the Annual Report will be filed by _____.

Dated: _____

WILLDAN FINANCIAL SERVICES, as
Dissemination Agent, on behalf of City of
Moorpark Community Facilities District No.
97-1 (Carlsberg Business Park Public
Improvements)

By: _____
Authorized Officer

cc: City of Moorpark

APPENDIX E

THE BOOK ENTRY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the Bonds (the "Issuer") nor the trustee, fiscal agent or paying agent appointed with respect to the Bonds (the "Agent") take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and

dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. 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 and www.dtc.org. *The information contained on this Internet site is not incorporated herein by reference.*

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

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

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

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

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

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

Discontinuance of Book-Entry System

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the Fiscal Agent and discharging its responsibilities with respect thereto under applicable law or the City may terminate participation in the system of book-entry transfers through DTC or any other securities depository at any time. In the event that the book-entry system is discontinued, the City will execute, and the Fiscal Agent will authenticate and make available for delivery, replacement Bonds in the form of registered bonds. In addition, the principal of and redemption premium, if any, on the Bonds will be payable as set forth in the Fiscal Agent Agreement and summarized above under the caption "Description of the Bonds." Bonds will be transferable and exchangeable on the terms and conditions provided in the Fiscal Agent Agreement. See "Transfer or Exchange of Bonds" above.

\$ _____
**CITY OF MOORPARK
COMMUNITY FACILITIES DISTRICT NO. 97-1
(CARLSBERG BUSINESS PARK PUBLIC IMPROVEMENTS)
SPECIAL TAX REFUNDING BONDS
SERIES 2012**

BOND PURCHASE AGREEMENT

_____, 2012

City of Moorpark
Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements)
799 Moorpark Avenue
Moorpark, California 93021

Ladies and Gentlemen:

The undersigned (the "Underwriter") offers to enter into this Bond Purchase Agreement (this "Bond Purchase Agreement") with the City of Moorpark (the "City") on behalf of City of Moorpark Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) (the "District"), which upon acceptance will be binding upon the Underwriter, the City and the District. The agreement of the Underwriter to purchase the Bonds (as hereinafter defined) is contingent upon the City satisfying all of the obligations imposed upon it under this Bond Purchase Agreement. This offer is made subject to the City's acceptance by the execution of this Bond Purchase Agreement and its delivery to the Underwriter on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the City at any time prior to the acceptance hereof by the City. All capitalized terms used herein, which are not otherwise defined, shall have the meaning provided for such terms in the Fiscal Agent Agreement (as hereinafter defined).

Section 1. Purchase, Sale and Delivery 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 City, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of the \$ _____ aggregate principal amount of the City of Moorpark Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements), Special Tax Refunding Bonds, Series 2012 (the "Bonds"), dated the Closing Date (as hereinafter defined), bearing interest at the rates and maturing on the dates and in the principal amounts set forth in Exhibit A hereto. The purchase price for the Bonds shall be \$ _____ (representing the principal of amount of the Bonds, plus/less an aggregate original issue discount/premium of \$ _____, less an underwriter's discount of \$ _____).

(b) The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable and subject to redemption as provided in, the Fiscal Agent Agreement by and between the City and U.S. Bank, National Association, as fiscal agent (the "Fiscal Agent"), dated as of _____, 2012. The Bonds and

interest thereon will be payable from special taxes (the "Special Taxes") levied and collected on the taxable land within the District in accordance with the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 et seq. of the Government Code of the State of California) (the "Act") and levied in accordance to the rate and method of apportionment approved by the City Council of the City and the qualified electors within the District and any foreclosure proceeds related to the levy (together with the Special Taxes, the "Special Tax Revenues"). Proceeds of the sale of the Bonds will be used (i) to refund certain outstanding special tax bonds issued for the District in 1997 (the "Prior Bonds"), (ii) to fund the Reserve Fund in the amount of the Reserve Requirement, and (iii) to pay for the cost of issuance of the Bonds.

(c) Subsequent to its receipt of a certificate from the City deeming the Preliminary Official Statement for the Bonds, dated _____ (which Preliminary Official Statement, together with the cover page and all appendices thereto, is herein collectively referred to as the "Preliminary Official Statement" and which, as amended with the prior approval of the Underwriter and executed by the City, will be referred to herein as the "Official Statement") final for purposes of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), the Underwriter has distributed copies of the Preliminary Official Statement. The City hereby ratifies the use by the Underwriter of the Preliminary Official Statement and authorizes the Underwriter to use and distribute the final Official Statement dated the date hereof (including all information previously permitted to have been omitted by Rule 15c2-12 and any supplements and amendments thereto as have been approved by the City as evidenced by the execution and delivery of such document by an officer of the City), the Fiscal Agent Agreement, the Continuing Disclosure Agreement, dated as of _____, 2012, by and between the City for and on behalf of the District and Willdan Financial Services (the "Disclosure Agreement"), this Bond Purchase Agreement, and all information contained therein, and all other documents, certificates and written statements furnished by the City to the Underwriter in connection with the transactions contemplated by this Bond Purchase Agreement, in connection with the offer and sale of the Bonds by the Underwriter.

(d) Except as the Underwriter and the City may otherwise agree, at 8:00 A.M. California time, on _____, 2012 (the "Closing Date"), the City will deliver to the Underwriter, at the offices of Jones Hall, San Francisco, California, or at such other location as may be mutually agreed upon by the Underwriter and the City, the documents hereinafter mentioned and the City will deliver to the Underwriter at the offices of The Depository Trust Company ("DTC") in New York, New York, the Bonds, in definitive form (all Bonds bearing CUSIP numbers), duly executed by the City and authenticated by the Fiscal Agent in the manner provided for in the Fiscal Agent Agreement and the Act, and the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in paragraph (a) of this Section in immediately available funds (such delivery and payment being herein referred to as the "Closing"). The Bonds shall be made available to the Underwriter for inspection not later than two Business Days prior to the Closing Date. The Bonds shall be in fully registered book-entry form (which may be typewritten) and shall be registered in the name of Cede & Co., as nominee of DTC.

Section 2. Representations, Warranties and Agreements of the City. The City represents, warrants to, covenants and agrees with, the Underwriter that:

(a) The District is a community facilities district duly organized and validly existing under the Constitution and laws of the State of California, and the City, acting on behalf of the District, has, and at the Closing Date will have, full legal right, power (i) to enter into, execute and deliver under this Bond Purchase Agreement, the Fiscal Agent Agreement, the

Disclosure Agreement, and (ii) to carry out, give effect to and consummate the transactions contemplated hereby and thereby.

(b) The City has complied, and will at the Closing Date be in compliance, in all respects with the Fiscal Agent Agreement, the Disclosure Agreement, the Act and this Bond Purchase Agreement.

(c) The City Council has duly and validly: (i) made all the necessary findings and determinations required under the Act in connection with the formation of the District and the issuance of the Bonds, (ii) approved and authorized the execution and delivery of the Fiscal Agent Agreement, the Bonds, the Disclosure Agreement, this Bond Purchase Agreement and the Official Statement and approved the distribution of the Preliminary Official Statement, and (ii) authorized and approved the performance by the City of its obligations contained in, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions contemplated by, each of such documents.

(d) Except as described in the Preliminary Official Statement, neither the City nor the District is, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City or the District is a party or is otherwise subject or bound, and the performance by the City on behalf of the District of its obligations under the Fiscal Agent Agreement, the Bonds, the Disclosure Agreement and this Bond Purchase Agreement and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City or the District is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the City on behalf of the District of its obligations under the Fiscal Agent Agreement, the Bonds, the Disclosure Agreement or this Bond Purchase Agreement.

(e) Except as may be required under the "blue sky" or other securities laws of any jurisdiction, all approvals, consents, authorizations, elections and orders of, or filings or registrations with, any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect the performance by the City on behalf of the District of its obligations hereunder or under the Fiscal Agent Agreement, the Bonds or the Disclosure Agreement have been or will be obtained at the Closing Date and are or will be at the Closing Date in full force and effect.

(f) The Special Taxes constituting the security for the Bonds have been duly and lawfully authorized and may be levied under the Law and the Constitution and the applicable laws of the State of California, and under the Law such Special Taxes, constitute a valid and legally binding continuing lien on the properties on which it has been levied.

(g) The Fiscal Agent Agreement creates a valid pledge of, first lien upon and security interest in, the Special Tax Revenues and the amounts in the Special Tax Fund, the

Bond Fund and the Reserve Fund established pursuant to the Fiscal Agent Agreement, on the terms and conditions set forth in the Fiscal Agent Agreement.

(h) As of the date hereof the information in the Preliminary Official Statement is true, correct and complete in all material respects and does not and, on the Closing Date the information in the Official Statement 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 the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) If after the date of this Bond Purchase Agreement and until ninety (90) days after the End of the Underwriting Period (as hereinafter defined), any event shall occur, of which the City has notice, as a result of which it may be necessary to supplement the Official Statement in order to make the statements therein, in the light of the circumstances existing at such time, not misleading, the City shall forthwith notify the Underwriter of any such event of which it has knowledge and, if in the opinion of the Underwriter and the City Manager on behalf of the District, such event requires an amendment or supplement to the Official Statement, the City will at its own expense amend or supplement the Official Statement in a form and manner jointly approved by the City and the Underwriter so that the statements therein as so amended or supplemented will not be misleading in the light of the circumstances existing at such time and the City will promptly furnish to the Underwriter a reasonable number of copies of such amendment or supplement. As used herein the term "End of the Underwriting Period" means the later of such time as (i) the City on behalf of the District delivers the Bonds to the Underwriter, or (ii) the Underwriter do not retain an unsold balance of the Bonds for sale to the public. Unless the Underwriter give notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the City at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the "End of the Underwriting Period."

(j) Except as disclosed in the Preliminary Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency or public board or body to which the City or the District is a party and has been served with a summons or other notice thereof, is pending, or to the knowledge of the City Manager threatened, in any way affecting the existence of the District, the existence of the City or the titles of its officers to their respective offices or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, the collection or application of the Special Taxes pledged or to be pledged to pay the principal of, and interest on, the Bonds, or the pledge thereof, or the collection or application of the Special Taxes pledged or to be pledged to pay the principal of, and interest on, the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Fiscal Agent Agreement, the Bonds, the Disclosure Agreement or this Bond Purchase Agreement, any action of the City or the District contemplated by any of such documents, or in any way contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or the powers of the City or the District with respect to the Fiscal Agent Agreement, the Bonds, the Disclosure Agreement or this Bond Purchase Agreement or any action of the City or the District contemplated by any of such documents, or which contests the exclusion from gross income for federal income tax purposes of interest paid on the Bonds or the exemption of interest paid on the Bonds from State of California personal income taxation.

(k) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably

request in order for the Underwriter 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 of America as the Underwriter may designate; provided, however, that neither the City nor the District shall be required to register as a dealer or broker of securities or to consent to service of process or qualify to do business in any jurisdiction where it is not now so subject. It is understood that such "blue sky" registration is the sole responsibility of the Underwriter.

(l) Any certificate signed by any authorized officer or employee of the City authorized to do so shall be deemed a representation and warranty by the City on behalf of the District as to the statements made therein.

(m) The City on behalf of the District will apply the proceeds of the Bonds in accordance with the Fiscal Agent Agreement.

(n) Until such time as moneys have been set aside in an amount sufficient to pay all then outstanding Bonds at maturity or to the date of redemption if redeemed prior to maturity, plus unpaid interest thereon and premium, if any, to maturity or to the date of redemption if redeemed prior to maturity, the City on behalf of the District will faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Fiscal Agent Agreement.

(o) The Preliminary Official Statement heretofore delivered to the Underwriter has been deemed final by the City as of its date, except for the omission of such information as is permitted to be omitted in accordance with Rule 15c2-12. The City hereby covenants and agrees that, within seven (7) business days from the date hereof, or upon reasonable written notice from the Underwriter within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the City shall cause a final printed form of the Official Statement to be delivered to the Underwriter in sufficient quantity to comply with Rule 15c2-12 and the applicable rules of the Municipal Securities Rulemaking Board.

(p) Except as disclosed in the Official Statement, to the best of the City's knowledge, no other public debt secured by a tax or assessment levied by the City on the land in the District is in the process of being authorized and no assessment districts or community facilities district have been or are in the process of being formed by the city which include any portion of the land within the District.

(q) Within the past five years, the City has not been in default with respect to any reporting obligation that it has undertaken under Rule 15c2-12 for any indebtedness issued by the City.

The execution and delivery of this Bond Purchase Agreement by the City on behalf of the District shall constitute a representation to the Underwriter that the representations and warranties contained in the Section 2 are true as of the date hereof.

Section 3. Conditions to the Obligations of the Underwriter. The obligation of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations and warranties on the part of the City contained herein, to the accuracy in all material respects of the statements of the officer and other officials of the City made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the City on behalf

of the District of its obligations to be performed hereunder at or prior to the Closing Date and to the following conditions:

(a) At the Closing Date, the Fiscal Agent Agreement, the Disclosure Agreement, and this Bond Purchase Agreement shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and there shall have been taken in connection therewith, with the issuance of the Bonds, and with the transactions contemplated thereby, by this Bond Purchase Agreement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate.

(b) At the Closing Date, except as was described in the Preliminary Official Statement, neither the City nor the District shall be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City or the District is a party or is otherwise subject or bound, and the performance by the City on behalf of the District of its obligations under the Bonds, the Fiscal Agent Agreement, the Disclosure Agreement and this Bond Purchase Agreement, and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City or the District is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the City on behalf of the District of its obligations under the Bonds, Fiscal Agent Agreement, the Disclosure Agreement and this Bond Purchase Agreement.

(c) At the Closing Date, except as may be required under the "blue sky" or other securities laws of any jurisdiction, all approvals, consents, authorizations, elections and orders of, or filings or registrations with, any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the City on behalf of the District of its obligations hereunder, and the Fiscal Agent Agreement, the Bonds or the Disclosure Agreement will have been obtained and will be in full force and effect.

(d) The information contained in the Official Statement is, as of the Closing Date and as of the date of any supplement or amendment thereto pursuant to Section 2(i) hereof, true, correct and complete in all material respects and does not, as of the Closing Date or as of the date of any supplement or amendment thereto pursuant to Section 2(i) hereof, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) Between the date hereof and the Closing Date, the market price or marketability, at the initial offering prices set forth on the inside cover page of the Official Statement, of the Bonds shall not have been materially adversely affected (evidenced by a

written notice to the City terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

(1) Legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration, or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department of the United States of America or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon such interest as would be received by any owners of the Bonds;

(2) Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Fiscal Agent Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws as amended and then in effect;

(3) A general suspension of trading in securities on the New York Stock Exchange, or a general banking moratorium declared by Federal, State of New York or State of California officials authorized to do so;

(4) The imposition by the New York Stock Exchange or 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, including those relating to the extension of credit by, or the charge to the net capital requirements of, underwriters;

(5) The introduction, proposal or enactment of any amendment to the Federal or California Constitution or any action by any Federal or California court, legislative body, regulatory body or any other governmental body materially adversely affecting the tax status of the District, its property, income, securities (or interest thereon), the validity or enforceability of the Special Taxes, as contemplated by the Fiscal Agent Agreement and the Official Statement;

(6) Any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or in the Official Statement, or has the effect that the Preliminary Official Statement or 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 therein, in the light of the circumstances under which they were made, not misleading; or

(7) There shall have occurred any outbreak of hostilities or other local, national or international calamity or crisis or the escalating of any hostilities, act of terrorism, calamity or crisis, the effect of which on the financial markets of the United States of America, in the reasonable judgment of the Underwriter, is such as to materially and adversely affect (A) the market price or the marketability of the Bonds, or (B) the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(8) Any adverse event occurs with respect to the affairs of the City, the District or the Fiscal Agent, which, in the reasonable judgment of the Underwriter, would have a material and adverse effect on the market price or marketability, at the initial offering prices set forth in the Official Statement, of the Bonds.

(f) At or prior to the Closing Date, the Underwriter shall have received two counterpart originals or certified copies of the following documents, in each case satisfactory in form and substance to the Underwriter:

(1) The resolution authorizing the sale of the Bonds adopted on _____, 2012 by the City Council, acting in its capacity as legislative body of the District (the "Resolution") and the resolution of formation forming the District by the City Council, adopted on August 1, 1990 (the "Formation Resolution"), each together with a certificate of the Secretary of the City Council, dated as of the Closing Date, to the effect that such resolution is a true, correct and complete copy of the resolution duly adopted by the City;

(2) The Official Statement, executed on behalf of the District by an authorized signatory of the City;

(3) The Fiscal Agent Agreement duly executed and delivered by the City and the Fiscal Agent;

(4) The Disclosure Agreement duly authorized and executed by the City and Willdan Financial Services;

(5) An unqualified opinion, dated the Closing Date and addressed to the City, of Bond Counsel, to the effect that the Bonds are the valid, legal and binding obligations of the City and that the interest thereon is excluded from gross income for federal income tax purposes and exempt from personal income taxes of the State of California in substantially the form included as Appendix C to the Official Statement, together with an unqualified opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that such

opinion addressed to the City may be relied upon by the Underwriter to the same extent as if such opinion was addressed to the Underwriter;

(6) A supplemental opinion or opinions, dated the Closing Date and addressed to the City and the Underwriter, of Bond Counsel, to the effect that (i) this Bond Purchase Agreement has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding agreement of the City and the District, each enforceable in accordance with its terms, except to the extent that enforceability may be limited by moratorium, bankruptcy, reorganization insolvency or other similar laws affecting creditors' rights generally or by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases; (ii) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Fiscal Agent Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended; (iii) the Bonds, the Fiscal Agent Agreement and the Continuing Disclosure Agreement conform as to form and tenor to the descriptions thereof contained in the Official Statement, and the statements contained in the Official Statement on the cover and under the captions "THE BONDS" and "TAX MATTERS" and in Appendix C to the Official Statement insofar as such statements purport to summarize certain provisions of the Bonds, the Fiscal Agent Agreement, Bond Counsel's final opinion and the Act, are accurate in all material respects; (iv) the Fiscal Agent Agreement has been duly adopted by the City Council, acting as the legislative body of the District and creates a valid pledge of the Special Taxes and the amounts on deposit in certain funds and accounts established under the Fiscal Agent Agreement, as and to the extent provided in such Fiscal Agent Agreement; and (v) the Special Taxes and the levy thereof have been duly and validly authorized in accordance with the provisions of the Act and, when levied, the Special Tax will be a valid and binding lien upon the property against which it is levied, enforceable by the City in accordance with the provisions of the Fiscal Agent Agreement and the Act except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditor's rights;

(7) the opinion of Jones Hall, San Francisco, California, Disclosure Counsel, dated the Closing Date, addressed to the District, and to the Underwriter, to the effect that based upon an examination which they have made, and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, they have no reason to believe that the Official Statement (other than financial statements and other statistical and financial data and information relating to The Depository Trust Company, New York, New York, and its book-entry system contained therein and incorporated therein by reference, as to which no view need be expressed) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(8) A certificate of the City, dated the Closing Date and signed by the City Manager or his authorized designee to the effect that (i) the representations and warranties of the City contained herein are true and correct in all material

respects on and as of the Closing Date with the same effect as if made on the Closing Date, except that all references herein to the Preliminary Official Statement shall be deemed to be references to the Official Statement; (ii) to the best knowledge of such officer, no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and (iii) the City has complied with all the agreements and satisfied all the conditions on its part to be satisfied under this Bond Purchase Agreement, the Fiscal Agent Agreement, the Disclosure Agreement and the Official Statement at or prior to the Closing Date;

(9) An opinion, dated the Closing Date and addressed to the City and the Underwriter, of the City Attorney, to the effect that (i) the District is a community facilities district duly organized and validly existing under the Act; (ii) the Official Statement and the distribution thereof have been duly authorized by the City; (iii) the form of the Fiscal Agent Agreement and this Bond Purchase Agreement have been duly approved at a meeting of the City Council, acting as the legislative body of the District, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting; (iv) the City on behalf of the District has duly and validly executed and delivered on behalf of the District this Bond Purchase Agreement, the Fiscal Agent Agreement, and the Bonds, and each such document constitutes the legal, valid and binding obligation of the District enforceable against the District in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting enforcement of creditors' rights in general and to the application of equitable principles if equitable remedies are sought; (v) other than as disclosed in the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body to which the City or the District is a party and has been served with a summons or other notice thereof, is pending or, to such counsel's knowledge, threatened, in any way affecting the existence of the District, the existence of the City or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, the collection or application of the Special Taxes to pay the principal of, and interest on, the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Fiscal Agent Agreement, this Bond Purchase Agreement, or any action of the City or the District contemplated by any of such documents or in any way contesting the completeness or accuracy of the Official Statement or the powers of the City or the District with respect to the Bonds, the Fiscal Agent Agreement, this Bond Purchase Agreement, of any action on the part of the City or the District contemplated by any of such documents, or in any way seeking to enjoin or restrain the City from approving the development of any of the property within District, or which challenges the exclusion of the interest paid on the Bonds from federal income tax purposes and the exemption of interest paid on the Bonds from State of California personal income taxation; (vi) the statements in the Official Statement under the heading "NO LITIGATION" are as of the date of the Official Statement and as of the date of the opinion, true and correct in all material respects and do not, as of the date of the Official Statement and as of the date of the opinion, contain any untrue

statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (vii) the City is duly organized and validly existing as a political subdivision under the Constitution and laws of the State of California with full legal right, power and authority to form the District;

(10) A transcript of all proceedings relating to the authorization, issuance, sale and delivery of the Bonds, including certified copies of the Fiscal Agent Agreement and all resolutions relating thereto;

(11) Certified copies of the general resolution of U.S. Bank, National Association, as Fiscal Agent, authorizing the execution and delivery of certain documents by certain officers of U.S. Bank, National Association, which resolution authorizes the execution of the Fiscal Agent Agreement;

(12) A certificate of U.S. Bank, National Association, addressed to the Underwriter and the City dated the Closing Date, to the effect that (i) U.S. Bank, National Association is authorized to carry out corporate trust powers, and has full power and to perform its duties under the Fiscal Agent Agreement; (ii) U.S. Bank, National Association is duly authorized to execute and deliver the Fiscal Agent Agreement, to accept the obligations created by the Fiscal Agent Agreement, and to authenticate the Bonds pursuant to the terms of the Fiscal Agent Agreement; (iii) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over U.S. Bank, National Association that has not been obtained is or will be required for the authentication of the Bonds, of the consummation by it of the other transactions contemplated to be performed by it in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Fiscal Agent Agreement; and (v) to the best of its knowledge, compliance with the terms of the Fiscal Agent Agreement will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, fiscal agent agreement, bond, note, resolution or any other agreement or instrument to which U.S. Bank, National Association is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over U.S. Bank, National Association or any of its activities or properties;

(13) An opinion of counsel to U.S. Bank, National Association, dated the Closing Date, addressed to the Underwriter and the City, to the effect that U.S. Bank, National Association is a banking corporation duly organized and validly existing under the laws of California having full power and being qualified to enter into, accept and agree to the provisions of the Fiscal Agent Agreement, and that the Fiscal Agent Agreement has been duly authorized, executed and delivered by U.S. Bank, National Association, in its capacity as the Fiscal Agent and, assuming due execution and delivery by the other parties thereto, constitute the legal, valid and binding obligation of U.S. Bank, National Association, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by the application of equitable principles if equitable remedies are sought;

(14) A tax certificate of the City on behalf of the District in form and substance acceptable to Bond Counsel and the Underwriter;

(15) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the material representations and warranties of the City contained herein, and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the City in connection with the transactions contemplated hereby, the Fiscal Agent Agreement and Continuing Disclosure Agreement and the Official Statement.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Bond Purchase Agreement, or if the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and none of the City, the District nor the Underwriter shall be under any further obligation hereunder, except that the respective obligations of the Underwriter, the City and the District set forth in Section 4 hereof shall continue in full force and effect.

Section 4. Expenses.

(a) Whether or not the Underwriter accepts delivery of and pays for the Bonds as set forth herein, it shall be under no obligation to pay, and the City shall pay out of the proceeds of the Bonds or any other legally available funds of the City, all expenses incidental to the performance of the City's obligations hereunder, including but not limited to the cost of printing, engraving and delivering the Bonds to the Underwriter; the costs of printing and shipping the Preliminary Official Statement and the Official Statement; the fees and disbursements of the District, the City, the Fiscal Agent, the Dissemination Agent, Bond Counsel, accountants, engineers, appraisers, economic consultants and any other experts or consultants retained by the City in connection with the issuance and sale of Bonds; and any other expenses not specifically enumerated in paragraph (b) of this Section incurred in connection with the issuance and sale of the Bonds.

(b) Whether or not the Bonds are delivered to the Underwriter as set for the herein, the City shall be under no obligation to pay, and the Underwriter shall be responsible for and pay, CUSIP Bureau and CDIAC fees and expenses to qualify the Bonds for sale under any "blue sky" laws; and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds not specifically enumerated in paragraph (a) of this Section, including the fees and disbursements of its counsel.

Section 5. Undertakings of the City. The City agrees (a) to inform the Underwriter, from time to time, upon the reasonable request of the Underwriter, of the amount then on deposit in the Reserve Fund and all accounts thereunder, and (b) to make available to the Underwriter, upon reasonable request of the Underwriter, at the expense of the City, sufficient copies of its audited financial statements, if any, resolutions of its legislative body with respect to the Bonds, the Fiscal Agent Agreement, the Official Statement, any amendments or supplements thereto, and other documents relating to the Bonds and pertaining to the District or the City, to the extent that such documents are publicly available, as may be reasonably

required from time to time for the prompt and efficient performance by the Underwriter of their obligations hereunder (except any portion of any such document which, by contract, is not subject to disclosure).

Section 6. Notices. Any notice or other communication to be given to the City under this Bond Purchase Agreement may be given by delivering the same in writing to the City of Moorpark at 799 Moorpark Avenue, Moorpark, California 93021, Attention: Finance Director; any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to the Representative: Piper Jaffray & Co., 345 California Street, Suite 2400, San Francisco, CA 94104-2606, Attn: Matt Challis.

Section 7. Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the City, the District and the Underwriter (including any successors or assignees of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

Section 8. Survival of Representations and Warranties. The representations and warranties of the City hereunder shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the City and regardless of the delivery of and payment for the Bonds.

Section 9. Execution in Counterparts. This Bond Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 10. No Prior Agreements. This Bond Purchase Agreement supersedes and replaces all prior negotiations, agreements and understandings among the parties hereto in relation to the sale of the Bonds of the City.

Section 11. Effective Date. This Bond Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the City and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

PIPER JAFFRAY & CO.

By: _____
Authorized Signatory

**CITY OF MOORPARK
on behalf of COMMUNITY FACILITIES DISTRICT
NO. 97-1 (Carlsberg Business Park Public
Improvements)**

By: _____
Authorized Signatory

EXHIBIT A
MATURITY SCHEDULE

<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
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Serial Bonds

Term Bonds

**FISCAL AGENT AGREEMENT
by and between**

CITY OF MOORPARK

and

**U.S. BANK, NATIONAL ASSOCIATION,
as Fiscal Agent**

Dated as of February 1, 2012

Relating to:

**\$ _____
City of Moorpark
Community Facilities District No. 97-1
(Carlsberg Business Park Public Improvements)
Special Tax Refunding Bonds, Series 2012**

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EXHIBIT A FORM OF BOND

FISCAL AGENT AGREEMENT

THIS FISCAL AGENT AGREEMENT (the "Agreement") is made and entered into and dated as of February 1, 2012, by and between the City of Moorpark, California, a municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of California (the "City") for and on behalf of the City of Moorpark Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) (the "District"), and U.S. Bank, National Association, a national banking association, duly organized and existing under the laws of the United States of America with a corporate trust office located in Los Angeles, California, as fiscal agent (the "Fiscal Agent").

WITNESSETH:

WHEREAS, the City Council of the City has formed the District under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (constituting Section 53311 *et seq.* of the California Government Code) (the "Act") and Resolution No. 97-1351 of the City Council adopted on July 16, 1997.

WHEREAS, the City Council, as the legislative body with respect to the District, is authorized under the Code to levy special taxes to pay for the costs of facilities within the District and to authorize the issuance of bonds secured by said special taxes under the Code;

WHEREAS, under the provisions of the Act, the City on July 31, 1997 issued its \$7,645,000 City of Moorpark, Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements), Special Tax Bonds (the "Prior Bonds") to finance public improvements related to property in the District;

WHEREAS, under the provisions of the Act, on _____, 2012, the City Council of the City adopted Resolution No. _____ (the "Resolution"), which resolution, among other matters, authorized the issuance of the City of Moorpark, Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements), Special Tax Refunding Bonds, Series 2012 (the "Bonds") to provide moneys to refund the Prior Bonds and refinance the costs of the authorized District facilities, and authorized the execution hereof; and

WHEREAS, it is in the public interest and for the benefit of the City, the District and the persons responsible for the payment of special taxes that the City enter into this Agreement to provide for the issuance of the refunding special tax bonds hereunder to refund the outstanding principal amount of the Prior Bonds, and to provide for the disbursement of proceeds of the Bonds, the disposition of the special taxes securing the Bonds and the administration and payment of the Bonds; and

WHEREAS, all things necessary to cause the Bonds, when authenticated by the Fiscal Agent and issued as provided in the Act, the Resolution and this Agreement, to be legal, valid and binding and limited obligations in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Agreement and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, in consideration of the covenants and provisions herein set forth and for other valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I

AUTHORITY AND DEFINITIONS; STATUTORY AUTHORITY AND DEFINITIONS

Section 1.01. Authority for this Agreement. This Agreement is entered into pursuant to the provisions of the Act and the Resolution.

Section 1.02. Agreement for Benefit of Bondowners. The provisions, covenants and agreements herein set forth to be performed by or on behalf of the City shall be for the equal benefit, protection and security of the Owners. All of the Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Agreement. The Fiscal Agent may become the Owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Fiscal Agent.

Section 1.03. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.03 shall, for all purposes of this Agreement, of any Supplemental Agreement, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311 *et seq.* of the California Government Code.

"Administrative Expenses" means any or all of the following: the fees and expenses of the Fiscal Agent (including any fees or expenses of its counsel), the expenses of the City in carrying out its duties hereunder (including, but not limited to, the levying and collection of the Special Taxes, and the foreclosure of the liens of delinquent Special Taxes) including the fees and expenses of its counsel, an allocable share of the salaries of City staff directly related thereto and a proportionate amount of City general administrative overhead related thereto, any amounts paid by the City from its general funds pursuant to Section 6.02, and all other costs and expenses of the City or the Fiscal Agent incurred in connection with the issuance and administration of the Bonds and/or the discharge of their respective duties hereunder (including, but not limited to, the calculation of the levy of the Special Taxes, foreclosures with respect to delinquent taxes, and the calculation of amounts subject to rebate to the United States) and, in the case of the City, in any way related to the administration of the District. Administrative Expenses shall include any such expenses incurred in prior years but not yet paid, and any advances of funds by the City in connection with the collection of the Special Taxes.

"Agreement" means this Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement.

"Annual Debt Service" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled, and (ii) the principal amount of the Outstanding Bonds, including any mandatory sinking fund payments, due in such Bond Year.

"Authorized Officer" means the City Manager, Assistant City Manager, Finance Director or any other officer or employee authorized by the City Council of the City or by an Authorized Officer to undertake the action referenced in this Agreement as required to be undertaken by an Authorized Officer.

"Bond" or *"Bonds"* means all or a portion, as appropriate, of the City of Moorpark Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) Special Tax Refunding Bonds, Series 2012 at any time outstanding under this Agreement and any Supplemental Agreement.

"Bond Counsel" means any attorney or firm of attorneys acceptable to the City and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"Bond Fund" means the fund by that name established pursuant to Section 4.02(A) hereof.

"Bond Year" means each twelve-month period beginning on September 2 in any year and extending to the next succeeding September 1, both dates inclusive; except that the first Bond Year shall begin on the Closing Date and end on September 1, 2012.

"Business Day" means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the state in which the Principal Office of the Fiscal Agent is located are authorized or obligated by law or executive order to be closed.

"CDIAC" means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

"City" means the City of Moorpark, California, and any successor thereto.

"Closing Date" means the date upon which there is a physical delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser.

"Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated as of February 1, 2012, by and among the City and Willdan Financial Services, in its capacity as Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Cost of Issuance" means items of expense payable or reimbursable directly or indirectly by the City and related to the authorization, sale and issuance of the Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees, expenses and charges of the Fiscal Agent including its first annual administration fee, expenses incurred by the City in connection with the issuance of the Bonds, financial advisor fees, Bond (underwriter's)

discount or underwriting fee, legal fees and charges, including bond counsel, charges for execution, transportation and safekeeping of the Bonds and other costs, charges and fees in connection with the foregoing.

"Costs of Issuance Fund" means the fund by that name established pursuant to Section 3.04(A) hereof.

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

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.12.

"District" means the City of Moorpark Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) formed pursuant to the Resolution of Formation.

"Escrow Fund" means the fund of that name established and administered under the and described in the Refunding Instructions.

"Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State of California, but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States.

"Federal Securities" means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Fiscal Agent (the Fiscal Agent entitled to rely upon investment direction from the City as a certification that such investment constitutes a legal investment).

- (i) Direct general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the United States Department of the Treasury) and obligations, the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as "stripped" obligations and coupons; or

(ii) Any of the following obligations of the following agencies of the United States of America: (i) direct obligations of the Export-Import Bank, (ii) certificates of beneficial ownership issued by the Farmers Home Administration, (iii) participation certificates issued by the General Services Administration, (iv) mortgage-backed bonds or passthrough obligations issued and guaranteed by the Government National Mortgage Association, (v) project notes issued by the United States Department of Housing and Urban Development, and (vi) public housing notes and bonds guaranteed by the United States of America.

"Finance Director" means the Finance Director, including any Acting Finance Director, of the City, or if there is no Finance Director, the Treasurer, City Manager or the Assistant City Manager of the City.

"Fiscal Agent" means the Fiscal Agent appointed by the City and acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 7.01.

"Fiscal Year" means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

"Interest Payment Dates" means March 1 and September 1 of each year, commencing September 1, 2012.

"Maximum Annual Debt Service" means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

"1997 Fiscal Agent" means U.S. Bank, National Association in its capacity as fiscal agent under the 1997 Fiscal Agent Agreement.

"1997 Fiscal Agent Agreement" means the Fiscal Agent Agreement dated as of July 1, 1997 by and between the City and First Trust of California, National Association (predecessor to U.S. Bank, National Association) providing for the Prior Bonds.

"Officer's Certificate" means a written certificate of the City signed by an Authorized Officer of the City.

"Ordinance" means the City Ordinance No. 235 adopted July 23, 1997 and any other ordinance of the City levying the Special Taxes.

"Original Purchaser" means the first purchaser of the Bonds from the City.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 8.04) all Bonds except (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the City pursuant to this Agreement or any Supplemental Agreement.

"Owner" or "Bondowner" means any person who shall be the registered owner of any Outstanding Bond.

"Participating Underwriter" shall have the meaning ascribed thereto in the Continuing Disclosure Agreement.

"Permitted Investments" means any of the following, to the extent that they are lawful investments for City funds at the time of investment, and are acquired at Fair Market Value (the Fiscal Agent entitled to rely upon investment direction from the City as a certification that such investment constitutes a legal investment):

(i) Federal Securities;

(ii) any of following obligations of federal agencies not guaranteed by the United States of America: (a) debentures issued by the Federal Housing Administration; (b) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation or Farm Credit Banks (consisting of Federal Land Banks, Federal Intermediate Credit Banks or Banks for Cooperatives); (c) bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, bonds of any federal home loan bank established under said act and stocks, bonds, debentures, participations and other obligations of or issued by the Federal National Mortgage Association, the Student Loan Marketing Association, the Government National Mortgage Association and the Federal Home Loan Mortgage Corporation; and bonds, notes or other obligations issued or assumed by the International Bank for Reconstruction and Development;

(iii) interest-bearing demand or time deposits (including certificates of deposit) in federal or State of California chartered banks (including the Fiscal Agent and its affiliates), provided that (a) in the case of a savings and loan association, such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such savings and loan association shall be rated in one of the top two rating categories by a nationally recognized rating service, and (b) in the case of a bank, such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such bank (or the unsecured obligations of the parent bank holding company of which such bank is the lead bank) shall be rated in one of the top two rating categories by a nationally recognized rating service;

(iv) repurchase agreements with a registered broker/dealer subject to the Securities Investors Protection Corporation Liquidation in the event of insolvency, or any commercial bank provided that: (a) the unsecured obligations of such bank shall be rated in one of the top two rating categories by a nationally recognized rating service, or such bank shall be the lead bank of a banking holding company whose unsecured obligations are rated in one of the top two rating categories by a nationally recognized rating service; (b) the most recent reported combined capital, surplus and undivided profits of such bank shall be not less than \$100 million; (c) the repurchase obligation under any such repurchase obligation shall be required to be performed in not more than thirty (30) days; (d) the entity holding such securities as described in clause (c) shall have a pledged first security interest therein for the benefit of the Fiscal Agent under the California Commercial Code or pursuant to the book-entry procedures

described by 31 C.F.R. 306.1 *et seq.* or 31 C.F.R. 350.0 *et seq.* and are rated in one of the top two rating categories by a nationally recognized rating service;

(v) bankers acceptances endorsed and guaranteed by banks described in clause (iv) above;

(vi) obligations, the interest on which is exempt from federal income taxation under Section 103 of the Code and which are rated in the one of the top two rating categories by a nationally recognized rating service;

(vii) money market funds which invest solely in Federal Securities or in obligations described in the preceding clause (ii) of this definition, or money market funds which are rated in the highest rating category by Standard & Poor's Ratings Services or Moody's Investor Service, including funds which are managed or maintained by the Fiscal Agent and its affiliates;

(viii) units of a taxable government money market portfolio comprised solely of obligations listed in (i) and (iv) above including those of Fiscal Agent and its affiliates;

(ix) any investment which is a legal investment for proceeds of the Bonds at the time of the execution of such agreement, and which investment is made pursuant to an agreement between the City or the Fiscal Agent or any successor Fiscal Agent and a financial institution or governmental body whose long term debt obligations are rated in one of the top two rating categories by a nationally recognized rating service;

(x) commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, or Standard and Poor's Ratings Services, of issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000) and having an "AA" or higher rating for the issuer's debentures, other than commercial paper, as provided for by Moody's Investors Service or Standard and Poor's Ratings Services, and provided that purchases of eligible commercial paper may not exceed 180 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation;

(xi) any general obligation of a bank or insurance company whose long term debt obligations are rated in one of the two highest rating categories of a national rating service;

(xii) shares in a common law trust established pursuant to Title 1, Division 7, Charter 5 of the Government Code of the State which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the Government Code of the State, as it may be amended;

(xiii) the Local Agency Investment Fund established pursuant to Section 16429.1 of the Government Code of the State of California, *provided, however*, that the Fiscal Agent shall be permitted to make investments and withdrawals in its own name and the Fiscal Agent may restrict investments in the such fund if necessary to keep moneys available for the purposes of this Fiscal Agent Agreement.

(xiii) any other lawful investment for City funds.

"Prepayment" means the prepayment of the Special Taxes as permitted by the rate and method of apportionment for the District.

"Prepayment Account" means the account within the Bond Fund by that name established pursuant to Section 4.02(A) hereof.

"Principal Office" means the corporate trust office of the Fiscal Agent set forth in Section 9.06, or such other or additional offices as may be designated by the Fiscal Agent, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Fiscal Agent at which, at any particular time, its corporate trust agency business shall be conducted.

"Prior Bonds" means the \$7,645,000 original amount of City of Moorpark, Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements), Special Tax Bonds.

"Project" means the improvements financed with the proceeds of the Prior Bonds.

"Record Date" means the fifteenth (15th) day of the month next preceding the month of the applicable Interest Payment Date, whether or not a Business Day.

"Refunding Instructions" means the Irrevocable Refunding Instructions relating to the Prior Bonds dated the Closing Date, from the City to the 1997 Fiscal Agent.

"Regulations" means temporary and permanent regulations promulgated under the Code.

"Reserve Fund" means the fund by that name established pursuant to Section 4.03(A) hereof.

"Reserve Requirement" means an amount equal to the lesser of (a) Maximum Annual Debt Service on the Outstanding Bonds, (b) 125% of average annual Debt Service, or (c) ten percent (10%) of the original principal amount of the Bonds (or, if the Bonds are sold with more than a *de minimis* amount of original issue discount or premium, the issue price of such Bonds (excluding pre-issuance accrued interest), as those terms are defined in the Code, shall be used in the calculation).

"Resolution of Formation" means Resolution No. 97-1351 of the City Council adopted on July 2, 1997, establishing the District for the purpose of providing for the financing of certain public facilities in and for such District.

"Securities Depositories" means The Depository Trust Company, New York, New York and, in accordance with then current guidelines of the Securities and Exchange Commission, such other securities depositories as the City may designate in an Officer's Certificate delivered to the Fiscal Agent.

"Special Tax Fund" means the fund by that name established by Section 3.03(A) hereof.

"Special Tax Revenues" means the proceeds of the Special Taxes received by the City, including all scheduled payments and delinquent payments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes.

"Special Taxes" means the special taxes levied within the District pursuant to the Act, the Ordinance and this Agreement.

"Supplemental Agreement" means an agreement the execution of which is authorized by a resolution which has been duly adopted by the City under the Act and which agreement is amendatory of or supplemental to this Agreement, but only if and to the extent that such agreement is specifically authorized hereunder.

"Treasurer" means the duly acting Treasurer of the City or if the City has no Treasurer, the Finance Director of the City or if the City has no Finance Director, the person designated as the financial officer of the City handling responsibilities typically handled by a treasurer.

"2012 Resolution" means Resolution No. _____, adopted by the City Council of the City on _____, 2012, which resolution, among other matters, authorized the issuance of the Bonds.

ARTICLE II

THE 2012 BONDS

Section 2.01. Principal Amount; Designation. Bonds in the aggregate principal amount of _____ Million _____ Thousand Dollars (\$ _____) are hereby authorized to be issued by the City for the District under and subject to the terms of the Resolution and this Agreement, the Act and other applicable laws of the State of California. The Bonds shall be designated the "City of Moorpark Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) Special Tax Refunding Bonds, Series 2012."

Section 2.02. Terms of Bonds.

(A) Form; Denominations. The Bonds shall be issued as fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple of \$5,000 in excess thereof. Bonds shall be lettered and numbered in a customary manner as determined by the Fiscal Agent.

(B) Date of Bonds. The Bonds shall be dated February 29, 2012.

(C) CUSIP Identification Numbers. "CUSIP" identification numbers shall be imprinted on the Bonds, but such numbers shall not constitute a part of the contract evidenced by the Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Bonds. In addition, failure on the part of the City or the Fiscal Agent to use such CUSIP numbers in any notice to Owners shall not constitute an event of default or any violation of the City's contract with such Owners and shall not impair the effectiveness of any such notice.

(D) Maturities. The Bonds shall be issued as serial bonds and shall mature and become payable as follows:

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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(E) Interest. The Bonds shall bear interest at the rates set forth above payable on the Interest Payment Dates in each year. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(F) Method of Payment. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check of the Fiscal Agent mailed on the Interest Payment Dates by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon written instructions received by the Fiscal Agent on or before the Record Date preceding the Interest Payment Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds; provided that so long as any Bonds are in book-entry form, payments with respect to such Bonds shall be made by wire transfer or such other method acceptable to the Fiscal Agent to the Depository. The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Fiscal Agent. All Bonds the principal of which is paid by the Fiscal Agent pursuant to this Section shall be cancelled by the Fiscal Agent. The Fiscal Agent shall destroy the cancelled Bonds and issue a certificate of destruction thereof to the City.

Section 2.03. Redemption.

(A) Redemption Prior to Maturity.

(i) Optional Redemption. The Bonds are subject to optional redemption from any source of available funds prior to maturity, in whole, or in part among maturities as specified by the City and by lot within a maturity, on any Interest Payment Date at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 1, ____ through March 1, ____	____ %
September 1, ____ and March 1, ____	____
September 1, ____ and March 1, ____	____
September 1, ____ and Interest Payment Dates thereafter	____

(ii) *Mandatory Redemption From Prepayments.* The Bonds are subject to mandatory redemption from prepayments of the Special Tax by property owners, in whole or in part among maturities as specified by the City and by lot within a maturity, or any Interest Payment Date at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 1, ____ through March 1, ____	____ %
September 1, ____ and March 1, ____	____
September 1, ____ and March 1, ____	____
September 1, ____ and Interest Payment Dates thereafter	____

(iii) *Mandatory Sinking Fund Redemption.* The Term Bonds maturing September 1, _____ and _____ are subject to mandatory sinking payment redemption in part on September 1 in each year as indicated below at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

<u>Term Bonds of _____</u>	
<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>

Term Bonds of _____

<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>
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The amounts in the foregoing tables will be reduced pro rata, in order to maintain substantially uniform debt service, as a result of any prior partial optional redemption or mandatory redemption of the Bonds.

(B) Notice to Fiscal Agent. The City shall give the Fiscal Agent an Officer's Certificate containing notice of its intention to redeem Bonds pursuant to subsections (A)(i) or (ii) not less than sixty (60) days (or such lesser number of days acceptable to the Fiscal Agent, in the sole discretion of the Fiscal Agent, such notice for the convenience of the Fiscal Agent) prior to the applicable redemption date.

(C) Redemption Procedure by Fiscal Agent. The Fiscal Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to the Securities Depositories, MSRB and/or as required by law, and to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, shall designate the CUSIP numbers and Bond numbers of the Bonds to be redeemed by giving the individual CUSIP number and Bond number of each Bond to be redeemed or shall state that all Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption, shall state as to any Bond called in part the principal amount thereof to be redeemed, and shall require that such Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such Bonds will not accrue from and after the redemption date.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, of the Bonds being redeemed with the proceeds of such check or other transfer.

Whenever provision is made in this Agreement for the redemption of less than all of the Bonds of any maturity, the Fiscal Agent shall select the Bonds to be redeemed, from all Bonds or such given portion thereof of such maturity by lot in any manner which the Fiscal Agent in its sole discretion shall deem appropriate.

Upon surrender of Bonds redeemed in part only, the City shall execute and the Fiscal Agent shall authenticate and deliver to the registered Owner, at the expense of the City, a new Bond or Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

(D) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds so called for redemption shall have been deposited in the Bond Fund, such Bonds so called shall cease to be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on and after the redemption date specified in such notice.

All Bonds redeemed and purchased by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the cancelled Bonds and issue a certificate of destruction thereof to the City.

Section 2.04. Form of Bonds. The Bonds, the form of Fiscal Agent's certificate of authentication and the form of assignment, to appear thereon, shall be substantially in the forms, respectively, set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, the Resolution and the Act.

Section 2.05. Execution of Bonds. The Bonds shall be executed on behalf of the City by the Mayor and the City Clerk of the City who are in office on the date of adoption of this Agreement or at any time thereafter, and the seal of the City shall be impressed, imprinted or reproduced by facsimile signature thereon. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Owner. Any Bond may be signed and attested on behalf of the City by such persons as at the actual date of the execution of such Bond shall be the proper officers of the City although at the nominal date of such Bond any such person shall not have been such officer of the City.

Only such Bonds as shall bear thereon a certificate of authentication in substantially the form set forth in Exhibit A, executed and dated by the Fiscal Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Agreement, and such certificate of authentication of the Fiscal Agent shall be conclusive evidence that the Bonds registered hereunder have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Agreement.

Section 2.06. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form acceptable to the Fiscal Agent. The cost for any services rendered or any

expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the City. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity.

No transfers of Bonds shall be required to be made (i) within fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

Section 2.07. Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the City. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (i) within fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

Section 2.08. Bond Register. The Fiscal Agent will keep or cause to be kept, at its Principal Office, sufficient books for the registration and transfer of the Bonds (the "Bond Register"), which books shall show the series number, date, amount, rate of interest and Owner of each Bond and shall at all times be open to inspection by the City during regular business hours upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided.

Section 2.09. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the City, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the City upon the same conditions and in substantially the same manner as the definitive Bonds. If the City issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Fiscal Agent or at such other location as the Fiscal Agent shall designate, and the Fiscal Agent shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary bonds shall be entitled to the same benefits under this Agreement as definitive Bonds authenticated and delivered hereunder.

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the City shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent shall be canceled by it and destroyed by the Fiscal Agent who shall deliver a certificate of destruction thereof to the City. If any Bond shall be lost, destroyed

or stolen, evidence of such loss, destruction or theft may be submitted to the Fiscal Agent and, if such evidence be satisfactory to it and indemnity for the Fiscal Agent and the City satisfactory to the Fiscal Agent shall be given, the City shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The City may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section and of the expenses which may be incurred by the City and the Fiscal Agent for the preparation, execution, authentication and delivery. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the City whether or not the Bond so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Agreement with all other Bonds issued pursuant to this Agreement.

Section 2.11. Limited Obligation. All obligations of the City under this Agreement and the Bonds shall be special obligations of the City, payable solely from the Special Tax Revenues and the funds pledged therefor hereunder. Neither the full faith and credit nor the taxing power of the City (except to the limited extent set forth herein) or the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

Section 2.12. Book-Entry Only System. DTC shall act as the initial Depository for the Bonds. One Bond for each maturity of the Bonds shall be initially executed, authenticated, and delivered as set forth herein as a separate fully registered certificate (in printed or typewritten form). Upon initial execution, authentication, and delivery, the ownership of the Bonds shall be registered in the Bond Register kept by the Fiscal Agent for the Bonds in the name of Cede & Co, as nominee of DTC or such nominee as DTC shall appoint in writing.

The Authorized Officers and the Fiscal Agent are hereby authorized to take any and all actions as may be necessary and not inconsistent with this Agreement to qualify the Bonds for the Depository's book-entry system, including the execution of the Depository's required representation letter.

With respect to Bonds registered in the Bond Register in the name of Cede & Co, as nominee of DTC, the Fiscal Agent shall not have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds Bonds as Depository from time to time (the "DTC Participants") or to any person for which a DTC Participant acquires an interest in the Bonds (the "Beneficial Owners"). Without limiting the immediately preceding sentence, the Fiscal Agent shall not have any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co, or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant, any Beneficial Owner, or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the City elects to redeem the Bonds in part, (iv) the payment to any DTC Participant, any Beneficial Owner, or any other person, other than DTC, of any amount with respect to the principal of or interest on the Bonds, or (v) any consent given or other action taken by the Depository as Owner of the Bonds.

The Fiscal Agent may treat as and deem DTC to be the absolute Owner of each Bond for which DTC is acting as Depository for the purpose of payment of the principal of and interest on such Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bonds, for the purpose of registering transfers with respect to such Bonds, and for all purposes whatsoever. The Fiscal Agent shall pay all principal of and interest on the

Bonds only to the Owners as shown on the Registration Books, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to the principal of and interest on the Bonds to the extent of the sums or sums so paid.

No person other than an Owner, as shown on the Bond Register, shall receive a physical Bond. Upon delivery by DTC to the Fiscal Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions in Section 2.06 hereof, references to "Cede & Co." in this Section 2.12 shall refer to such new nominee of DTC.

DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Fiscal Agent and the City during any time that the Bonds are Outstanding, and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of DTC with respect to the Bonds if it determines that DTC is unable to discharge its responsibilities with respect to the Bonds or that continuation of the system of book-entry transfers through DTC is not in the best interest of the Beneficial Owners, and the City shall mail notice of such termination to the Fiscal Agent.

Upon the termination of the services of DTC as provided in the previous paragraph, and if no substitute Depository willing to undertake the functions hereunder can be found which is willing and able to undertake such functions upon reasonable or customary terms, or if the City determines that it is in the best interest the Beneficial Owners of the Bonds that they be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the Bond Register of the Fiscal Agent in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or name the Owners shall designate at that time, in accordance with Section 2.06.

To the extent that the Beneficial Owners are designated as the transferee by the Owners, in accordance with Section 2.06, the Bonds will be delivered to such Beneficial Owners as soon as practicable.

Section 2.13. No Acceleration. The principal of the Bonds shall not be subject to acceleration hereunder. Nothing in this Section 2.13 shall in any way prohibit the prepayment or redemption of Bonds under Section 2.03 hereof, or the defeasance of the Bonds and discharge of this Agreement under Section 9.03 hereof.

ARTICLE III

ISSUANCE OF BONDS

Section 3.01. Issuance and Delivery of Bonds. At any time after the execution of this Agreement, the City may issue the Bonds for the District in the aggregate principal amount set forth in Section 2.01 or as authorized in any supplemental agreement and deliver such Bonds to the Original Purchaser. The Authorized Officers of the City are hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of Bonds in accordance with the provisions of the Act, the Resolution and this Agreement, to authorize the payment of Costs of Issuance of the Bonds from the proceeds of the Bonds and to do and cause to be done any and all acts and things necessary or convenient for delivery of the Bonds to the Original Purchaser.

Section 3.02. Application of Proceeds of Sale of Bonds and Collection of Special Tax.

The proceeds of the purchase of the Bonds by the Original Purchaser in the amount of \$_____ (representing the principal of amount of the Bonds, plus an aggregate original issue premium of \$_____, less an underwriter's discount of \$_____), shall be paid to the Fiscal Agent, who shall forthwith set aside, pay over and deposit such proceeds on the Closing Date as follows:

- (i) Deposit in the Reserve Fund \$_____, equaling the initial Reserve Requirement;
- (ii) Deposit in the Costs of Issuance Fund \$_____; and
- (iii) The Fiscal Agent shall transfer to the 1997 Fiscal Agent, for deposit to the Escrow Fund established and maintained under and pursuant to the Refunding Instructions, a sum equal to \$_____, which the City shall direct the Fiscal Agent to use, together with certain moneys available from the Prior Bonds, to pay in full the Prior Bonds in accordance with the Refunding Instructions.

The Fiscal Agent, in its discretion, may establish one or more temporary funds or accounts to facilitate or properly account for the foregoing transfers and deposits.

Section 3.03. Special Tax Fund.

(A) Establishment of Special Tax Fund. The Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) Special Tax Refunding Bonds, Series 2012 Special Tax Fund is hereby established as a separate fund to be held by the Finance Director, to the credit of which the Finance Director shall deposit, immediately upon receipt, all Special Tax Revenue received by the City and any amounts required by Section 4.01 to be deposited therein. Moneys in the Special Tax Fund shall be held by the Finance Director for the benefit of the City and the Owners of the Bonds, shall be disbursed as provided below and, pending any disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

(B) Disbursements. As soon as practicable after the receipt by the City of any Special Tax Revenues or the transfer of amounts to the Special Tax Fund pursuant to the terms hereof, but no later than ten (10) Business Days after such receipt or transfer, the

Finance Director shall withdraw from the Special Tax Fund amounts needed for Administrative Expenses and thereafter transfer: (i) to the Fiscal Agent for deposit in the Reserve Fund, an amount which when added to the amount then on deposit therein is equal to the Reserve Requirement, and (ii) to the Fiscal Agent for deposit in the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund, such that the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds on the next Interest Payment Date. At such time as deposits to the Special Tax Fund equal the principal, premium if any, and interest becoming due on the Bonds for the current Bond Year and the amount needed to restore the Reserve Fund balance to the Reserve Requirement, the amount in the Special Tax Fund in excess of such amount shall be available to the City to pay Administrative Expenses to the extent not previously paid; provided, however, that as soon as practicable after the receipt by the City of any prepayments of Special Taxes, but no later than ten (10) Business Days after such receipt, the City shall transfer such prepayments, net of Administrative Expenses attributable to the prepayment, to the Fiscal Agent for deposit into the Prepayment Account to be used for the redemption of Bonds.

(C) Investment. Moneys in the Special Tax Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit shall be retained in the Special Tax Fund to be used for the purposes thereof.

Section 3.04. Costs of Issuance Fund.

(A) Establishment of Costs of Issuance Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) Special Tax Refunding Bonds, Series 2012 Costs of Issuance Fund, to the credit of which a deposit shall be made as required by Section 3.02. Moneys in the Costs of Issuance Fund shall be held in trust by the Fiscal Agent and shall be disbursed as provided in subsection (B) of this Section for the payment or reimbursement of Costs of Issuance of the Bonds.

(B) Disbursement. Amounts in the Costs of Issuance Fund shall be disbursed from time to time to pay Costs of Issuance, as set forth in an Officer's Certificate containing respective amounts to be paid to the designated payees, signed by the Finance Director or a designee thereof and delivered to the Fiscal Agent. The Fiscal Agent shall pay all Costs of Issuance of the Bonds upon receipt of an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee in such Officer's Certificate, or upon receipt of an Officer's Certificate requesting payment of a Cost of Issuance not listed on the initial Officer's Certificate delivered to the Fiscal Agent on the Closing Date of the Bonds. The Fiscal Agent shall maintain the Costs of Issuance Fund for a period of three months from the Closing Date of the Bonds and then shall transfer any moneys remaining therein, including any investment earnings thereon, to the Finance Director for deposit by the Finance Director in the Special Tax Fund and shall close the Costs of Issuance Fund. Thereafter, every invoice received by the Fiscal Agent shall be submitted to the Finance Director for payment from amounts on deposit in the Special Tax Fund.

(C) Investment. Moneys in the Costs of Issuance Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from said investment shall be retained by the Fiscal Agent in the Costs of Issuance Fund to be used for the purposes of such fund.

ARTICLE IV

SPECIAL TAX REVENUES; BOND FUND AND RESERVE FUND

Section 4.01. Pledge of Special Tax Revenues and Other Amounts. All of the Special Tax Revenues and all moneys deposited in the Bond Fund, the Reserve Fund and the Special Tax Fund are hereby pledged to secure the repayment of the Bonds. Such pledge shall constitute a first lien on the Special Tax Revenues and said amounts. The Special Tax Revenues and all moneys deposited into such funds (except as otherwise provided herein) are hereby dedicated in their entirety to the payment of the principal of, including any mandatory sinking fund payments, and interest and any premium on, the Bonds as provided herein and in the Act until all of the Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose in accordance with Section 9.03.

Amounts in the Costs of Issuance Fund are not pledged to the repayment of the Bonds. The Project acquired with the proceeds of the Prior Bonds is not in any way pledged to pay the Debt Service on the Bonds. Any proceeds of condemnation, destruction or other disposition of the Project or any facilities financed with the proceeds of the Bonds are not pledged to pay the Debt Service on the Bonds and are free and clear of any lien or obligation imposed hereunder.

Section 4.02. Bond Fund.

(A) Establishment of Bond Fund. There is hereby established as a separate fund to be held by the Fiscal Agent the Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) Special Tax Refunding Bonds, Series 2012 Bond Fund, to the credit of which deposits shall be made as required by Section 3.02, clause (ii) of Section 3.03(B), Section 4.03 and any other amounts required to be deposited therein by this Agreement or the Act. Moneys in the Bond Fund shall be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds, shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

Within the Bond Fund there is hereby established the Prepayment Account, which shall be used exclusively for the administration of any Prepayments of Special Taxes to assure the timely redemption of Bonds. Monies in the Prepayment Account shall be used to redeem Bonds on the redemption date specified in the notice to the Fiscal Agent given pursuant to Section 2.03(A)(ii). In the event all of the Special Taxes are prepaid in full, the Prepayment Account shall be closed.

(B) Disbursements. On each Interest Payment Date, the Fiscal Agent shall withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, then due and payable on the Bonds.

In the event that amounts in the Bond Fund are insufficient to pay regularly scheduled payments of principal of and interest on the Bonds, the Fiscal Agent shall withdraw from the Reserve Fund to the extent of any funds therein, the amount of such insufficiency, and the Fiscal Agent shall provide written notice to the Finance Director of the amounts so withdrawn from the Reserve Fund. Amounts so withdrawn from the Reserve Fund shall be deposited in the Bond Fund.

If, after the foregoing transfer, there are insufficient funds in the Bond Fund to make the payments provided for to pay regularly scheduled payments of principal of and interest on the Bonds, the Fiscal Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds other than by reason of sinking payments, and then to payment of principal due on the Bonds by reason of sinking payments. Any sinking payment not made as scheduled shall be added to the sinking payment to be made on the next sinking payment date.

(C) Investment. Moneys in the Bond Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit shall be retained in the Bond Fund to be used for the purposes of such fund.

(D) Deficiency. If ten days before any Interest Payment Date it appears to the Fiscal Agent that there is a danger of deficiency in the Bond Fund and that the Fiscal Agent may be unable to pay regularly scheduled Debt Service on the Bonds in a timely manner, the Fiscal Agent shall report to the Finance Director such fact. The City covenants to increase the levy of the Special Taxes in the next Fiscal Year (subject to the maximum amount authorized by the Resolution of Formation) in accordance with the procedures set forth in the Act for the purpose of curing Bond Fund deficiencies.

If on any Interest Payment Date the Fiscal Agent is unable to pay principal, interest and premium, if any, due on any Interest Payment Date for the Bonds due to insufficient funds in the Bond Fund, or if funds are withdrawn from the Reserve Fund to pay principal and/or interest on the Bonds the Fiscal Agent shall notify the Finance Director in writing of such fact, and the Finance Director shall notify CDIAC of such fact within 10 days of such Interest Payment Date. The Fiscal Agent has no obligation under this Agreement to provide notice or disclosure to the Bondowners of insufficient funds or anticipation of deficiency in the Bond Fund.

Section 4.03. Reserve Fund.

(A) Establishment of Fund. There is hereby established as a separate fund to be held by the Fiscal Agent the Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) Special Tax Refunding Bonds, Series 2012 Reserve Fund, to the credit of which a deposit shall be made as required by Section 3.02 and deposits shall be made as provided in Section 3.03(B). Moneys in the Reserve Fund shall be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds as a reserve for the payment of principal of, and interest on, the Bonds and shall be subject to a lien in favor of the Owners of the Bonds.

(B) Use of Fund. Except as otherwise provided in this Section, all amounts deposited in the Reserve Fund shall be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency within five days prior to any Interest Payment Date in the Bond Fund of the amount required for payment of the principal of, and interest on, the Bonds on such Interest Payment Date. Whenever transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Fiscal Agent shall provide written notice thereof to the Finance Director.

(C) Transfer of Excess of Reserve Requirement. Whenever, on the Business Day prior to any Interest Payment Date, the amount in the Reserve Fund exceeds the then applicable Reserve Requirement, the Fiscal Agent shall provide written notice to the Finance Director of the amount of the excess and, following any transfer required pursuant to

Section 4.03(D) below, shall transfer an amount equal to the excess from the Reserve Fund to the Bond Fund to be used for the payment of the principal of and interest on the Bonds in accordance with Section 4.02; provided, however, that to the extent that such excess results from the prepayment of Special Taxes, such amount shall be transferred to the Prepayment Account and applied to the corresponding redemption of Bonds.

(D) Transfer for Rebate Purposes. Investment earnings on amounts in the Reserve Fund may be withdrawn from the Reserve Fund for purposes of making payment to the federal government to comply with Section 6.02.

(E) Transfer When Balance Exceeds Outstanding Bonds. Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, and after making any transfer required under Section 4.03(D) above and upon receipt of an Officer's Certificate directing it to do so, the Fiscal Agent shall transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding Interest Payment Date to the payment and redemption, in accordance with Section 4.02 or 2.03 as applicable, of all of the Outstanding Bonds. In the event that the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund shall be transferred to the City, after payment of any amounts due the Fiscal Agent hereunder, to be used for any lawful purpose of the City.

Notwithstanding the foregoing, no amounts shall be transferred from the Reserve Fund pursuant to this Section 4.03(E) until after the calculation, pursuant to Section 6.02, of any amounts due to the federal government following payment of the Bonds and withdrawal of any such amount under Section 4.03(D) for purposes of making such payment to the federal government, and payment of any fees and expenses due to the Fiscal Agent.

(F) Investment. Moneys in the Reserve Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit shall be retained in the Reserve Fund to be used and disbursed as provided in this Section 4.03.

ARTICLE V

OTHER COVENANTS OF THE CITY

Section 5.01. Punctual Payment. The City will punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of this Agreement, and it will faithfully observe and perform all of the conditions covenants and requirements of this Agreement and all Supplemental Agreements and of the Bonds.

Section 5.02. Limited Obligation. The Bonds are limited obligations of the City on behalf of the District and are payable solely from and secured solely by the Special Tax Revenues and the amounts in the Bond Fund, the Reserve Fund and the Special Tax Fund created hereunder.

Section 5.03. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the City shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the City, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Section 5.04. Against Encumbrances. The City will not encumber, pledge or place any charge or lien upon any of the Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by this Agreement.

Section 5.05. Books and Accounts. The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Special Tax Fund and to the Special Tax Revenues. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Fiscal Agent (who shall have no duty to inspect) and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

The Fiscal Agent will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Bond Fund, the Reserve Fund and the Costs of Issuance Fund. Such books of record and accounts shall at all times during business hours and upon reasonable prior notice, be subject to the inspection of the City and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Section 5.06. Protection of Security and Rights of Owners. The City will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the City, the Bonds shall be incontestable by the City.

Section 5.07. Compliance with Law; Completion of Project. The City will comply with all applicable provisions of the Act and the law in administration of the Bonds and the District.

Section 5.08. Private Activity Bond Limitation. The City shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

Section 5.09. Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 5.10. Collection of Special Tax Revenues. The City shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

On or within five (5) Business Days of each June 1, the Fiscal Agent shall provide the Finance Director with a notice stating the amount then on deposit in the Bond Fund and the Reserve Fund. The receipt of such notice by the Finance Director shall in no way affect the obligations of the Finance Director under the following two paragraphs. Upon receipt of such notice, the Finance Director shall ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The City shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance such that the computation of the levy is complete before the final date on which County Auditor will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next secured real property tax roll. Upon the completion of the computation of the amounts of the levy, the City shall prepare or cause to be prepared, and shall transmit to the County Auditor, such data as the County Auditor requires to include the levy of the Special Taxes on the next secured real property tax roll.

The City shall fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on any outstanding Bonds of the District becoming due and payable during the ensuing year, including any necessary replenishment or expenditure of the Reserve Fund for the Bonds and an amount estimated to be sufficient to pay the Administrative Expenses during such year, all in accordance with the rate and method of apportionment of the Special Taxes for the District and the Ordinance. In any event, the Special Taxes so levied shall not exceed the authorized amounts as provided in the proceedings pursuant to the Resolution of Formation.

The Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property. Notwithstanding the foregoing, the Special Taxes may be collected in such other manner as the City shall prescribe if necessary to pay the debt service on the Bonds.

Section 5.11. Further Assurances. The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the

better assuring and confirming unto the Owners of the rights and benefits provided in this Agreement.

Section 5.12. No Arbitrage. The City shall not take, or permit or suffer to be taken by the Fiscal Agent or otherwise, any action with respect to the gross proceeds of the Bonds which if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and Regulations.

Section 5.13. Maintenance of Tax-Exemption. The City shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

Section 5.14. Annual State Reports. The following requirements shall apply to the Bonds:

(A) Annual Reporting. Not later than October 30 of each calendar year, beginning with the October 30 first succeeding the date of the Bonds, and in each calendar year thereafter until the October 30 following the final maturity of the Bonds, the Treasurer shall prepare and supply the California Debt and Investment Advisory Commission, by mail, postage prepaid, with the information required under Section 53359.5(c) of the Act. The annual reporting shall be made using such form or forms as may be prescribed by CDIAC.

(B) Other Reporting. If within 10 days prior to any Interest Payment Date it appears to the Fiscal Agent that there is a danger of deficiency in the Bond Fund and that the Fiscal Agent may be unable to pay regularly scheduled Debt Service on the Bonds in a timely manner or if the Fiscal Agent is unable to pay principal, interest and premium, if any, due on any Interest Payment Date for the Bonds due to insufficient funds in the Bond Fund, or if funds are withdrawn from the Reserve Fund to pay principal and/or interest on the Bonds the Fiscal Agent shall make the reports required under Section 4.02(D) hereof.

(C) Amendment. The reporting requirements of this Section 5.14 shall be amended from time to time, without action by the City or the Fiscal Agent, to reflect any amendments to Section 53359.5(b) or Section 53359.5(c) of the Act or to add future applicable requirements under the Act.

(D) No Liability. None of the City and its officers, agents and employees, the Treasurer or the Fiscal Agent shall be liable for any inadvertent error in reporting the information required by this Section 5.14.

Section 5.15. Covenant to Foreclose. The City hereby covenants with and for the benefit of the Owners of the Bonds that it will annually on or before September 1 of each year review the public records of the County of Los Angeles relating to the collection of the Special Tax in order to determine the amount of the Special Tax collected in the prior Fiscal Year, and if the City determines on the basis of such review that the amount so collected is deficient by more than five percent (5%) of the total amount of the Special Tax levied in such Fiscal Year, it will within thirty (30) days thereafter hire counsel to institute foreclosure proceedings as authorized by the Act in order to enforce the lien of the delinquent installment of the Special Tax against each separate lot or parcel of land in the District for which such installment of the Special Tax is delinquent, and will diligently prosecute and pursue such foreclosure

proceedings to judgment and sale in the manner advised by such counsel; *provided*, that if the City determines on the basis of such review that (a) the amount so collected is deficient by less than 5% of the total amount of the Special Tax levied in the District in such Fiscal Year, but that property owned by any single property owner in the District is delinquent by more than \$5,000 with respect to the Special Tax due and payable by such property owner in such Fiscal Year, or (b) that property owned by any single property owner in the District is delinquent cumulatively by more than \$3,000 with respect to the current and past Special Tax due (irrespective of the total delinquencies in the District) then the City will institute, prosecute and pursue such foreclosure proceedings in the time and manner provided herein against each such property owner. The Finance Director shall notify the City Attorney of any such delinquency of which it is aware, and the City Attorney shall commence, or cause to be commenced, such proceedings.

Section 5.16. Continuing Disclosure to Owners. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Agreement, failure of the City to comply with the Continuing Disclosure Agreement shall not be considered a default hereunder; however, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance by the City of its obligations thereunder, including seeking mandate or specific performance by court order.

Section 5.17. No Additional Bonds. The City covenants that it will not authorize the issuance of additional bonds payable from Special Taxes and secured by the Special Tax Revenues equally and ratably with Bonds previously issued, provided that, the City may issue bonds secured by the Special Taxes to refund all or a portion of the Bonds.

Section 5.18. Yield of the Bonds. In determining the yield of the Bonds to comply with Section 5.13 and 6.02 hereof, the City will take into account redemption (including premium, if any) in advance of maturity based on the reasonable expectations of the City, as of the Closing Date, without regard to whether or not redemption moneys are received or Bonds are redeemed.

ARTICLE VI

INVESTMENTS; DISPOSITION OF INVESTMENT PROCEEDS; LIABILITY OF THE CITY

Section 6.01. Deposit and Investment of Moneys in Funds. Subject in all respects to the provisions of Section 6.02, moneys in any fund or account created or established by this Agreement and held by the Fiscal Agent, shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Fiscal Agent shall invest any such moneys in Permitted Investments described in clause (vii) of the definition thereof which by their terms mature prior to the date on which such moneys are required to be paid out hereunder provided, however, that any such investment shall be made by the Fiscal Agent only if, prior to the date on which such investment is to be made, the Fiscal Agent shall have received an Officer's Certificate specifying a specific money market fund and, if no such Officer's Certificate is so received, the Fiscal Agent shall hold such moneys uninvested. Subject in all respects to the provisions of Section 6.02, moneys in any fund or account created or established by this Agreement and held by the Finance Director shall be invested by the Finance Director in any lawful investments that the City may make, which by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of this Agreement for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts.

The Fiscal Agent, the Treasurer and the Finance Director may act as principal or agent in the acquisition or disposition of any investment. Neither the Fiscal Agent, the Treasurer or the Finance Director shall incur any liability for losses arising from any investments made pursuant to this Section. Any losses arising from any investments made pursuant to this Section shall be offset against interest earnings and profits retained in the same fund.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Agreement, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Code), shall be acquired, disposed of, and valued (as of the date that valuation is required by this Agreement or the Code) at Fair Market Value. For purposes of any Fair Market Value determination hereunder, the Fiscal Agent shall be entitled to conclusively rely on an Officer's Certificate of the City and shall be fully protected in relying thereon. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code and (unless valuation is undertaken at least annually) investments in the Reserve Fund shall be valued by the City at their present value (within the meaning of Section 148 of the Code).

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent or the Treasurer hereunder, provided that the Fiscal Agent or the Treasurer, as applicable, shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Agreement.

The Fiscal Agent or the Treasurer, as applicable, shall sell or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Fiscal Agent nor the Treasurer shall be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically waives receipt of such confirmations to the extent permitted by law. The Fiscal Agent will furnish the City periodic cash transaction statements which include detail for all investment transactions made by the Fiscal Agent hereunder.

Section 6.02. Rebate of Excess Investment Earnings to the United States. The City covenants to calculate and rebate to the federal government, in accordance with the Regulations, excess investment earnings to the extent required by Section 148(f) of the Code.

The City shall notify the Fiscal Agent of any amounts determined to be due to the federal government, and the Fiscal Agent shall, upon receipt of an Officer's Certificate of the City, withdraw such amounts from the Reserve Fund pursuant to Section 4.03(D), and pay such amounts to the federal government as required by the Code and the Regulations. In the event of any shortfall in amounts available to make such payments under Section 4.03(D), the Fiscal Agent shall notify the Finance Director in writing of the amount of the shortfall and the Finance Director shall make such payment from any amounts available in the Special Tax Fund. Any fees or expenses incurred by the Fiscal Agent or the City under or pursuant to this Section 6.02 shall be Administrative Expenses.

In order to provide for the administration of this Section 6.02, the City may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the City may deem appropriate.

Section 6.03. Limited Obligation. The City's obligations hereunder are limited obligations of the City on behalf of the District and are payable solely from and secured solely by the Special Tax Revenues and the amounts in the Special Tax Fund, the Bond Fund and the Reserve Fund created hereunder.

ARTICLE VII

THE FISCAL AGENT

Section 7.01. Appointment of Fiscal Agent. U.S. Bank, National Association, at its Principal Office, is hereby appointed Fiscal Agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Fiscal Agent.

Any company into which the Fiscal Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the following paragraph of this Section, shall be the successor to such Fiscal Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

The City may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars (\$50,000,000) including, for such purpose, the combined capital and surplus of any parent holding company, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 7.01, combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Fiscal Agent may at any time resign by giving written notice to the City and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the City shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent.

If no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section within thirty (30) days after the Fiscal Agent shall have given to the City written notice or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent or any Bondowner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

Section 7.02. Liability of Fiscal Agent. The recitals of facts, covenants and agreements herein and in the Bonds contained shall be taken as statements, covenants and agreements of the City, and the Fiscal Agent assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of this Agreement or of the Bonds, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or

distributed with respect to the issuance of the Bonds. The Fiscal Agent has no liability regarding the use of the proceeds from the purchase of the Bonds deposited in funds held by the City.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of this Agreement, including all Officer's Certificates of the City meeting such requirements; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement. Except as provided above in this paragraph, the Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, facsimile transmission, electronic transfer, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of this Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of any of the Owners pursuant to this Agreement unless such Owners shall have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Fiscal Agent may become the owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

The Fiscal Agent shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Fiscal Agent.

The Fiscal Agent agrees to accept and act upon instructions or directions pursuant to this Fiscal Agent Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Fiscal Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the City elects to give the Fiscal Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Fiscal Agent in its discretion elects to act upon such instructions, the Fiscal Agent's understanding of such instructions shall be deemed controlling. The Fiscal Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Fiscal Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Fiscal Agent, including without limitation the risk of the Fiscal Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The permissive right of the Fiscal Agent to do things enumerated in this Agreement shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

Section 7.03. Information. The Fiscal Agent shall provide to the City such information relating to the Bonds and the funds and accounts maintained by the Fiscal Agent hereunder as the City shall reasonably request, including but not limited to quarterly statements reporting funds held and transactions by the Fiscal Agent.

Section 7.04. Notice to Fiscal Agent. The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any Officer's Certificate, notice, resolution, request, consent, order, certificate, report, facsimile transmission, electronic transfer, warrant, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties and given in accordance with the requirements hereof. The Fiscal Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Fiscal Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder. The Fiscal Agent may consult with counsel, who may be counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Fiscal Agent shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of the City, and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof,

but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 7.05. Compensation, Indemnification. The City shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under this Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under this Agreement. The City further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any costs, claims, expenses or liabilities, including, without limitation, fees and expenses of its attorneys which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct. The obligation of the City under this Section shall survive resignation or removal of the Fiscal Agent under this Agreement and payment of the Bonds and discharge of this Agreement.

ARTICLE VIII

MODIFICATION OR AMENDMENT OF THIS AGREEMENT

Section 8.01. Amendments Permitted. This Agreement and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of Owners, or with the written consent without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.04. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or this Agreement), or reduce the percentage of Bonds required for the amendment hereof. No such amendment may modify any of the rights or obligations of the Fiscal Agent without its written consent.

This Agreement and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(A) to add to the covenants and agreements of the City in this Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(B) to make modifications not adversely affecting any outstanding series of Bonds of the City in any material respect;

(C) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the City and the Fiscal Agent may deem necessary or desirable, and which shall not adversely affect the rights of the Owners of the Bonds;

(D) to make such additions, deletions or modifications as may be necessary or desirable to assure compliance with Section 148 of the Code relating to required rebate of excess investment earnings to the United States or otherwise as may be necessary to assure exclusion from gross income for federal income tax purposes of interest on the Bonds or to conform with the Regulations.

Section 8.02. Owners' Meetings. The City may at any time call a meeting of the Owners. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof and to fix and adopt rules and regulations for the conduct of said meeting.

Section 8.03. Procedure for Amendment with Written Consent of Owners. The City and the Fiscal Agent may at any time enter into a Supplemental Agreement amending the provisions of the Bonds or of this Agreement or any Supplemental Agreement, to the extent

that such amendment is permitted by Section 8.01, to take effect when and as provided in this Section. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, if such consent is required under Section 8.01, shall be mailed by first class mail, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in this Section provided.

If consent of the Owners is required under Section 8.01, such Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consents of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 8.04) and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 904. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required by this Section 8.03 to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise herein above specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 8.04. Disqualified Bonds. Bonds owned or held for the account of the City, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Article VIII. Upon request, the City shall provide an Officer's Certificate to the Fiscal Agent listing those Bonds which are disqualified pursuant to this Section 8.04.

Section 8.05. Effect of Supplemental Agreement. From and after the time any Supplemental Agreement becomes effective pursuant to this Article VIII, this Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Agreement of the City and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

Section 8.06. Endorsement or Replacement of Bonds Issued After Amendments. The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article VIII shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Principal Office of the Fiscal Agent or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 8.07. Amendatory Endorsement of Bonds. The provisions of this Article VIII shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 8.08. Opinion of Counsel Regarding Supplemental Agreement. The Fiscal Agent shall be furnished, upon request, an opinion of counsel that any Supplemental Agreement entered into by the City and the Fiscal Agent complies with the provisions of this Article VIII, and the Fiscal Agent may conclusively rely upon such opinion.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits of Agreement Limited to Parties. Nothing in this Agreement expressed or implied, is intended to give to any person other than the City, the Fiscal Agent and the Owners, any right, remedy, claim under or by reason of this Agreement. Any covenants, stipulations, promises or agreements in this Agreement contained by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Fiscal Agent.

Section 9.02. Successor is Deemed Included in All References to Predecessor. Whenever in this Agreement or any Supplemental Agreement either the City or the Fiscal Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Agreement contained by or on behalf of the City or the Fiscal Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.03. Discharge of Agreement. If the City shall pay and discharge the entire indebtedness on all or any portion of the Bonds Outstanding in any one or more of the following ways:

(A) by well and truly paying or causing to be paid the principal of, and interest and any premium on, such Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Fiscal Agent, in trust, at or before maturity, money which, together with (in the event that all of the Bonds are to be defeased) the amounts then on deposit in the funds and accounts provided for in Sections 4.02 and 4.03, is fully sufficient to pay such Bonds Outstanding, including all principal, interest and redemption premiums, or;

(C) by irrevocably depositing with the Fiscal Agent, in trust, cash and Federal Securities in such amount as the City shall determine as confirmed by an independent certified public accountant will, together with the interest to accrue thereon and (in the event that all of the Bonds are to be defeased) moneys then on deposit in the fund and accounts provided for in Sections 4.02 and 4.03, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as in this Agreement provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, then, at the election of the City, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Special Taxes and other funds provided for in this Agreement and all other obligations of the City under this Agreement with respect to such Bonds Outstanding shall cease and terminate, except only the obligations of the City under Section 5.13 and to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon and all amounts owing to the Fiscal Agent pursuant to Section 7.05; and thereafter Special Taxes shall not be payable to the Fiscal Agent. Notice of such election shall be filed with the Fiscal Agent.

Any funds thereafter held by the Fiscal Agent upon payments of all fees and expenses of the Fiscal Agent, which are not required for said purpose, shall be paid over to the City.

Section 9.04. Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which this Agreement may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, consent, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, consent, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Fiscal Agent in good faith and in accordance therewith.

Section 9.05. Waiver of Personal Liability. No member, officer, agent or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.06. Notices to and Demands on City and Fiscal Agent. Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the Fiscal Agent or the City may be given or served by being deposited postage prepaid in a post office letter box, by overnight courier or by facsimile (with receipt confirmed by telephone) addressed (until another address is filed by the City with the Fiscal Agent) as follows:

City: City of Moorpark
799 Moorpark Avenue
Moorpark, CA 93021
Attention: Finance Director
Fax: 805-529-8270

Fiscal Agent: U.S. Bank, National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Attention: Corporate Trust Services
Fax: (213) 615-6199

Section 9.07. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held illegal or unenforceable, such holding shall not

affect the validity of the remaining portions of this Agreement. The City hereby declares that it would have adopted this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable.

Section 9.08. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any moneys held by the Fiscal Agent in trust for the payment and discharge of the principal of, and the interest and any premium on, the Bonds which remains unclaimed for two (2) years after the date when the payments of such principal, interest and premium have become payable, if such moneys was held by the Fiscal Agent at such date, shall be repaid by the Fiscal Agent to the City as its absolute property free from any trust, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the City for the payment of the principal of, and interest and any premium on, such Bonds.

Section 9.09. Applicable Law. This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 9.10. Conflict with Act. In the event of a conflict between any provision of this Agreement with any provision of the Act as in effect on the Closing Date, the provision of the Act shall prevail over the conflicting provision of this Agreement.

Section 9.11. Conclusive Evidence of Regularity. Bonds issued pursuant to this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 9.12. Payment on Business Day. In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Agreement is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 9.13. State Reporting Requirements. In addition to Section 5.16, the following requirements shall apply to the Bonds:

(A) CDIAAC Reporting.

(i) Not later than October 30 of each calendar year, beginning with the October 30 first succeeding the date of the Bonds, and in each calendar year thereafter until the October 30 following the final maturity of the Bonds, the Director of Finance shall cause the following information to be supplied to CDIAAC pursuant to Government Code Section 53359.5(b): (i) the principal amount of the Bonds Outstanding; (ii) the balance in the Reserve Fund (iii) the balance in any capitalized interest account; (iv) the number of parcels in the District which are delinquent in the payment of Special Taxes, the amount of each delinquency, the length of time delinquent and when foreclosure was commenced for each delinquent parcel; (v) the balance in the Improvement Fund (if applicable); and (vi) the assessed value of all parcels in the District subject to the levy of

the Special Taxes as shown in most recent equalized roll. The annual reporting shall be made using such form or forms as may be prescribed by CDIAC.

(i) If at any time the Fiscal Agent fails to pay principal and interest due on any scheduled payment date for the Bonds, or if funds are withdrawn from the Reserve Fund to pay principal and interest on the Bonds, the Fiscal Agent shall notify the Director of Finance of such failure or withdrawal in writing. An official of the City shall notify CDIAC pursuant to Government Code Section 53359.5(c) within 10 days of the occurrence of any of the following events: (i) the scheduled principal or interest on the Bonds is not paid; or (ii) a draw on the Reserve Fund to pay to pay principal and interest on the Bonds which draw causes the Reserve Fund to be reduced to an amount less than the Reserve Requirement.

(B) Other Reporting. Not later than January 1, 2013, and at least once a year thereafter, the Finance Director shall file a report with the City Council in accordance with the requirements of Government Code Section 53411, which report shall contain: (a) the amount of Special Taxes collected and expended; and (b) the status of the Project financed by the District and any other information required by such section.

(C) Amendment. The reporting requirements of this Section 9.13 shall be amended from time to time, without action by the City or the Fiscal Agent, to reflect any amendments to Section 53359.5(b) or Section 53359.5(c) of the Act or Section 53411 of the Government Code or other applicable requirements pertaining to community facilities districts.

(D) No Liability. None of the City and its officers, agents and employees, the Director of Finance or the Fiscal Agent shall be liable for any inadvertent error in reporting the information required by this Section 9.13.

The Director of Finance shall provide copies of any such reports to any Bondowner upon the written request of a Bondowner and payment by the person requesting the information of the cost of the City to photocopy and pay any postage or other delivery cost to provide the same, as determined by the Director of Finance. The term "Bondowner" for purposes of this Section 9.13 shall include any beneficial owner of the Bonds as described in Section 2.12.

Section 9.14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the City has caused this Agreement to be executed in its name and the Fiscal Agent has caused this Agreement to be executed in its name, all as of February 1, 2012.

CITY OF MOORPARK, for and on behalf of
CITY OF MOORPARK COMMUNITY
FACILITIES DISTRICT NO. 97-1
(CARLSBERG BUSINESS PARK PUBLIC
IMPROVEMENTS)

By: _____
Finance Director

U.S. BANK, NATIONAL ASSOCIATION, as
Fiscal Agent

By: _____
Authorized Officer

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. _____

\$ _____

CITY OF MOORPARK
COMMUNITY FACILITIES DISTRICT NO. 97-1
(CARLSBERG BUSINESS PARK PUBLIC IMPROVEMENTS)
SPECIAL TAX REFUNDING BONDS, SERIES 2012

INTEREST RATE:

MATURITY DATE:

BOND DATE:
, 2012

CUSIP:

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT:

DOLLARS

The City of Moorpark (the "City") for and on behalf of the City of Moorpark Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) (the "District"), for value received, hereby promises to pay solely from the Special Tax (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above, or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing September 1, 2012 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of U.S. Bank, National Association in St. Paul, Minnesota (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

This Bond is one of a duly authorized issue of bonds approved by resolution of the City Council of the City on _____, 2012 (the "Resolution"), pursuant to the Mello-Roos

Community Facilities Act of 1982, as amended, Sections 53311, *et seq.*, of the California Government Code (the "Mello-Roos Act") for the purpose of providing moneys for the construction and acquisition of improvements within the District, and is one of the bonds designated "City of Moorpark Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements) Special Tax Refunding Bonds, Series 2012" (the "Bonds"). The issuance of the Bonds and the terms and conditions thereof are provided for by a Fiscal Agent Agreement, dated as of February 1, 2012, by and between the City and the Fiscal Agent (the "Agreement") and this reference incorporates the Agreement herein, and by acceptance hereof the Owner of this Bond assents to said terms and conditions. The Agreement is authorized under, this Bond is issued under and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Mello-Roos Act, the Agreement and the Resolution, the principal of and interest on this Bond are payable solely from the annual special tax authorized under the Mello-Roos Act to be collected within the District (the "Special Tax") and certain funds held under the Agreement.

Interest on this Bond shall be payable from the Interest Payment Date next preceding the date of authentication hereof, unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) such date of authentication is after a Record Date but on or prior to an Interest Payment Date, in which event interest will be payable from such Interest Payment Date, or (iii) such date of authentication is prior to the first Record Date, in which event interest will be payable from the Bond Date shown above; provided however, that if at the time of authentication of this Bond, interest is in default hereon, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment hereon.

Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the City as may be permitted by law. The Bonds do not constitute obligations of the City for which the City is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described herein above.

Optional Redemption. The Bonds are subject to optional redemption from any source of available funds prior to maturity, in whole, or in part among maturities as specified by the City and by lot within a maturity, on any Interest Payment Date at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 1, ____ through March 1, ____	____%
September 1, ____ and March 1, ____	____
September 1, ____ and March 1, ____	____
September 1, ____ and Interest Payment Dates thereafter	____

Mandatory Redemption From Prepayments. The Bonds are subject to mandatory redemption from prepayments of the Special Tax by property owners, in whole or in part among maturities as specified by the City and by lot within a maturity, or any Interest Payment Date at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 1, ____ through March 1, ____	____ %
September 1, ____ and March 1, ____	____
September 1, ____ and March 1, ____	____
September 1, ____ and Interest Payment Dates thereafter	____

Mandatory Sinking Fund Redemption. The Term Bonds maturing September 1, _____ and _____ are subject to mandatory sinking payment redemption in part on September 1 in each year as indicated below at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

<u>Term Bonds of _____</u>	
<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>

<u>Term Bonds of _____</u>	
<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>

The amounts in the foregoing tables will be reduced pro rata, in order to maintain substantially uniform debt service, as a result of any prior partial optional redemption or mandatory redemption of the Bonds.

The Bonds shall be subject to mandatory redemption from Prepayments of the Special Tax by property owners, in whole or in part among maturities as shall be specified by the City and by lot within a maturity, on any Interest Payment Date at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon the date of redemption, without premium.

Notice of redemption with respect to the Bonds to be redeemed shall be given to the Owners thereof, in the manner, to the extent and subject to the provisions of the Agreement.

This Bond shall be registered in the name of the Owner hereof, as to both principal and interest. Each registration and transfer of registration of this Bond shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium shall be payable only to the registered owner or to such Owner's order. The Fiscal Agent shall require the Owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be required to be made (i) within 15 days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

The Agreement and the rights and obligations of the City thereunder may be modified or amended as set forth therein. The principal of the Bonds is not subject to acceleration upon a default under the Agreement or any other document.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been dated and manually signed by the Fiscal Agent.

It is hereby certified, recited and declared that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Fiscal Agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the City of Moorpark has caused this Bond to be dated _____, 2012 and to be signed by the Mayor of the City and countersigned by the City Clerk of the City.

Mayor

[S E A L]

City Clerk

FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the Resolution and the Agreement.

Dated: _____, 2012

U.S. BANK, NATIONAL ASSOCIATION, as
Fiscal Agent

By: _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer unto

(Name, address and Tax identification Number of Assignee)

the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____, attorney, _____ to transfer the same on the registration books of the Fiscal Agent with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

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

IRREVOCABLE REFUNDING INSTRUCTIONS
Relating to
\$7,645,000
CITY OF MOORPARK
COMMUNITY FACILITIES DISTRICT NO. 97-1
(CARLSBERG BUSINESS PARK PUBLIC IMPROVEMENTS)
SPECIAL TAX BONDS

These IRREVOCABLE REFUNDING INSTRUCTIONS (these "Instructions"), are dated _____, 2012, and are given by the CITY OF MOORPARK, a municipal corporation organized and existing under the Constitution and laws of the State of California (the "City"), to U.S. BANK, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, acting as Fiscal Agent for the 1997 Bonds described below (the "1997 Fiscal Agent").

BACKGROUND:

1. The City has previously caused the execution and delivery of \$7,645,000 City of Moorpark, Community Facilities District No. 97-1 (Carlsberg Business Park Public Improvements), Special Tax Bonds (the "1997 Bonds") in accordance with a Fiscal Agent Agreement dated as of July 1, 1997 (the "1997 Fiscal Agent Agreement"), by and between the City and First Trust of California, National Association (predecessor to U.S. Bank, National Association), as Fiscal Agent (the "1997 Fiscal Agent").

2. The 1997 Bonds are subject to redemption in full at par on any interest payment date on or after September 1, 2009, and in order to raise funds to pay the redemption price of the 1997 Bonds on March 1, 2012, in advance of maturity, the City and U.S. Bank, National Association, as Fiscal Agent (the "2012 Fiscal Agent") have entered into a Fiscal Agent Agreement dated as of February 1, 2012 (the "2012 Fiscal Agent Agreement") for the purpose of authorizing the delivery of Special Tax Refunding Bonds, Series 2012, in the aggregate principal amount of \$_____ (the "2012 Bonds").

3. The City wishes to give these Instructions to the 1997 Fiscal Agent for the purpose of establishing an irrevocable escrow fund to be funded, invested, held and administered for the purpose of providing for the payment in full of the principal, interest and redemption premium represented by the 1997 Bonds upon the redemption thereof on March 1, 2012.

INSTRUCTIONS:

In order to provide for the redemption of the 1997 Bonds and to discharge the 1997 Bonds, the 1997 Fiscal Agent Agreement and the obligations represented thereby, the City hereby irrevocably directs the 1997 Fiscal Agent as follows:

SECTION 1. Establishment of Escrow Fund. The 1997 Fiscal Agent is directed to establish an escrow fund (the "Escrow Fund") to be held by the 1997 Fiscal Agent in trust as an irrevocable escrow securing the payment of the 1997 Bonds and the City's obligations with

respect thereto, as hereinafter set forth. All cash and securities in the Escrow Fund are hereby irrevocably pledged as a special fund for the payment of the principal and interest represented by the 1997 Bonds in accordance with the 1997 Fiscal Agent Agreement. If at any time the 1997 Fiscal Agent receives actual knowledge that the cash and securities in the Escrow Fund will not be sufficient to make any payment required hereunder in respect of the 1997 Bonds, the 1997 Fiscal Agent shall notify the City of such fact and the City shall immediately cure such deficiency from any source of legally available funds. The 1997 Fiscal Agent has no liability for any such insufficiency.

SECTION 2. *Deposit into Escrow Fund.* Concurrently with delivery of the 2012 Bonds on February 29, 2012 (the "Closing Date"), the City shall cause to be transferred to the 2012 Fiscal Agent for deposit into the Escrow Fund the amount of \$_____ in immediately available funds, to be derived as shown below, and the City hereby instructs the 1997 Fiscal Agent to withdraw the respective amounts shown below from the Reserve Fund established and held by the 1997 Fiscal Agent under Section 4.04 of the 1997 Fiscal Agent Agreement (the "1997 Reserve Fund") and from the Bond Fund established and held by the 1997 Fiscal Agent under Section 4.05 of the 1997 Fiscal Agent Agreement and transfer such amounts to the Escrow Fund:

- (a) \$_____ from the proceeds of sale of the 2012 Bonds;
- (b) \$_____ from the Reserve Fund for the 1997 Bonds; and
- (c) \$_____ from the Bond Fund for the 1997 Bonds.

SECTION 3. *Investment of Escrow Fund.* The 1997 Fiscal Agent shall hold the moneys deposited into the Escrow Fund uninvested.

SECTION 4. *Application of Amounts.* The 1997 Fiscal Agent shall apply all amounts held in the Escrow Fund to pay the principal and interest on the 1997 Bonds upon the payment and redemption thereof on March 1, 2012, in the following amounts:

Payment Date	Principal	Interest	Redeemed Principal	Redemption Premium	Other Requirements	Total Payment

Following payment and redemption in full of all of the 1997 Bonds on March 1, 2012, the 1997 Fiscal Agent shall withdraw all amounts remaining on deposit in the Escrow Fund and transfer those amounts to the Bond Fund established under the 2012 Fiscal Agent Agreement.

SECTION 5. *Proceedings for Redemption of 1997 Bonds.* The City hereby irrevocably elects to redeem the 1997 Bonds in full under Sections 2.03(A)(i) and 9.03 of the 1997 Fiscal Agent Agreement, and thereby redeem all of the outstanding 1997 Bonds under Section 2.03 of the 1997 Fiscal Agent Agreement, on March 1, 2012. The City has directed the 1997 Fiscal Agent to give notice of redemption of the 1997 Bonds in accordance with Section 2.03 of the 1997 Fiscal Agent Agreement, at the expense of the City.

SECTION 6. *Application of Certain Terms of 1997 Bonds Documents.* All of the terms of the 1997 Fiscal Agent Agreement relating to the payment and redemption of principal, interest and redemption premium represented by the 1997 Bonds, and the protections, immunities and

limitations from liability afforded the 1997 Fiscal Agent as Fiscal Agent for the 1997 Bonds, are incorporated in these Instructions as if set forth in full herein.

SECTION 7. *Compensation to Fiscal Agent.* The City shall pay the 1997 Fiscal Agent full compensation for its services under these Instructions, including out-of-pocket costs such as publication costs, redemption expenses, legal fees and other costs and expenses relating hereto and, in addition, all fees, costs and expenses relating to the purchase, substitution or withdrawal of any securities after the date hereof. Under no circumstances shall amounts deposited in or credited to the Escrow Fund be deemed to be available for said purposes. The 1997 Fiscal Agent has no lien upon or right of set off against the cash and securities at any time on deposit in the Escrow Fund.

SECTION 8. *Effect of These Instructions.* As a result of the deposit and application of funds in accordance with these Instructions, the obligations of the City under the 1997 Fiscal Agent Agreement shall be discharged under and with the effect set forth in Section 9.03 of the 1997 Fiscal Agent Agreement, and the 1997 Bonds shall be discharged under and with the effect set forth in Article IX of the 1997 Fiscal Agent Agreement.

Date: February 29, 2012

CITY OF MOORPARK

By _____
Finance Director

Accepted:

U.S. BANK, National Association, as 1997 Fiscal Agent

By _____
Authorized Officer