

## April 25, 2016 Regular Meeting

### 1. Meeting Agenda

Documents: [CC160425\\_AGENDA\\_AMENDED.PDF](#)

### 2. Item 3B2

Warrant Register No. 571

Documents: [CC160425\\_ITEM 3B2.PDF](#)

### 3. Item 3B3

Approval of Minutes - March 28, 2016

Documents: [CC160425\\_ITEM 3B3.PDF](#)

### 4. Item 3B4

Amendment to Agreement with Rincon Consultants, Inc.

Documents: [CC160425\\_ITEM 3B4.PDF](#)

### 5. Item 3B5

Appoint City Manager and Approve Employment Agreement

Documents: [CC160425\\_ITEM 3B5.PDF](#)

### 6. Item 4A

Approval of Issuance of Bonds for City of Malibu Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facility - Phase 1)

Documents: [CC160425\\_ITEM 4A\\_SUPPLEMENTAL.PDF](#), [CC160425\\_ITEM 4A.PDF](#)

### 7. Item 7A

Malibu Historic District (Surfing Area for Surfrider) Nomination to the National Register of Historic Places (Councilmember Peak)

Documents: [CC160425\\_ITEM 7A.PDF](#)

**Amended<sup>1</sup> Malibu City Council**  
**Regular Meeting Agenda**

**Monday, April 25, 2016**

**6:30 P.M. – REGULAR CITY COUNCIL MEETING**

**City Hall – Council Chambers**

**23825 Stuart Ranch Road**

**Six-thirty p.m. Regular Session**

*Public Hearings will begin at 6:30 p.m., or as soon thereafter as possible, but in no event later than 7:30 p.m.*

Call to Order - Mayor

Roll Call - Recording Secretary

Pledge of Allegiance

Approval of Agenda

Report on Posting of Agenda – April 14, 2016; Amended Agenda posted April 21, 2016

**1. Ceremonial/Presentations**

- A. Proclamation Recognizing May 1 - 7, 2016 as Municipal Clerk Week
- B. Proclamation Declaring May 2016 as Building Safety Month
- C. Presentation of Commendation to Jim Thorsen in Recognition of his 10 years of Service as City Manager

**2. Written and Oral Communications from the Public**

- A. Communications from the Public concerning matters which are not on the agenda but for which the City Council has subject matter jurisdiction. City Council may not act on these matters except to refer the matters to staff or schedule the matters for a future agenda.
- B. Commission / Committee / City Manager Updates
- C. City Council Subcommittee reports / Mayor and Councilmember meeting attendance, reports and inquiries

---

*1 See Revised Recommended Action on Item No. 4.A.*

### 3. Consent Calendar

#### A. Previously Discussed Items

None.

#### B. New Items

##### 1. Waive Further Reading

Recommended Action: After the City Attorney has read the title, waive full reading of ordinances considered on this agenda for introduction on first reading and/or second reading and adoption.

Staff contact: City Attorney Hogin, 456-2489 ext. 228

##### 2. Approve Warrants

Recommended Action: Allow and approve warrant demand numbers 47102-47241 listed on the register from the General Fund and direct the City Manager to pay out the funds to each of the claimants listed in Warrant Register No. 571 in the amount of the warrant appearing opposite their names, for the purposes stated on the respective demands in a total amount of \$799,926.65. City of Malibu payroll check numbers 4653-4655 and ACH deposits were issued in the amount of \$155,485.62.

Staff contact: Assistant City Manager Feldman, 456-2489 ext. 224

##### 3. Approval of Minutes

Recommended Action: Approve the minutes for the March 28, 2016 Adjourned Regular City Council meeting.

Staff contact: City Clerk Pope, 456-2489 ext. 228

##### 4. Amendment to Agreement with Rincon Consultants, Inc.

Recommended Action: Authorize the City Manager to execute Amendment No. 1 to the Professional Services Agreement with Rincon Consultants, Inc. to increase the compensation by \$50,000 for additional storm water quality testing, for a total of \$61,000.

Staff contact: Acting Public Works Director DuBoux, 456-2489 ext. 339

##### 5. Appoint City Manager and Approve Employment Agreement

Recommended Action: 1) Appoint Reva Feldman as City Manager under the terms of the employment agreement; and 2) Approve the agreement and authorize the Mayor to execute the Agreement on behalf of the City Council.

Staff contact: City Attorney Hogin, 456-2489 ext. 228

**4. Ordinances and Public Hearings**

- A. Approval of Issuance of Bonds for City of Malibu Assessment District (AD) No. 2015-1 (Civic Center Wastewater Treatment Facility – Phase 1)

*Recommended Action: 1) Adopt Resolution No. 16-15 authorizing and providing for the issuance of bonds pursuant to the provisions of the Improvement Bond Act of 1915 in the principal amount not to exceed \$6,495,000 for City of Malibu AD No. 2015-1 (Civic Center Wastewater Treatment Facility - Phase 1) and approving certain documents and authorizing certain actions in connection therewith; 2) Approve Bond Counsel Agreement with Stradling, Yocca, Carlson & Rauth for bond counsel services; and 3) Approve Professional Services Agreement with Stifel Nicolaus for Bond Underwriting Services.*

*Staff contact: Assistant City Manager Feldman, 456-2489 ext. 224*

**5. Old Business**

None.

**6. New Business**

None.

**7. Council Items**

- A. Malibu Historic District (Surfing Area for Surfrider) Nomination to the National Register of Historic Places (Councilmember Peak)

*Recommended Action: At the request of Councilmember Peak, authorize the Mayor to send letters of support for the nomination of the surfing area from Malibu Pier through Malibu Lagoon State Beach, designated as the Malibu Historic District: 1) to the National Register of Historic Places; 2) as a State Marina Cultural Preservation Area; and 3) as a State Marine Recreational Management Area.*

*Staff contact: City Manager Thorsen, 456-2489 ext. 226*

**Adjournment**

**Future Meetings**

Wednesday, April 27, 2016	6:00 p.m.	Special City Council Meeting	City Hall Council Chambers
Monday, May 9, 2016	6:30 p.m.	Regular City Council Meeting	City Hall Council Chambers
Monday, May 23, 2016	6:30 p.m.	Regular City Council Meeting	City Hall Council Chambers

**Guide to the City Council Proceedings**

**The Oral Communication** portion of the agenda is for members of the public to present items, which are not listed on the agenda but are under the subject matter jurisdiction of the City Council. No action may be taken under, except to direct staff unless the Council, by a two-thirds vote, determines that there is a need to take immediate action and that need came to the attention of the City after the posting of the agenda. Although no action may be taken, the Council and staff will follow up, at

an appropriate time, on those items needing response. Each speaker is limited to three (3) minutes. Time may be surrendered by deferring one (1) minute to another speaker, not to exceed a total of eight (8) minutes. The speaker wishing to defer time must be present when the item is heard. In order to be recognized and present an item, each speaker must complete and submit to the Recording Secretary a Request to Speak form prior to the beginning of the item being announced by the Mayor (forms are available outside the Council Chambers). Speakers are taken in the order slips are submitted.

**Items in Consent Calendar Section A** have already been considered by the Council at a previous meeting where the public was invited to comment, after which a decision was made. These items are not subject to public discussion at this meeting because the vote taken at the previous meeting was final. Resolutions concerning decisions made at previous meetings are for the purpose of memorializing the decision to assure the accuracy of the findings, the prior vote, and any conditions imposed.

**Items in Consent Calendar Section B** have not been discussed previously by the Council. If discussion is desired, an item may be removed from the Consent Calendar for individual consideration. Councilmembers may indicate a negative or abstaining vote on any individual item by so declaring prior to the vote on the motion to adopt the entire Consent Calendar. Items excluded from the Consent Calendar will be taken up by the Council following the action on the Consent Calendar. The Council first will take up the items for which public speaker requests have been submitted. Public speakers shall follow the rules as set forth under Oral Communication.

**For Public Hearings** involving zoning matters the appellant and applicant will be given 15 minutes each to present their position to the City Council, including rebuttal time. All other testimony shall follow the rules as set forth under Oral Communication.

**Old Business** items have appeared on previous agendas but have either been continued or tabled to this meeting with no final action having been taken. Public comment shall follow the rules as set forth under Oral Communication.

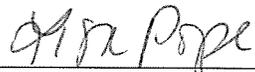
**Items in New Business** are items, which are appearing for the first time for formal action. Public comment shall follow the rules as set forth under Oral Communication.

**City Council Items** are items, which individual members of the City Council may bring up for action, to propose future agenda items or to suggest future staff assignments. No new items will be taken-up after 10:30 p.m. without a two-thirds vote of the City Council.

*City Council meetings are aired live and replayed on City of Malibu Government Access Channel 3 and on the City's website at [www.malibucity.org/video](http://www.malibucity.org/video). Copies of the staff reports or other written documentation relating to each item of business described above are on file in the office of the City Clerk, Malibu City Hall, 23825 Stuart Ranch Road, Malibu, California and are available for public inspection during regular office hours which are 7:30 a.m. to 5:30 p.m., Monday through Thursday and 7:30 a.m. to 4:30 p.m., Friday. Written materials distributed to the City Council within 72 hours of the City Council meeting are available for public inspection immediately upon distribution in the City Clerk's office at 23825 Stuart Ranch Road, Malibu, California (Government Code Section 54957.5.b.2). Copies of staff reports and written materials may be purchased for \$0.10 per page. Pursuant to State law, this agenda was posted at least 72 hours prior to the meeting.*

*The City Hall phone number is (310) 456-2489. To contact City Hall using a telecommunication device for the deaf (TDD), please call (800) 735-2929 and a California Relay Service operator will assist you. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Acting Environmental Sustainability Director Craig George, (310) 456-2489, ext. 229. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.102-35.104 ADD Title II]. Requests for use of audio or video equipment during a Council meeting should be directed to Alex Montano at (310) 456-2489 ext. 227 or [amontano@malibucity.org](mailto:amontano@malibucity.org). Material must be submitted by 12:00 p.m. on the meeting day.*

*I hereby certify under penalty of perjury, under the laws of the State of California that the foregoing agenda was posted in accordance with the applicable legal requirements. Regular and Adjourned Regular meeting agendas may be amended up to 72 hours in advance of the meeting. Dated this 21<sup>st</sup> day of April 2016.*

  
\_\_\_\_\_  
Lisa Pope, City Clerk

**Item**  
**3.B.2.**

**WARRANT REGISTER NO. 571**

On April 25, 2016, the Malibu City Council allowed and approved the above warrant demand numbers 47102 – 47241 from the General Fund. The City Manager is hereby directed to pay out the funds named hereon to each of the claimants listed above, the amount appearing opposite their name for the purpose stated on the respective demands, making a total of \$799,926.65. City of Malibu payroll check numbers 4653 - 4655 and ACH deposits were issued in the amount of \$155,485.62.

PASSED, APPROVED and ADOPTED this 25th day of April 2016.

---

Laura Rosenthal  
Mayor

ATTEST:

---

Lisa Pope  
City Clerk

**CERTIFICATE**

In accordance with Government Code Section 37202, I certify that the above demands are accurate and that funds are available for payment thereof. This certification is based on an examination of source documents relating to randomly selected sample of transactions and analysis of cash flow reports.

EXECUTED this 25th day of April 2016, AT MALIBU, CALIFORNIA

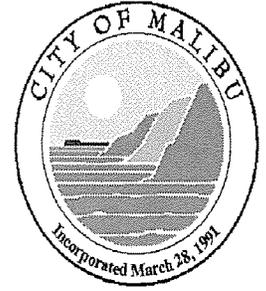
---

Jim Thorsen  
City Manager

# Accounts Payable

## Checks by Date - Summary By Check Number

User: jhand  
Printed: 4/13/2016 - 10:59 AM



Check Number	Vendor No	Vendor Name	Check Date	Check Amount
47102	BlueShie	Blue Shield of California	03/31/2016	1,064.65
47103	DELTADE	Delta Dental of California	03/31/2016	7,462.19
47104	ICMA457	ICMA Retirement Trust 457 - 303	03/31/2016	15,242.70
47105	ICMACM	ICMA 401-Plan # 108658	03/31/2016	504.89
47106	ICMADH	ICMA 401-Plan # 108650	03/31/2016	576.90
47107	MANAGED	Managed Health Network	03/31/2016	140.03
47108	PERSHEA	CalPERS Health	03/31/2016	86,685.30
47109	PERSRET	CalPERS Retirement	03/31/2016	32,496.26
47110	STANDARD	Standard Insurance Company N2	03/31/2016	5,234.10
47111	STANDARD	Standard Insurance Company N2	03/31/2016	169.45
47112	USBANK2	U.S. Bank	03/31/2016	792.33
47113	ACCOUNT	OfficeTeam A Robert Half Compa	03/31/2016	3,174.61
47114	AMERICAN	Paul Nguyen	03/31/2016	3,750.00
47115	ANDERSOA	Ariana Anderson	03/31/2016	100.00
47116	BARTEL	Bartel Associates, LLC	03/31/2016	3,500.00
47117	CASTRATE	California Strategies & Advocacy	03/31/2016	12,500.00
47118	CIVICPLU	Icon Enterprises Inc	03/31/2016	425.00
47119	CONEJOA	Conejo Awards	03/31/2016	381.00
47120	CRUZCR	Crystal Cruz	03/31/2016	225.00
47121	DAPEERR	Dapeer Rosenblit & Litvak LLP	03/31/2016	900.84
47122	ERIKNIN	Nina Eriksson	03/31/2016	731.50
47123	GOVCONN	GovConnection Inc	03/31/2016	2,864.52
47124	HAWNERST	Stephanie Hawner	03/31/2016	270.69
47125	LACOSHE	LA Co Sheriff'S Department	03/31/2016	113.08
47126	LACOWAT	LA Co MalibuTreasurer-Waterwo	03/31/2016	1,104.73
47127	LAMONTE	Lou La Monte	03/31/2016	257.75
47128	LASER	Laser Tag USA	03/31/2016	2,352.00
47129	LITTHEL	Helena Little	03/31/2016	150.00
47130	MALILOC	Steve Ayal	03/31/2016	177.00
47131	MALITIM	Malibu Times	03/31/2016	981.00
47132	MNS	MNS Engineers, Inc.	03/31/2016	2,832.50
47133	MONROSE	Samuel Jackson	03/31/2016	5,000.00
47134	NEERMANN	Renee Neermann	03/31/2016	254.58
47135	NEXTEL	Nextel / Sprint Communication	03/31/2016	79.85
47136	OZONE	Ozone Water Systems, Inc.	03/31/2016	4,000.00
47137	PIYAMAN	Rungrat Piyaman	03/31/2016	75.18
47138	PRECISI	Precision Business Machine Inc	03/31/2016	482.01
47139	PROPET	ProPet Distributors, Inc.	03/31/2016	110.00
47140	QUALITYC	Quality Code Publishing LLC	03/31/2016	319.00
47141	RECTOR	Christy Rector	03/31/2016	474.27
47142	RINCONC	Rincon Consultants, Inc	03/31/2016	10,319.00
47143	ROUNDSTA	Round Star West LLC	03/31/2016	3,804.50
47144	RPBARRI	R P Barricade, Inc.	03/31/2016	2,819.62
47145	SANDBOX	Sandbox Computer for Kids Inc	03/31/2016	744.10
47146	SEMSAL	Alan Semsar	03/31/2016	1,000.00

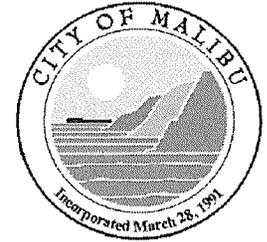
Check Number	Vendor No	Vendor Name	Check Date	Check Amount
47147	STAPLES	Staples Contract & Commercial Ir	03/31/2016	377.60
47148	TELEPAC	TelePacific Communications	03/31/2016	1,736.40
47149	VENCOPOW	Venco Power Sweeping, Inc	03/31/2016	6,935.00
47150	VERIZONC	Verizon California	03/31/2016	56.01
47151	YEHMA	Man-Li Yeh	03/31/2016	25,656.00
47152	ZIFANG	Su Zifang	03/31/2016	140.00
47153	ACCOUNTTE	OfficeTeam A Robert Half Compa	04/07/2016	1,888.96
47154	ADVANTAG	Advantage Specialty Products Inc	04/07/2016	2,293.01
47155	AFLALOS	Sammy Aflalo	04/07/2016	25.00
47156	ALLIANT	Alliant Insurance Services Inc	04/07/2016	1,424.10
47157	ARTTREK	ART Trek, Inc	04/07/2016	200.00
47158	ASHMCYD	Cydnee Ashmore	04/07/2016	150.00
47159	BELTERD	Andrew Belter	04/07/2016	145.25
47160	BIRDSTR	Bird Street LP	04/07/2016	3,050.00
47161	BLAKEG	Guy S Blake	04/07/2016	44.83
47162	BOLIM	Mark Boling	04/07/2016	7.07
47163	BROWJ	Jennifer Brown	04/07/2016	1,500.00
47164	CADCHU	Chuck Cadotte	04/07/2016	225.00
47165	CALLMC	M.C. Callaghan	04/07/2016	259.00
47166	CAMEB	Barbara A. Cameron	04/07/2016	8,110.07
47167	CHAVEZV	Victor Chavez	04/07/2016	375.00
47168	CHEVRON	Chevron & Texaco Bus. Card Srv	04/07/2016	836.90
47169	COMPLIA	Compliance Biology, Inc.	04/07/2016	6,937.50
47170	COOPERM	Marsha Cooper	04/07/2016	627.00
47171	CRPRINT	CR PRINT	04/07/2016	2,158.20
47172	ELYJRS	Hilario Simental Jr	04/07/2016	460.00
47173	ESCOJES	Jesse D Escoto	04/07/2016	400.00
47174	FEDEX	FedEx Office	04/07/2016	667.29
47175	FELDMAN	Reva Feldman	04/07/2016	116.00
47176	FERCANOL	Laura DeMieri Fercano	04/07/2016	336.00
47177	FERNANDE	Adrian Fernandez	04/07/2016	22.00
47178	GARCROD	Rodney A Garcia	04/07/2016	600.00
47179	GIINDUS	GI Industries	04/07/2016	3,088.21
47180	GIINDUST	G.I. Industries	04/07/2016	1,417.31
47181	GRAINGER	W.W. Grainger, Inc	04/07/2016	253.27
47182	GRANTS	Saginaw Grant	04/07/2016	300.00
47183	HYPERNET	HyperNet, Inc	04/07/2016	1,037.50
47184	J&HENG	J & H Enginecring General Contra	04/07/2016	240,244.02
47185	JACOMON	Monica Jacome	04/07/2016	400.00
47186	JENKINS	Jenkins & Hogin, LLP	04/07/2016	76,653.99
47187	JUARXOC	Xochitecpatl V Juarez	04/07/2016	225.00
47188	KUSTOM	Kustom Signals, Inc	04/07/2016	123.41
47189	LACOANI	LA Co Animal Care & Control	04/07/2016	4,882.65
47190	LACOCLE	LA County Registrar-Recorder LA	04/07/2016	75.00
47191	LACOCLE	LA County Registrar-Recorder LA	04/07/2016	75.00
47192	LACOCLE	LA County Registrar-Recorder LA	04/07/2016	75.00
47193	LACOCLE	LA County Registrar-Recorder LA	04/07/2016	75.00
47194	LACOFIR	LA Co Fire Department	04/07/2016	26,924.00
47195	LACOWAT	LA Co MalibuTreasurer-Waterwoi	04/07/2016	1,862.72
47196	Lance	Lance, Soll&Lunghard CPA's, LLF	04/07/2016	400.00
47197	LIPPMAN	Peter Lippman	04/07/2016	290.00
47198	MADSONK	Kevin Madson	04/07/2016	5,752.50
47199	MALCHAM	Malibu Chamber Of Commerce	04/07/2016	100.00
47200	MALIBAY	Malibu Bay Company	04/07/2016	1,766.00
47201	MERCADOJ	Jose Mercado	04/07/2016	720.00

Check Number	Vendor No	Vendor Name	Check Date	Check Amount
47202	MERRBRE	Brenda Merryma	04/07/2016	25.00
47203	MIAJOHN	John Moose Mia	04/07/2016	150.00
47204	MICHBAK	Michael Baker International Inc	04/07/2016	5,996.70
47205	MIGINC	Moore Iacofano Goltsman Inc	04/07/2016	5,225.41
47206	MOLLR	Richard Mollica	04/07/2016	38.34
47207	MOOREE	Evan Moore	04/07/2016	1,354.50
47208	NATIONA	National Construction Rentals, Inc	04/07/2016	382.60
47209	ODELT	Theresa Odello	04/07/2016	63.72
47210	ORDUNOD	David Orduno	04/07/2016	1,300.00
47211	OTTOMEL	Melissa Otto	04/07/2016	630.00
47212	PLANETG	Planet Grande Pictures Inc	04/07/2016	5,500.00
47213	PRECISI	Precision Business Machine Inc	04/07/2016	405.68
47214	ROSENTHA	Laura Rosenthal	04/07/2016	170.66
47215	ROUNDSTA	Round Star West LLC	04/07/2016	315.00
47216	SALAZARA	Alan Salazar	04/07/2016	425.00
47217	SHERMAR	Marquette L Sheridan	04/07/2016	750.00
47218	SNYDERJE	Jennifer Snyder	04/07/2016	25.00
47219	SOLIDWA	Solid Waste Solutions, Inc.	04/07/2016	39,796.29
47220	SOUTHEAS	Southeastern Security Consultants	04/07/2016	92.50
47221	SPEACANN	Cannon Spears	04/07/2016	250.00
47222	STAPLES	Staples Contract & Commercial Ir	04/07/2016	644.13
47223	STORAGE	StorageContainer.com	04/07/2016	198.00
47224	TOTALGRA	Brian Shore	04/07/2016	195.10
47225	TRIYOGA	TriYoga International	04/07/2016	175.00
47226	UNITEDSI	United Site Services of CA Inc	04/07/2016	261.24
47227	USBANK	U.S. Bank	04/07/2016	27,311.33
47228	VAUGHANS	Kenny & Norma Vaughan	04/07/2016	196.63
47229	VERIZONW	Verizon Wireless Services LLC	04/07/2016	1,872.62
47230	VIAWEST	ViaWest Inc	04/07/2016	821.61
47231	WARDLE	Lesley Ward	04/07/2016	300.00
47232	WHITEBIR	Bobby Whitebird	04/07/2016	425.00
47233	XEROX	Xerox Corporation	04/07/2016	3,093.35
47234	YOUNGBRU	Bruce Young	04/07/2016	798.00
47235	ZEBAJA	Jaime Zeballos	04/07/2016	225.00
47236	ZHAO	Yun Zhao	04/07/2016	364.00
47237	ICMA457	ICMA Retirement Trust 457 - 303	04/07/2016	15,333.89
47238	ICMACM	ICMA 401-Plan # 108658	04/07/2016	504.89
47239	ICMADH	ICMA 401-Plan # 108650	04/07/2016	576.90
47240	PERSRET	CalPERS Retirement	04/07/2016	31,896.14
47241	USBANK2	U.S. Bank	04/07/2016	695.52
			Report Total:	799,926.65

# Accounts Payable

## Transactions by Account

User: jhand  
 Printed: 04/13/2016 - 11:08AM  
 Batch: 00000.00.0000



Checks from: 00047102 To: 00047241

Account Number	description	Vendor	Description	Check No	Amount
Fund: 100					
Dept:0000					
100-0000-2021-00	COBRA Payable	Blue Shield of California	PR 24.03.2016 Vision Care - Pete	47102	8.50
100-0000-2021-00	COBRA Payable	Blue Shield of California	PR 24.03.2016 Vision Care - Tent	47102	8.50
Vendor Subtotal for Dept:0000					17.00
Dept:0000					
100-0000-2021-00	COBRA Payable	Delta Dental of California	PR 24.03.2016 Dental Insurance -	47103	166.06
100-0000-2021-00	COBRA Payable	Delta Dental of California	PR 24.03.2016 Dental Insurance -	47103	102.15
100-0000-2021-00	COBRA Payable	Delta Dental of California	PR 24.03.2016 Dental Insurance -	47103	52.69
100-0000-2021-00	COBRA Payable	Delta Dental of California	PR 24.03.2016 Dental Insurance -	47103	166.06
100-0000-2021-00	COBRA Payable	Delta Dental of California	PR 24.03.2016 Dental Insurance -	47103	52.69
Vendor Subtotal for Dept:0000					539.65
Dept:0000					
100-0000-2021-00	COBRA Payable	CalPERS Retirement	PR 24.03.2016 PERS EEShare - I	47109	358.12
100-0000-2021-00	COBRA Payable	CalPERS Retirement	PR 24.03.2016 PERS ERShare - I	47109	478.50
100-0000-2021-00	COBRA Payable	CalPERS Retirement	PR 07.04.2016 PERS EEShare - I	47240	358.12
100-0000-2021-00	COBRA Payable	CalPERS Retirement	PR 07.04.2016 PERS ERShare - I	47240	478.50
Vendor Subtotal for Dept:0000					1,673.24
Dept:0000					
100-0000-3202-00	Film Permit Fees	LA Co Fire Department	Film Permit Fire District Fees Jan	47194	26,924.00
Vendor Subtotal for Dept:0000					26,924.00
Dept:0000					

Account Number	description	Vendor	Description	Check No	Amount
100-0000-3467-00	Day Camp Fees	Ariana Anderson	Refund T-Ball camp-Bobby-cance	47115	100.00
			Vendor Subtotal for Dept:0000		100.00
Dept:0000					
100-0000-3467-00	Day Camp Fees	Helena Little	Refund Baseball camp-Lindsey-c	47129	150.00
			Vendor Subtotal for Dept:0000		150.00
Dept:0000					
100-0000-3470-00	Community Classes	Sammy Aflalo	Refund Egg Decorating-Colette-C	47155	25.00
			Vendor Subtotal for Dept:0000		25.00
Dept:0000					
100-0000-3470-00	Community Classes	Brenda Merryman	Refund Egg Decorating-Sydney-C	47202	25.00
			Vendor Subtotal for Dept:0000		25.00
Dept:0000					
100-0000-3470-00	Community Classes	Jennifer Snyder	Refund Egg Decorating-William-i	47218	25.00
			Vendor Subtotal for Dept:0000		25.00
Dept:0000					
100-0000-3472-00	Special Events Fees	Chuck Cadotte	Refund-Vendor not participating i	47164	225.00
			Vendor Subtotal for Dept:0000		225.00
Dept:0000					
100-0000-3472-00	Special Events Fees	Crystal Cruz	Refund-Vendor not participating i	47120	225.00
			Vendor Subtotal for Dept:0000		225.00
Dept:0000					
100-0000-3472-00	Special Events Fees	Xochitecpatl V Juarez	Refund-Vendor not participating i	47187	225.00
			Vendor Subtotal for Dept:0000		225.00
Dept:0000					
100-0000-3472-00	Special Events Fees	Jose Mercado	Chumash Day 2016-Vendor Fee	47201	-285.00

Account Number	description	Vendor	Description	Check No	Amount
					Vendor Subtotal for Dept:0000
					-285.00
Dept:0000					
100-0000-3472-00	Special Events Fees	Jaime Zeballos	Refund Vendor not participating i:	47235	225.00
					Vendor Subtotal for Dept:0000
					225.00
Dept:0000					
100-0000-3920-00	Donations	Planet Grande Pictures Inc	25th Anniversary Video Donation	47212	500.00
					Vendor Subtotal for Dept:0000
					500.00
Dept:3001					
100-3001-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	11.08
					Vendor Subtotal for Dept:3001
					11.08
Dept:3001					
100-3001-5121-01	Street Sweeping	Venco Power Sweeping, Inc	Street Sweeping-City streets & PC	47149	6,935.00
					Vendor Subtotal for Dept:3001
					6,935.00
Dept:3001					
100-3001-5300-00	Travel & Training	U.S. Bank	Ayala B-APWA-Streets/Technolo;	47227	290.00
					Vendor Subtotal for Dept:3001
					290.00
Dept:3001					
100-3001-5721-00	Telephone	Verizon Wireless Services LLC	Cell Phone Service 03/24-4/23/16	47229	68.91
100-3001-5721-00	Telephone	Verizon Wireless Services LLC	Cell Phone Service 03/24-4/23/16	47229	114.03
100-3001-5721-00	Telephone	Verizon Wireless Services LLC	Cell Phone Service 03/24-4/23/16	47229	62.42
					Vendor Subtotal for Dept:3001
					245.36
Dept:3001					

Account Number	description	Vendor	Description	Check No	Amount
100-3001-5725-00	Trash Pickup/Recycling	GI Industries	Garbage-Bluffs Park-Apr'16-1831	47179	371.24
100-3001-5725-00	Trash Pickup/Recycling	GI Industries	Garbage-Equestrian Park-Apr'16-	47179	178.07
100-3001-5725-00	Trash Pickup/Recycling	GI Industries	Garbage-Bus Stop-Apr'16-183152	47179	2,191.21
100-3001-5725-00	Trash Pickup/Recycling	GI Industries	Garbage-Cross Creek-Apr'16-183	47179	175.83
Vendor Subtotal for Dept:3001					2,916.35
Dept:3001					
100-3001-6160-00	Operating Supplies	R P Barricade, Inc.	Replace signs per inventory	47144	2,719.00
100-3001-6160-00	Operating Supplies	R P Barricade, Inc.	Delineators for Busch Drive	47144	100.62
Vendor Subtotal for Dept:3001					2,819.62
Dept:3001					
100-3001-6160-00	Operating Supplies	U.S. Bank	Hart T-PW supplies	47227	32.20
Vendor Subtotal for Dept:3001					32.20
Dept:3007					
100-3007-5610-00	Fac Maintenance-Civic Center	Ozone Water Systems, Inc.	CCSTF Equip Maint-Jan '16	47136	4,000.00
Vendor Subtotal for Dept:3007					4,000.00
Dept:3007					
100-3007-5656-00	Water Quality Test/Monitoring	Rincon Consultants, Inc	Water Quality monitoring-City ov	47142	10,319.00
Vendor Subtotal for Dept:3007					10,319.00
Dept:3007					
100-3007-5723-00	Water	LA Co MalibuTreasurer-Waterworks	Water-Broad Beach Rd-1/19-3/17	47126	215.08
Vendor Subtotal for Dept:3007					215.08
Dept:3008					
100-3008-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	33.78

Account Number	description	Vendor	Description	Check No	Amount
Vendor Subtotal for Dept:3008					33.78
Dept:3008					
100-3008-5100-00	Professional Services	MNS Engineers, Inc.	Parcel Map 71157-6061 Galahad-	47132	862.50
100-3008-5100-00	Professional Services	MNS Engineers, Inc.	Parcel Map 24070, C of C 15-005	47132	1,970.00
Vendor Subtotal for Dept:3008					2,832.50
Dept:3008					
100-3008-5107-00	Contract Personnel	OfficeTeam A Robert Half Company	Temp Staffing-PW-William W-W	47113	1,080.00
100-3008-5107-00	Contract Personnel	OfficeTeam A Robert Half Company	Temp Staffing-PW-William W-W	47113	1,080.00
100-3008-5107-00	Contract Personnel	OfficeTeam A Robert Half Company	Temp Staffing-PW-William W W	47153	1,080.00
Vendor Subtotal for Dept:3008					3,240.00
Dept:3008					
100-3008-5300-00	Travel and Training	U.S. Bank	Brager B-League of Cities Conf e	47227	547.62
100-3008-5300-00	Travel and Training	U.S. Bank	Duboux R-LARWQCB parking ft	47227	13.00
Vendor Subtotal for Dept:3008					560.62
Dept:3008					
100-3008-5721-00	Telephone	Verizon Wireless Services LLC	Cell Phone Service 03/24-4/23/16	47229	137.82
Vendor Subtotal for Dept:3008					137.82
Dept:3008					
100-3008-6160-00	Operating Supplies	U.S. Bank	Ayala B-Interview panel	47227	91.31
100-3008-6160-00	Operating Supplies	U.S. Bank	Duboux R-Interview panel	47227	16.68
100-3008-6160-00	Operating Supplies	U.S. Bank	Hart T-PT Dume Community Met	47227	44.27
Vendor Subtotal for Dept:3008					152.26
Dept:4001					
100-4001-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	82.90

Account Number	description	Vendor	Description	Check No	Amount
					82.90
			Vendor Subtotal for Dept:4001		
Dept:4001					
100-4001-5100-00	Professional Services	Michael Baker International Inc	Bluffs Parkland Consultant-Feb '1	47204	5,996.70
					5,996.70
			Vendor Subtotal for Dept:4001		
Dept:4001					
100-4001-5721-00	Telephone	Verizon Wireless Services LLC	Cell Phone Service 03/24-4/23/16	47229	619.34
					619.34
			Vendor Subtotal for Dept:4001		
Dept:4001					
100-4001-6160-00	Operating Supplies	U.S. Bank	Crittenden A-PT staff meeting lun	47227	52.05
					52.05
			Vendor Subtotal for Dept:4001		
Dept:4001					
100-4001-6170-00	Events	Brian Shore	Cultural Arts Surfboard show ban	47224	195.10
					195.10
			Vendor Subtotal for Dept:4001		
Dept:4001					
100-4001-6170-00	Events	U.S. Bank	Crittenden A-Art of the Board exl	47227	194.87
					194.87
			Vendor Subtotal for Dept:4001		
Dept:4002					
100-4002-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	2.37
					2.37
			Vendor Subtotal for Dept:4002		
Dept:4004					
100-4004-5107-00	Contract Personnel	Laser Tag USA	Day Camp instructor-LaserTagUS	47128	2,352.00

Account Number	description	Vendor	Description	Check No	Amount
					2,352.00
			Vendor Subtotal for Dept:4004		
Dept:4004					
100-4004-5107-00	Contract Personnel	Evan Moore	Camp instructor-E Moore-Basketl	47207	1,354.50
					1,354.50
			Vendor Subtotal for Dept:4004		
Dept:4004					
100-4004-5107-00	Contract Personnel	Round Star West LLC	Day Camp instructor-RSW-SSS K	47143	1,127.00
					1,127.00
			Vendor Subtotal for Dept:4004		
Dept:4004					
100-4004-5107-00	Contract Personnel	Bruce Young	Camp instructor-B Young-Tennis-	47234	798.00
					798.00
			Vendor Subtotal for Dept:4004		
Dept:4004					
100-4004-6160-00	Operating Supplies	U.S. Bank	Gallo K-Summer Camp Brochure	47227	586.53
					586.53
			Vendor Subtotal for Dept:4004		
Dept:4006					
100-4006-5107-00	Contract Personnel	Nina Eriksson	Sports instructor-N Eriksson-Tenr	47122	227.50
100-4006-5107-00	Contract Personnel	Nina Eriksson	Sports instructor-N Eriksson-Tenr	47122	504.00
					731.50
			Vendor Subtotal for Dept:4006		
Dept:4006					
100-4006-6160-00	Operating Supplies	Southeastern Security Consultants, I	Coach pitch baseball background	47220	92.50
					92.50
			Vendor Subtotal for Dept:4006		
Dept:4007					
100-4007-4202-00	Health Insurance	CalPERS Health	PR Batch 70024.03.2016 Health I	47108	718.50
					718.50
			Vendor Subtotal for Dept:4007		

Account Number	description	Vendor	Description	Check No	Amount
Dept:4007					
100-4007-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	3.44
Vendor Subtotal for Dept:4007					3.44
Dept:4007					
100-4007-5107-00	Contract Personnel	M.C. Callaghan	Class instructor-MC Callaghan-D	47165	259.00
Vendor Subtotal for Dept:4007					259.00
Dept:4007					
100-4007-5107-00	Contract Personnel	Melissa Otto	Class instructor-M Otto (Hummer	47211	630.00
Vendor Subtotal for Dept:4007					630.00
Dept:4007					
100-4007-5107-00	Contract Personnel	Round Star West LLC	Class instructor-RSW-SSS 2-3 1/	47143	833.00
100-4007-5107-00	Contract Personnel	Round Star West LLC	Class instructor-RSW-SSS 3-4 1/	47143	252.00
100-4007-5107-00	Contract Personnel	Round Star West LLC	Class instructor-RSW-SSS 4-5 1/	47143	262.50
100-4007-5107-00	Contract Personnel	Round Star West LLC	Class instructor-RSW-SSS 5-7 1/	47143	336.00
100-4007-5107-00	Contract Personnel	Round Star West LLC	Class instructor-RSW-SSS Kick&	47143	490.00
100-4007-5107-00	Contract Personnel	Round Star West LLC	Class instructor-RSW-SSS Pt Dur	47143	504.00
100-4007-5107-00	Contract Personnel	Round Star West LLC	Class instructor-RSW-SSS 3-4 1/	47215	315.00
Vendor Subtotal for Dept:4007					2,992.50
Dept:4007					
100-4007-5107-00	Contract Personnel	Sandbox Computer for Kids Inc	Class instructor-Sandbox-3D prin	47145	326.90
100-4007-5107-00	Contract Personnel	Sandbox Computer for Kids Inc	Class instructor-Sandbox-Lego R	47145	417.20
Vendor Subtotal for Dept:4007					744.10
Dept:4007					
100-4007-5107-00	Contract Personnel	Yun Zhao	Class instructor-Y Zhao-TaiChi 2-	47236	364.00
Vendor Subtotal for Dept:4007					364.00
Dept:4007					
100-4007-5107-00	Contract Personnel	Su Zifang	Class instructor-S Zifang-TaiChi	47152	140.00

Account Number	description	Vendor	Description	Check No	Amount
					140.00
			Vendor Subtotal for Dept:4007		
Dept:4007					
100-4007-6160-00	Operating Supplies	U.S. Bank	Reyna M-P&R-SendGrid email se	47227	9.95
100-4007-6160-00	Operating Supplies	U.S. Bank	Riesgo K-P&R Gold Hunt supplie	47227	126.86
100-4007-6160-00	Operating Supplies	U.S. Bank	Riesgo K-P&R Bluffs Park expen	47227	32.59
					169.40
			Vendor Subtotal for Dept:4007		
Dept:4008					
100-4008-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	4.11
					4.11
			Vendor Subtotal for Dept:4008		
Dept:4008					
100-4008-5107-00	Contract Personnel	ART Trek, Inc	Senior instructor-ArtTrek-2 work:	47157	200.00
					200.00
			Vendor Subtotal for Dept:4008		
Dept:4008					
100-4008-5107-00	Contract Personnel	Marsha Cooper	Senior instructor-M Cooper-Stret	47170	627.00
					627.00
			Vendor Subtotal for Dept:4008		
Dept:4008					
100-4008-5107-00	Contract Personnel	Laura DeMieri Fercano	Senior instructor-L Fercano-Choi	47176	336.00
					336.00
			Vendor Subtotal for Dept:4008		
Dept:4008					
100-4008-5107-00	Contract Personnel	TriYoga International	Senior instructor-TriYoga-Chair/\	47225	175.00
					175.00
			Vendor Subtotal for Dept:4008		
Dept:4008					
100-4008-5340-00	Transportation & Mileage	Theresa Odello	Reimburse milcage-Jan/Feb/Mar '	47209	63.72

Account Number	description	Vendor	Description	Check No	Amount
					Vendor Subtotal for Dept:4008
					63.72
Dept:4008					
100-4008-6160-00	Operating Supplies	Staples Contract & Commercial Inc	Office supplies-P&R Senior Ctr	47222	71.51
					Vendor Subtotal for Dept:4008
					71.51
Dept:4008					
100-4008-6160-00	Operating Supplies	U.S. Bank	Frederiksen R-Senior Ctr-tableclo	47227	79.60
100-4008-6160-00	Operating Supplies	U.S. Bank	Odello T-Senior Ctr supplies	47227	254.94
100-4008-6160-00	Operating Supplies	U.S. Bank	Odello T-Senior Ctr Luncheon for	47227	747.50
					Vendor Subtotal for Dept:4008
					1,082.04
Dept:4008					
100-4008-6176-00	Recreation Trip Admissions	U.S. Bank	Odello T-SQ The Broad Museum	47227	100.00
					Vendor Subtotal for Dept:4008
					100.00
Dept:4009					
100-4009-5107-00	Contract Personnel	Lesley Ward	Reissue Ck# 46967-Teen Cooking	47231	300.00
					Vendor Subtotal for Dept:4009
					300.00
Dept:4009					
100-4009-5300-00	Travel and Training	U.S. Bank	Riesgo K-Youth Comm-Film Fest	47227	47.00
					Vendor Subtotal for Dept:4009
					47.00
Dept:4010					
100-4010-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	8.88
					Vendor Subtotal for Dept:4010
					8.88
Dept:4010					

Account Number	description	Vendor	Description	Check No	Amount
100-4010-5100-00	Professional Services	Paul Nguyen	City Parks Janitorial Svc-Mar '16	47114	3,750.00
			Vendor Subtotal for Dept:4010		3,750.00
Dept:4010					
100-4010-5130-00	Parks Maintenance	ProPet Distributors, Inc.	Dog Leash signs (5)	47139	110.00
			Vendor Subtotal for Dept:4010		110.00
Dept:4010					
100-4010-5130-00	Parks Maintenance	U.S. Bank	Delsi D-Park Maint supplies/expe	47227	393.22
100-4010-5130-00	Parks Maintenance	U.S. Bank	Belter A-Organic herbicides	47227	10.72
			Vendor Subtotal for Dept:4010		403.94
Dept:4010					
100-4010-5300-00	Travel and Training	Andrew Belter	Reissue Ck# 45251-Reimburse m	47159	84.87
100-4010-5300-00	Travel and Training	Andrew Belter	Reissue Ck# 45861-Reimburse m	47159	60.38
			Vendor Subtotal for Dept:4010		145.25
Dept:4010					
100-4010-5610-00	Facility Maintenance	Steve Ayal	Re-Keying of locks-Bluffs Park	47130	177.00
			Vendor Subtotal for Dept:4010		177.00
Dept:4010					
100-4010-5610-00	Facility Maintenance	U.S. Bank	Delsi D-Park Fac Maint supplies	47227	21.92
			Vendor Subtotal for Dept:4010		21.92
Dept:4010					
100-4010-5710-00	Facilities Rent	National Construction Rentals, Inc	Bluffs Portable Toilet rental 3/17-	47208	382.60
			Vendor Subtotal for Dept:4010		382.60
Dept:4010					

Account Number	description	Vendor	Description	Check No	Amount
100-4010-5721-00	Telephone	Verizon California	Phone-Las Flores septic-Mar '16	47150	56.01
			Vendor Subtotal for Dept:4010		56.01
Dept:4010					
100-4010-5723-00	Water	LA Co MalibuTreasurer-Waterworks	Water-Equestrian Park-Fire line-1	47126	515.85
100-4010-5723-00	Water	LA Co MalibuTreasurer-Waterworks	Water-Equestrian Park-1/12-3/14/	47126	373.80
100-4010-5723-00	Water	LA Co MalibuTreasurer-Waterworks	Water-Broad Beach-1/19-3/17/16-	47195	74.76
100-4010-5723-00	Water	LA Co MalibuTreasurer-Waterworks	Water-Trancas Park-1/14-3/16/16-	47195	1,787.96
			Vendor Subtotal for Dept:4010		2,752.37
Dept:4011					
100-4011-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	5.66
			Vendor Subtotal for Dept:4011		5.66
Dept:4011					
100-4011-5107-00	Contract Personnel	Cydnee Ashmore	Head Girl for Chumash Powwow-	47158	150.00
			Vendor Subtotal for Dept:4011		150.00
Dept:4011					
100-4011-5107-00	Contract Personnel	Victor Chavez	Arena Director for Chumash Day-	47167	375.00
			Vendor Subtotal for Dept:4011		375.00
Dept:4011					
100-4011-5107-00	Contract Personnel	Jesse D Escoto	Head Man for Chumash Day-spec	47173	400.00
			Vendor Subtotal for Dept:4011		400.00
Dept:4011					
100-4011-5107-00	Contract Personnel	Rodney A Garcia	Northern Host Drum for Chumasl	47178	600.00
			Vendor Subtotal for Dept:4011		600.00
Dept:4011					
100-4011-5107-00	Contract Personnel	Saginaw Grant	Head Gourd for Chumash Day-sp	47182	300.00

Account Number	description	Vendor	Description	Check No	Amount
					Vendor Subtotal for Dept:4011
					300.00
Dept:4011					
100-4011-5107-00	Contract Personnel	Monica Jacome	Head Woman for Chumash Day-s	47185	400.00
					Vendor Subtotal for Dept:4011
					400.00
Dept:4011					
100-4011-5107-00	Contract Personnel	John Moose Mia	Head Boy for Chumash Powwow	47203	150.00
					Vendor Subtotal for Dept:4011
					150.00
Dept:4011					
100-4011-5107-00	Contract Personnel	David Orduno	Sound for Chumash Days 2016-S	47210	1,300.00
					Vendor Subtotal for Dept:4011
					1,300.00
Dept:4011					
100-4011-5107-00	Contract Personnel	Alan Salazar	Storyteller & Spiritual Advisor fo	47216	425.00
					Vendor Subtotal for Dept:4011
					425.00
Dept:4011					
100-4011-5107-00	Contract Personnel	Marquette L Sheridan	Host Southern Drum for Chumasl	47217	750.00
					Vendor Subtotal for Dept:4011
					750.00
Dept:4011					
100-4011-5107-00	Contract Personnel	Bobby Whitebird	Announcer for Chumash Powwov	47232	425.00
					Vendor Subtotal for Dept:4011
					425.00
Dept:4011					
100-4011-6160-00	Operating Supplies	Jose Mercado	Chumash Day 2016-Dinner on 4-	47201	1,005.00
					Vendor Subtotal for Dept:4011
					1,005.00
Dept:4011					
100-4011-6160-00	Operating Supplies	Staples Contract & Commercial Inc	Office supplies-P&R-Chumash ev	47222	60.55
100-4011-6160-00	Operating Supplies	Staples Contract & Commercial Inc	Office supplies-P&R-Teen Film F	47222	42.49
100-4011-6160-00	Operating Supplies	Staples Contract & Commercial Inc	Office supplies-P&R-Spec Events	47222	91.69

Account Number	description	Vendor	Description	Check No	Amount
					Vendor Subtotal for Dept:4011
					194.73
Dept:4011					
100-4011-6160-00	Operating Supplies	United Site Services of CA Inc	Easter Hoppening-Portable restro	47226	261.24
					Vendor Subtotal for Dept:4011
					261.24
Dept:4011					
100-4011-6160-00	Operating Supplies	U.S. Bank	Gallo K-Easter Hoppening event :	47227	40.70
100-4011-6160-00	Operating Supplies	U.S. Bank	Odello T-1st aid kit replenishmen	47227	112.40
100-4011-6160-00	Operating Supplies	U.S. Bank	Riesgo K-P&R supplies/expenses	47227	358.09
100-4011-6160-00	Operating Supplies	U.S. Bank	Riesgo K-P&R Chumash Day 201	47227	1,887.75
100-4011-6160-00	Operating Supplies	U.S. Bank	Riesgo K-P&R Easter Hoppening	47227	362.33
100-4011-6160-00	Operating Supplies	U.S. Bank	Riesgo K-P&R Student Art Show	47227	28.20
100-4011-6160-00	Operating Supplies	U.S. Bank	Riesgo K-P&R Teen Improv Shov	47227	25.89
					Vendor Subtotal for Dept:4011
					2,815.36
Dept:4011					
100-4011-6160-00	Operating Supplies	Kenny & Norma Vaughan	2016 Chumash Day-Ceremonial C	47228	196.63
					Vendor Subtotal for Dept:4011
					196.63
Dept:7001					
100-7001-5104-00	Lobbyist Services	California Strategies & Advocacy LI	Lobbying Services-Mar '16	47117	12,500.00
					Vendor Subtotal for Dept:7001
					12,500.00
Dept:7001					
100-7001-5300-00	Travel and Training	Lou La Monte	Reimburse mileage/parking-CCC.	47127	257.75
					Vendor Subtotal for Dept:7001
					257.75
Dept:7001					
100-7001-5300-00	Travel and Training	Laura Rosenthal	Reimburse expenses/mileage 3/17	47214	127.77
					Vendor Subtotal for Dept:7001
					127.77
Dept:7001					
100-7001-5300-00	Travel and Training	U.S. Bank	Thorsen J-Airfare to Sacramento-	47227	137.96

Account Number	description	Vendor	Description	Check No	Amount
100-7001-5300-00	Travel and Training	U.S. Bank	Feldman R-Lunch Mtg regarding	47227	52.65
			Vendor Subtotal for Dept:7001		190.61
Dept:7001					
100-7001-5721-00	Telephone - Cellular Data	Verizon Wireless Services LLC	Cell Phone Service 03/24-4/23/16	47229	76.02
			Vendor Subtotal for Dept:7001		76.02
Dept:7001					
100-7001-6160-00	Operating Supplies	Malibu Chamber Of Commerce	State of the City tickets-LaMonte	47199	50.00
			Vendor Subtotal for Dept:7001		50.00
Dept:7001					
100-7001-6160-00	Operating Supplies	U.S. Bank	Glaser H-Council supplies	47227	10.78
100-7001-6160-00	Operating Supplies	U.S. Bank	Neermann R-City council supplie	47227	14.14
			Vendor Subtotal for Dept:7001		24.92
Dept:7001					
100-7001-6170-00	Events	Conejo Awards	Keller Award 2016	47119	381.00
			Vendor Subtotal for Dept:7001		381.00
Dept:7001					
100-7001-6170-00	Events	Reva Feldman	Reimburse-25th anniversary supp	47175	116.00
			Vendor Subtotal for Dept:7001		116.00
Dept:7001					
100-7001-6170-00	Events	Samuel Jackson	25th Anniversary Catering	47133	5,000.00
			Vendor Subtotal for Dept:7001		5,000.00
Dept:7001					
100-7001-6170-00	Events	Renee Neermann	Reimburse-25th Anniversary Eve	47134	104.58
			Vendor Subtotal for Dept:7001		104.58

Account Number	description	Vendor	Description	Check No	Amount
Dept:7001					
100-7001-6170-00	Events	Christy Rector	Reimburse-25th Anniversary suppr	47141	231.24
Vendor Subtotal for Dept:7001					231.24
Dept:7001					
100-7001-6170-00	Events	Laura Rosenthal	Reimburse-25th anniversary staff	47214	42.89
Vendor Subtotal for Dept:7001					42.89
Dept:7001					
100-7001-6170-00	Events	U.S. Bank	Neermann R-25th anniversary eve	47227	316.67
100-7001-6170-00	Events	U.S. Bank	Pope L-25th anniversary supplies	47227	244.70
Vendor Subtotal for Dept:7001					561.37
Dept:7002					
100-7002-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	10.94
Vendor Subtotal for Dept:7002					10.94
Dept:7002					
100-7002-5100-00	Professional Services	Planet Grande Pictures Inc	Production of City's 25th Anniver	47212	5,000.00
Vendor Subtotal for Dept:7002					5,000.00
Dept:7002					
100-7002-5300-00	Travel and Training	U.S. Bank	Montano A-Airport parking-2 day	47227	49.00
Vendor Subtotal for Dept:7002					49.00
Dept:7002					
100-7002-6160-00	Operating Supplies	U.S. Bank	Rector C-Office supplies-Media-i	47227	84.32
100-7002-6160-00	Operating Supplies	U.S. Bank	Montano A-Holiday Inn-Phoenix-	47227	3.00
Vendor Subtotal for Dept:7002					87.32

Account Number	description	Vendor	Description	Check No	Amount
Dept:7002					
100-7002-6165-00	Website Services	Icon Enterprises Inc	Website Banner revision	47118	425.00
Vendor Subtotal for Dept:7002					425.00
Dept:7002					
100-7002-6170-00	Events	U.S. Bank	Myerhoff M-25th anniversary vid	47227	65.31
100-7002-6170-00	Events	U.S. Bank	Myerhoff M-Pepperdine Student t	47227	36.64
Vendor Subtotal for Dept:7002					101.95
Dept:7003					
100-7003-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	7.14
Vendor Subtotal for Dept:7003					7.14
Dept:7003					
100-7003-5105-00	Grant Consultant	Barbara A. Cameron	Grant Consulting Svcs-Mar '16	47166	8,000.00
Vendor Subtotal for Dept:7003					8,000.00
Dept:7003					
100-7003-5105-01	Grant Consultant Expenses	Barbara A. Cameron	Grant Consulting Expenses-Mar '	47166	110.07
Vendor Subtotal for Dept:7003					110.07
Dept:7003					
100-7003-5721-00	Telephone	Verizon Wireless Services LLC	Cell Phone Service 03/24-4/23/16	47229	136.21
Vendor Subtotal for Dept:7003					136.21
Dept:7003					
100-7003-6160-00	Operating Supplies	Malibu Chamber Of Commerce	State of the City tickets-Thorsen	47199	25.00
Vendor Subtotal for Dept:7003					25.00

Account Number	description	Vendor	Description	Check No	Amount
Dept:7005					
100-7005-5101-00	General Legal Counsel	Jenkins & Hogin, LLP	General Legal Svcs-Mar '16	47186	23,198.00
Vendor Subtotal for Dept:7005					23,198.00
Dept:7005					
100-7005-5102-00	Litigation	Jenkins & Hogin, LLP	Litigation Svcs-Mar '16	47186	53,455.99
Vendor Subtotal for Dept:7005					53,455.99
Dept:7005					
100-7005-5103-00	Criminal Prosecution	Dapeer Rosenblit & Litvak LLP	City Prosecutor Svc-Feb '16	47121	900.84
Vendor Subtotal for Dept:7005					900.84
Dept:7007					
100-7007-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	12.23
Vendor Subtotal for Dept:7007					12.23
Dept:7007					
100-7007-5100-00	Professional Services	U.S. Bank	Glaser H-Veribook Online passpo	47227	35.00
Vendor Subtotal for Dept:7007					35.00
Dept:7007					
100-7007-5401-00	Advertising & Noticing	Malibu Times	Ordinance no. 403 & 404-1st reac	47131	84.00
Vendor Subtotal for Dept:7007					84.00
Dept:7007					
100-7007-6160-00	Operating Supplies	Staples Contract & Commercial Inc	Office supplies-City Clerk	47222	10.55
Vendor Subtotal for Dept:7007					10.55

Account Number	description	Vendor	Description	Check No	Amount
Dept:7007					
100-7007-6160-00	Operating Supplies	U.S. Bank	Pope L-Remote PC access for Lis	47227	21.90
Vendor Subtotal for Dept:7007					21.90
Dept:7021					
100-7021-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	5.47
Vendor Subtotal for Dept:7021					5.47
Dept:7021					
100-7021-5721-00	Telephone	Nextel / Sprint Communication	Cell Phone 03/13-04/12/16	47135	79.85
Vendor Subtotal for Dept:7021					79.85
Dept:7021					
100-7021-6160-00	Operating Supplies	U.S. Bank	Davis B-Emerg Prpd supplies	47227	254.81
Vendor Subtotal for Dept:7021					254.81
Dept:7021					
100-7021-6400-00	Clothing & Personal Supplies	U.S. Bank	Davis B-Emerg Prpd staff supplie	47227	203.96
Vendor Subtotal for Dept:7021					203.96
Dept:7031					
100-7031-5106-00	Animal Control Services	LA Co Animal Care & Control	Animal Control-Feb '16	47189	4,882.65
Vendor Subtotal for Dept:7031					4,882.65
Dept:7031					
100-7031-5116-00	Sheriff's Services-Beach Team	LA Co Sheriff'S Department	Law Enforce Svcs-Beach Team-F	47125	113.08
Vendor Subtotal for Dept:7031					113.08

Account Number	description	Vendor	Description	Check No	Amount
Dept:7031					
100-7031-5640-00	Equipment Maintenance	Kustom Signals, Inc	Sheriff equipment repair-City Sha	47188	123.41
Vendor Subtotal for Dept:7031					123.41
Dept:7054					
100-7054-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	28.02
Vendor Subtotal for Dept:7054					28.02
Dept:7054					
100-7054-5100-00	Professional Services	Bartel Associates, LLC	Actuarial Consulting Svcs-OPEB	47116	3,500.00
Vendor Subtotal for Dept:7054					3,500.00
Dept:7054					
100-7054-5100-00	Professional Services	Lance,Soll&Lunghard CPA's, LLP	2015 Single Audit-Final	47196	400.00
Vendor Subtotal for Dept:7054					400.00
Dept:7054					
100-7054-5100-00	Professional Services	Solid Waste Solutions, Inc.	Call Services for TOT Monitoring	47219	502.20
Vendor Subtotal for Dept:7054					502.20
Dept:7054					
100-7054-5100-01	City Treasurer	Peter Lippman	City Treasurer-Mar '16	47197	290.00
Vendor Subtotal for Dept:7054					290.00
Dept:7054					
100-7054-5117-00	Film Permit Consultant	Solid Waste Solutions, Inc.	Film Permits-Mar '16	47219	39,294.09
Vendor Subtotal for Dept:7054					39,294.09
Dept:7054					
100-7054-5300-00	Travel and Training	U.S. Bank	Thorsen J-Airfare to Sacramento-	47227	137.96

Account Number	description	Vendor	Description	Check No	Amount
					137.96
			Vendor Subtotal for Dept:7054		
Dept:7054					
100-7054-5340-00	Transportation & Mileage	Rungrat Piyaman	Reimburse mileage-Public Retiree	47137	75.18
					75.18
			Vendor Subtotal for Dept:7054		
Dept:7054					
100-7054-5405-00	Printing	CR PRINT	Parking Citations-5500	47171	2,158.20
					2,158.20
			Vendor Subtotal for Dept:7054		
Dept:7054					
100-7054-6160-00	Operating Supplies	Malibu Chamber Of Commerce	State of the City tickets-Feldman	47199	25.00
					25.00
			Vendor Subtotal for Dept:7054		
Dept:7054					
100-7054-6160-00	Operating Supplies	Staples Contract & Commercial Inc	Office supplies-Finance	47222	276.67
					276.67
			Vendor Subtotal for Dept:7054		
Dept:7054					
100-7054-6160-00	Operating Supplies	U.S. Bank	Montano A-Webex monthly paym	47227	24.00
					24.00
			Vendor Subtotal for Dept:7054		
Dept:7058					
100-7058-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	5.05
					5.05
			Vendor Subtotal for Dept:7058		
Dept:7058					
100-7058-5300-00	Travel and Training	U.S. Bank	Feldman R-HR Conference expen	47227	600.88
100-7058-5300-00	Travel and Training	U.S. Bank	Woodrow M-HR conference expe	47227	607.88

Account Number	description	Vendor	Description	Check No	Amount
Vendor Subtotal for Dept:7058					1,208.76
Dept:7058					
100-7058-5320-00	Recruitment Expense	U.S. Bank	Walker J-HR Recruiting Ads	47227	632.65
100-7058-5320-00	Recruitment Expense	U.S. Bank	Feldman R-Job placement ad on I	47227	300.00
100-7058-5320-00	Recruitment Expense	U.S. Bank	Gallo K-Job Fair registration for I	47227	65.00
Vendor Subtotal for Dept:7058					997.65
Dept:7058					
100-7058-6160-00	Operating Supplies	Staples Contract & Commercial Inc	Office supplies-HR	47147	123.03
100-7058-6160-00	Operating Supplies	Staples Contract & Commercial Inc	Office supplies-HR	47222	31.88
Vendor Subtotal for Dept:7058					154.91
Dept:7058					
100-7058-6170-00	Events	Renee Neermann	Reimburse-Employee recognition	47134	150.00
Vendor Subtotal for Dept:7058					150.00
Dept:7058					
100-7058-6170-00	Events	U.S. Bank	Walker J-HR Event supplies-HR	47227	33.05
Vendor Subtotal for Dept:7058					33.05
Dept:7059					
100-7059-4205-00	Life Insurance	Standard Insurance Company N2	PR Batch 70024.03.2016 Life Ins	47110	-0.01
Vendor Subtotal for Dept:7059					-0.01
Dept:7059					
100-7059-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	5.49
100-7059-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	0.01
Vendor Subtotal for Dept:7059					5.50

Account Number	description	Vendor	Description	Check No	Amount
Dept:7059					
100-7059-4212-00	Retiree Health Insurance	CalPERS Health	PR 24.03.2016 ER Share of Retir	47108	12,633.44
Vendor Subtotal for Dept:7059					12,633.44
Dept:7059					
100-7059-5205-00	Postage	U.S. Bank	Walker J-Postage	47227	13.05
Vendor Subtotal for Dept:7059					13.05
Dept:7059					
100-7059-5210-00	Service Fees & Charges	CalPERS Health	PR 24.03.2016 Admin Fee (0.320	47108	278.01
Vendor Subtotal for Dept:7059					278.01
Dept:7059					
100-7059-5300-00	Travel and Training	Jennifer Brown	Tuition Reimbursement for MBA	47163	1,500.00
Vendor Subtotal for Dept:7059					1,500.00
Dept:7059					
100-7059-5640-00	Equipment Maintenance	Precision Business Machine Inc	Printer Gen Svc-HP 2420	47138	95.00
100-7059-5640-00	Equipment Maintenance	Precision Business Machine Inc	Printer Gen Svc-HP CP5525	47213	95.00
Vendor Subtotal for Dept:7059					190.00
Dept:7059					
100-7059-5640-00	Equipment Maintenance	Xerox Corporation	Copier Maint-XC60 Color Copier	47233	9.71
100-7059-5640-00	Equipment Maintenance	Xerox Corporation	Copier Maint-D110CP-BG09689'	47233	35.33
Vendor Subtotal for Dept:7059					45.04
Dept:7059					
100-7059-5721-00	Telephone	TelePacific Communications	City Hall Fac Phone 3/16-4/15/16	47148	1,736.40

Account Number	description	Vendor	Description	Check No	Amount
				Vendor Subtotal for Dept:7059	1,736.40
Dept:7059					
100-7059-5800-00	Equipment Leases	Xerox Corporation	Xerox Lease-D110CP-BG096851	47233	965.60
100-7059-5800-00	Equipment Leases	Xerox Corporation	Xerox Lease-XC60 E2B652638 C	47233	704.88
100-7059-5800-00	Equipment Leases	Xerox Corporation	Xerox Lease-C70EFI Hub 5 Port-	47233	331.61
100-7059-5800-00	Equipment Leases	Xerox Corporation	Xerox Lease-D110CP-BG0-9689'	47233	1,046.22
				Vendor Subtotal for Dept:7059	3,048.31
Dept:7059					
100-7059-6160-00	Operating Supplies	Precision Business Machine Inc	Printer Supplies	47138	280.58
100-7059-6160-00	Operating Supplies	Precision Business Machine Inc	Printer Supplies	47138	106.43
100-7059-6160-00	Operating Supplies	Precision Business Machine Inc	Printer Supplies	47213	310.68
				Vendor Subtotal for Dept:7059	697.69
Dept:7059					
100-7059-6160-00	Operating Supplies	Christy Rector	Reimburse-Kitchen supplies-Cost	47141	243.03
				Vendor Subtotal for Dept:7059	243.03
Dept:7059					
100-7059-6160-00	Operating Supplies	Staples Contract & Commercial Inc	Office supplies-City Hall-paper	47147	250.81
				Vendor Subtotal for Dept:7059	250.81
Dept:7059					
100-7059-6160-00	Operating Supplies	U.S. Bank	Rector C-Operating supplies-non	47227	16.17
				Vendor Subtotal for Dept:7059	16.17
				Subtotal for Fund: 100	293,025.53
Fund: 101					
Dept:0000					
101-0000-3421-00	Planning Review Fees	Bird Street LP	Refund-APR app downgraded to '	47160	3,050.00

Account Number	description	Vendor	Description	Check No	Amount
					3,050.00
			Vendor Subtotal for Dept:0000		
Dept:2001					
101-2001-4203-00	Vision Insurance	Blue Shield of California	PR Batch 70024.03.2016 Vision C	47102	-17.00
101-2001-4203-00	Vision Insurance	Blue Shield of California	PR Batch 70024.03.2016 Vision C	47102	-8.50
					-25.50
			Vendor Subtotal for Dept:2001		
Dept:2001					
101-2001-4204-00	Dental Insurance	Delta Dental of California	PR Batch 70024.03.2016 Dental I	47103	-105.38
101-2001-4204-00	Dental Insurance	Delta Dental of California	PR Batch 70024.03.2016 Dental I	47103	-52.69
					-158.07
			Vendor Subtotal for Dept:2001		
Dept:2001					
101-2001-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	62.82
					62.82
			Vendor Subtotal for Dept:2001		
Dept:2001					
101-2001-5100-00	Professional Services	Moore Iacofano Goltsman Inc	Civic Center Design Standards Ja	47205	5,225.41
					5,225.41
			Vendor Subtotal for Dept:2001		
Dept:2001					
101-2001-5100-01	Coastal Dev. Permit Services	Compliance Biology, Inc.	City Biologist-Mar '16	47169	6,937.50
					6,937.50
			Vendor Subtotal for Dept:2001		
Dept:2001					
101-2001-5107-00	Contract Personnel	OfficeTeam A Robert Half Company	Temp Staffing-Plan-Marina S-WE	47113	1,014.61
101-2001-5107-00	Contract Personnel	OfficeTeam A Robert Half Company	Temp Staffing-Plan-Marina S-WE	47153	808.96
					1,823.57
			Vendor Subtotal for Dept:2001		

Account Number	description	Vendor	Description	Check No	Amount
Dept:2001					
101-2001-5210-00	Service Fees & Charges	LA County Registrar-Recorder LA Co	CEQA Filing-20537 Little Rock V	47190	75.00
101-2001-5210-00	Service Fees & Charges	LA County Registrar-Recorder LA Co	CEQA Filing-23033 Pacific Coas	47191	75.00
101-2001-5210-00	Service Fees & Charges	LA County Registrar-Recorder LA Co	CEQA Filing-25157 Malibu Road	47192	75.00
101-2001-5210-00	Service Fees & Charges	LA County Registrar-Recorder LA Co	CEQA Filing-6035 Murphy Way	47193	75.00
Vendor Subtotal for Dept:2001					300.00
Dept:2001					
101-2001-5300-00	Travel and Training	Adrian Fernandez	Reissue Ck# 44689-Reissue Ck#	47177	22.00
Vendor Subtotal for Dept:2001					22.00
Dept:2001					
101-2001-5300-00	Travel and Training	Stephanie Hawner	Reimburse AICP Exam Prep-APA	47124	270.69
Vendor Subtotal for Dept:2001					270.69
Dept:2001					
101-2001-5340-00	Transportation & Mileage	Richard Mollica	Reimburse mileage JPIA training	47206	38.34
Vendor Subtotal for Dept:2001					38.34
Dept:2001					
101-2001-5401-00	Advertising & Noticing	Malibu Times	Public notice ad-Times 3/24/16	47131	324.00
101-2001-5401-00	Advertising & Noticing	Malibu Times	Public notice ad-Times 3/10/16	47131	216.00
101-2001-5401-00	Advertising & Noticing	Malibu Times	Public notice ad-Times 3/17/16	47131	357.00
Vendor Subtotal for Dept:2001					897.00
Dept:2001					
101-2001-5721-00	Telephone	Verizon Wireless Services LLC	Cell Phone Service 03/24-4/23/16	47229	56.58
Vendor Subtotal for Dept:2001					56.58

Account Number	description	Vendor	Description	Check No	Amount
Dept:2001					
101-2001-6160-00	Operating Supplies	Staples Contract & Commercial Inc	Office supplies-Planning	47147	3.76
101-2001-6160-00	Operating Supplies	Staples Contract & Commercial Inc	Office supplies-Planning	47222	22.65
Vendor Subtotal for Dept:2001					26.41
Dept:2001					
101-2001-6200-00	Publications	Quality Code Publishing LLC	General Plan Supplement #6	47140	168.00
101-2001-6200-00	Publications	Quality Code Publishing LLC	General Plan Supplement #8	47140	151.00
Vendor Subtotal for Dept:2001					319.00
Dept:2001					
101-2001-6200-00	Publications	U.S. Bank	Salazar P-Publication-Traffic Eng	47227	105.12
Vendor Subtotal for Dept:2001					105.12
Dept:2004					
101-2004-4201-00	Retirement	CalPERS Retirement	PR Batch 70024.03.2016 PEPRA	47109	0.01
Vendor Subtotal for Dept:2004					0.01
Dept:2004					
101-2004-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	44.73
Vendor Subtotal for Dept:2004					44.73
Dept:2004					
101-2004-5415-00	Public Records Printing	FedEx Office	Public Records copies	47174	667.29
Vendor Subtotal for Dept:2004					667.29
Dept:2004					
101-2004-5415-00	Public Records Printing	U.S. Bank	Ernst J-Copies for request for pub	47227	133.90
Vendor Subtotal for Dept:2004					133.90

Account Number	description	Vendor	Description	Check No	Amount
Dept:2004					
101-2004-5721-00	Telephone	Verizon Wireless Services LLC	Cell Phone Service 03/24-4/23/16	47229	234.10
Vendor Subtotal for Dept:2004					234.10
Dept:2004					
101-2004-6160-00	Operating Supplies	Mark Boling	Reissue Ck# 46263-reimburse ES	47162	7.07
Vendor Subtotal for Dept:2004					7.07
Dept:2004					
101-2004-6160-00	Operating Supplies	Staples Contract & Commercial Inc	Office supplies-Bldg Safety	47222	36.14
Vendor Subtotal for Dept:2004					36.14
Dept:2010					
101-2010-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	12.45
Vendor Subtotal for Dept:2010					12.45
Dept:2010					
101-2010-5721-00	Telephones	Verizon Wireless Services LLC	Cell Phone Service 03/24-4/23/16	47229	53.78
Vendor Subtotal for Dept:2010					53.78
Dept:2012					
101-2012-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	4.56
Vendor Subtotal for Dept:2012					4.56
Dept:2012					
101-2012-5721-00	Telephone	Verizon Wireless Services LLC	Cell Phone Service 03/24-4/23/16	47229	40.01
Vendor Subtotal for Dept:2012					40.01

Account Number	description	Vendor	Description	Check No	Amount
Dept:3003					
101-3003-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	4.15
101-3003-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	10.05
Vendor Subtotal for Dept:3003					14.20
Dept:3003					
101-3003-5330-00	Dues & Memberships	U.S. Bank	Brown J-CASQA membership - J	47227	290.00
Vendor Subtotal for Dept:3003					290.00
Dept:3003					
101-3003-6160-00	Operating Supplies	Advantage Specialty Products Inc	Earth Day Giveaways	47154	1,022.61
Vendor Subtotal for Dept:3003					1,022.61
Subtotal for Fund: 101					21,511.72
Fund: 103					
Dept:9050					
103-9050-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	3.50
Vendor Subtotal for Dept:9050					3.50
Dept:9050					
103-9050-5610-00	Facilities Maintenance	W.W. Grainger,Inc	Access Reader repair-Power supp	47181	253.27
Vendor Subtotal for Dept:9050					253.27
Dept:9050					
103-9050-5610-00	Facilities Maintenance	StorageContainer.com	City Hall Storage Cont Rental 4/7	47223	198.00
Vendor Subtotal for Dept:9050					198.00
Dept:9050					
103-9050-5610-00	Facilities Maintenance	U.S. Bank	Frederiksen R-City Hall Fac main	47227	49.45

Account Number	description	Vendor	Description	Check No	Amount
				Vendor Subtotal for Dept:9050	49.45
Dept:9050					
103-9050-6160-00	Operating Supplies	Kevin Madson	City Hall supplies/expenses	47198	712.50
				Vendor Subtotal for Dept:9050	712.50
Dept:9050					
103-9050-6160-00	Operating Supplies	U.S. Bank	Pope L-City Council Photo framii	47227	417.41
				Vendor Subtotal for Dept:9050	417.41
Dept:9050					
103-9050-6300-00	Tools & Minor Equipment	U.S. Bank	Frederiksen R-City Hall tools/cqu	47227	355.22
				Vendor Subtotal for Dept:9050	355.22
Dept:9050					
103-9050-7300-00	Leasehold Improvements	Kevin Madson	Art of the Board Installation/Elect	47198	3,447.50
103-9050-7300-00	Leasehold Improvements	Kevin Madson	Security System installation prepæ	47198	1,592.50
				Vendor Subtotal for Dept:9050	5,040.00
Dept:9050					
103-9050-7300-00	Leasehold Improvements	U.S. Bank	Neermann R-Art Exhibit material	47227	1,701.09
103-9050-7300-00	Leasehold Improvements	U.S. Bank	Piyaman R-Art Exhibit hanging s	47227	299.83
103-9050-7300-00	Leasehold Improvements	U.S. Bank	Frederiksen R-Art Exhibit-hangin	47227	4,609.66
				Vendor Subtotal for Dept:9050	6,610.58
				Subtotal for Fund: 103	13,639.93
Fund: 203					
Dept:3009					
203-3009-5148-00	Special Event Rec Transit	U.S. Bank	Odello T-Senior Excursion transp	47227	420.00

Account Number	description	Vendor	Description	Check No	Amount
					420.00
			Vendor Subtotal for Dept:3009		420.00
					420.00
			Subtotal for Fund: 203		420.00
Fund: 207					
Dept:3004					
207-3004-5100-00	Professional Services	G.I. Industries	Oil Recycle Program-Event Feb 11	47180	1,417.31
					1,417.31
			Vendor Subtotal for Dept:3004		1,417.31
Dept:3004					
207-3004-6160-00	Operating Supplies	Advantage Specialty Products Inc	Earth Day Giveaways	47154	656.53
207-3004-6160-00	Operating Supplies	Advantage Specialty Products Inc	Earth Day Giveaways	47154	613.87
					1,270.40
			Vendor Subtotal for Dept:3004		1,270.40
					2,687.71
			Subtotal for Fund: 207		2,687.71
Fund: 310					
Dept:9002					
310-9002-7901-00	Street Improvements	J & H Engineering General Contract	FY 15/16-Street Maint Project-2/1	47184	81,126.18
310-9002-7901-00	Street Improvements	J & H Engineering General Contract	FY 15/16-Street Maint Project-2/1	47184	156,267.61
					237,393.79
			Vendor Subtotal for Dept:9002		237,393.79
Dept:9063					
310-9063-5100-00	Professional Services	J & H Engineering General Contract	Malibu Rd & Las Flores Biofilter	47184	2,850.23
					2,850.23
			Vendor Subtotal for Dept:9063		2,850.23
					240,244.02
			Subtotal for Fund: 310		240,244.02
Fund: 500					

Account Number	description	Vendor	Description	Check No	Amount
Dept:7008					
500-7008-5610-00	Facility Maintenance	Hilario Simental Jr	Septic pumping 23431 PCH-Anin	47172	460.00
Vendor Subtotal for Dept:7008					460.00
Dept:7008					
500-7008-5610-00	Facility Maintenance	GI Industries	Garbage-SuperCare-Apr'16-18310	47179	171.86
Vendor Subtotal for Dept:7008					171.86
Dept:7008					
500-7008-5610-00	Facility Maintenance	Malibu Bay Company	Apr'16 Sewer Maint-23661 PCH	47200	1,766.00
Vendor Subtotal for Dept:7008					1,766.00
Subtotal for Fund: 500					2,397.86
Fund: 601					
Dept:3005					
601-3005-6330-00	Vehicle Repair & Maintenance	U.S. Bank	Aladjajian A-Fleet repairs-F014/	47227	614.51
601-3005-6330-00	Vehicle Repair & Maintenance	U.S. Bank	Hart T-Fleet repairs/supplies-F020	47227	2,182.15
Vendor Subtotal for Dept:3005					2,796.66
Dept:3005					
601-3005-6500-00	Motor Fuels	Guy S Blake	Reimburse gasoline for VOP Vehi	47161	44.83
Vendor Subtotal for Dept:3005					44.83
Dept:3005					
601-3005-6500-00	Motor Fuels	Chevron & Texaco Bus. Card Srv	Gasoline for the period of 02/28-0	47168	836.90
Vendor Subtotal for Dept:3005					836.90
Dept:3005					
601-3005-6500-00	Motor Fuels	U.S. Bank	Delsi D-Fuel for work truck	47227	258.38
601-3005-6500-00	Motor Fuels	U.S. Bank	Belter A-Fuel for work truck	47227	128.59
601-3005-6500-00	Motor Fuels	U.S. Bank	Hart T-Fuel for fleet	47227	74.00
601-3005-6500-00	Motor Fuels	U.S. Bank	Riesgo K-Fuel for City vehicle	47227	31.36

Account Number	description	Vendor	Description	Check No	Amount
				Vendor Subtotal for Dept:3005	492.33
				Subtotal for Fund: 601	4,170.72
Fund: 602					
Dept:7060					
602-7060-4209-00	Disability Insurance	Standard Insurance Company N2	PR 24.03.2016 STD/LTD	47110	6.95
				Vendor Subtotal for Dept:7060	6.95
Dept:7060					
602-7060-5100-00	Professional Services	HyperNet, Inc	IT Consulting-Mar '16	47183	1,037.50
				Vendor Subtotal for Dept:7060	1,037.50
Dept:7060					
602-7060-5300-00	Travel and Training	U.S. Bank	Reyna M-Phoenix Data Center Tr	47227	618.29
				Vendor Subtotal for Dept:7060	618.29
Dept:7060					
602-7060-5630-00	Computer Maintenance	U.S. Bank	Reyna M-Computer maint	47227	815.67
				Vendor Subtotal for Dept:7060	815.67
Dept:7060					
602-7060-5721-00	Telephone	Verizon Wireless Services LLC	Cell Phone Service 03/24-4/23/16	47229	273.40
				Vendor Subtotal for Dept:7060	273.40
Dept:7060					
602-7060-6120-00	Computer Software < \$1,000	GovConnection Inc	Acrobat upgrade P&R computers	47123	2,864.52

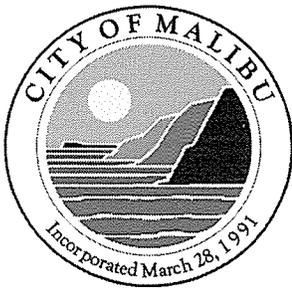
Account Number	description	Vendor	Description	Check No	Amount
				Vendor Subtotal for Dept:7060	2,864.52
Dept:7060					
602-7060-6120-00	Computer Software < \$1,000	U.S. Bank	Reyna M-Computer software	47227	1,426.98
				Vendor Subtotal for Dept:7060	1,426.98
Dept:7060					
602-7060-6160-00	Operating Supplies	U.S. Bank	Montano A-Server power connect	47227	28.32
602-7060-6160-00	Operating Supplies	U.S. Bank	Reyna M-Computer supplies	47227	467.26
				Vendor Subtotal for Dept:7060	495.58
Dept:7060					
602-7060-7400-00	Computer Equipment	U.S. Bank	Reyna M-Computer equipment	47227	67.85
				Vendor Subtotal for Dept:7060	67.85
Dept:7060					
602-7060-7400-00	Computer Equipment	ViaWest Inc	Server Collocation-Phoenix-Apr '	47230	821.61
				Vendor Subtotal for Dept:7060	821.61
				Subtotal for Fund: 602	8,428.35
Fund: 710					
Dept:0000					
710-0000-2270-04	Grading Bonds	Man-Li Yeh	Refund Grading Bond 33740 Paci	47151	25,656.00
				Vendor Subtotal for Dept:0000	25,656.00
Dept:0000					
710-0000-2270-12	Parks - Security Deposits	Alliant Insurance Services Inc	Spec event & instruc insur 1/1-3/1	47156	1,424.10
				Vendor Subtotal for Dept:0000	1,424.10

Account Number	description	Vendor	Description	Check No	Amount
Dept:0000					
710-0000-2270-12	Parks - Security Deposits	Alan Semsar	Refund Security Deposit-permit c	47146	1,000.00
			Vendor Subtotal for Dept:0000		1,000.00
Dept:0000					
710-0000-2270-12	Parks - Security Deposits	Cannon Spears	Refund Security Deposit-Cancell	47221	250.00
			Vendor Subtotal for Dept:0000		250.00
Dept:0000					
710-0000-2270-29	P&R Equipment Donations	U.S. Bank	Crittenden A-Bluffs Park-2 memo	47227	1,575.90
			Vendor Subtotal for Dept:0000		1,575.90
Dept:0000					
710-0000-2270-44	Library Event	U.S. Bank	Crittenden A-Library Speaker Ser	47227	81.17
710-0000-2270-44	Library Event	U.S. Bank	Frederiksen R-Speaker Series-tab	47227	89.55
			Vendor Subtotal for Dept:0000		170.72
			Subtotal for Fund: 710		30,076.72
Fund: 900					
Dept:0000					
900-0000-2022-00	Health Insurance	CalPERS Health	PR Batch 70024.03.2016 Health I	47108	201.00
900-0000-2022-00	Health Insurance	CalPERS Health	PR Batch 70024.03.2016 Health I	47108	72,854.35
			Vendor Subtotal for Dept:0000		73,055.35
Dept:0000					
900-0000-2023-00	Vision Insurance	Blue Shield of California	PR Batch 70024.03.2016 Vision C	47102	1,073.15
			Vendor Subtotal for Dept:0000		1,073.15
Dept:0000					

Account Number	description	Vendor	Description	Check No	Amount
900-0000-2024-00	Dental Insurance	Delta Dental of California	PR Batch 70024.03.2016 Dental I	47103	7,080.61
			Vendor Subtotal for Dept:0000		7,080.61
Dept:0000					
900-0000-2025-00	Life Insurance	Standard Insurance Company N2	PR Batch 70024.03.2016 Life Ins	47110	951.12
			Vendor Subtotal for Dept:0000		951.12
Dept:0000					
900-0000-2025-01	Additional Life Insurance	Standard Insurance Company N2	PR Batch 70024.03.2016 Addition	47111	169.45
			Vendor Subtotal for Dept:0000		169.45
Dept:0000					
900-0000-2026-00	STD/LTD	Standard Insurance Company N2	PR Batch 70010.03.2016 STD/LI	47110	1,928.26
900-0000-2026-00	STD/LTD	Standard Insurance Company N2	PR Batch 70024.03.2016 STD/LI	47110	1,978.95
			Vendor Subtotal for Dept:0000		3,907.21
Dept:0000					
900-0000-2027-00	Employee Assistance	Managed Health Network	PR Batch 70024.03.2016 Employ	47107	140.03
			Vendor Subtotal for Dept:0000		140.03
Dept:0000					
900-0000-2040-00	PERS Retirement	CalPERS Retirement	PR Batch 70024.03.2016 PERS C	47109	118.80
900-0000-2040-00	PERS Retirement	CalPERS Retirement	PR Batch 70024.03.2016 PERS E	47109	11,393.86
900-0000-2040-00	PERS Retirement	CalPERS Retirement	PR Batch 70007.04.2016 PERS E	47240	11,260.22
			Vendor Subtotal for Dept:0000		22,772.88
Dept:0000					
900-0000-2040-01	PERS Retirement Prepaid	CalPERS Retirement	PR Batch 70024.03.2016 PEPRA	47109	2,423.63
900-0000-2040-01	PERS Retirement Prepaid	CalPERS Retirement	PR Batch 70024.03.2016 PERS C	47109	158.73
900-0000-2040-01	PERS Retirement Prepaid	CalPERS Retirement	PR Batch 70024.03.2016 PERS E	47109	15,223.83

Account Number	description	Vendor	Description	Check No	Amount
900-0000-2040-01	PERS Retirement Prepaid	CalPERS Retirement	PR Batch 70007.04.2016 PEPRA	47240	2,418.36
900-0000-2040-01	PERS Retirement Prepaid	CalPERS Retirement	PR Batch 70007.04.2016 PERS E	47240	15,045.25
Vendor Subtotal for Dept:0000					35,269.80
Dept:0000					
900-0000-2040-02	PERS/PEPRA Retirement	CalPERS Retirement	PR Batch 70024.03.2016 PEPRA	47109	2,340.78
900-0000-2040-02	PERS/PEPRA Retirement	CalPERS Retirement	PR Batch 70007.04.2016 PEPRA	47240	2,335.69
Vendor Subtotal for Dept:0000					4,676.47
Dept:0000					
900-0000-2041-00	PARS	U.S. Bank	PR Batch 70024.03.2016 PARS -	47112	655.00
900-0000-2041-00	PARS	U.S. Bank	PR Batch 70024.03.2016 PARS -	47112	137.33
900-0000-2041-00	PARS	U.S. Bank	PR Batch 70007.04.2016 PARS -	47241	574.95
900-0000-2041-00	PARS	U.S. Bank	PR Batch 70007.04.2016 PARS -	47241	120.57
Vendor Subtotal for Dept:0000					1,487.85
Dept:0000					
900-0000-2042-00	Deferred Compensation 457	ICMA Retirement Trust 457 - 303615	PR Batch 70024.03.2016 ICMA I	47104	911.78
900-0000-2042-00	Deferred Compensation 457	ICMA Retirement Trust 457 - 303615	PR Batch 70024.03.2016 ICMA I	47104	11,492.34
900-0000-2042-00	Deferred Compensation 457	ICMA Retirement Trust 457 - 303615	PR Batch 70024.03.2016 ER Con	47104	2,650.00
900-0000-2042-00	Deferred Compensation 457	ICMA Retirement Trust 457 - 303615	PR Batch 70007.04.2016 ICMA I	47237	905.51
900-0000-2042-00	Deferred Compensation 457	ICMA Retirement Trust 457 - 303615	PR Batch 70007.04.2016 ICMA I	47237	11,492.34
900-0000-2042-00	Deferred Compensation 457	ICMA Retirement Trust 457 - 303615	PR Batch 70007.04.2016 ER Con	47237	2,650.00
Vendor Subtotal for Dept:0000					30,101.97
Dept:0000					
900-0000-2042-01	ICMA Loan Program	ICMA Retirement Trust 457 - 303615	PR Batch 70024.03.2016 ICMA I	47104	188.58
900-0000-2042-01	ICMA Loan Program	ICMA Retirement Trust 457 - 303615	PR Batch 70007.04.2016 ICMA I	47237	286.04
Vendor Subtotal for Dept:0000					474.62
Dept:0000					
900-0000-2043-00	Deferred Compensation 401	ICMA 401-Plan # 108658	PR Batch 70024.03.2016 ICMA -	47105	504.89

Account Number	description	Vendor	Description	Check No	Amount
900-0000-2043-00	Deferred Compensation 401	ICMA 401-Plan # 108658	PR Batch 70007.04.2016 ICMA -	47238	504.89
				Vendor Subtotal for Dept:0000	1,009.78
Dept:0000					
900-0000-2043-00	Deferred Compensation 401	ICMA 401-Plan # 108650	PR Batch 70024.03.2016 ICMA -	47106	576.90
900-0000-2043-00	Deferred Compensation 401	ICMA 401-Plan # 108650	PR Batch 70007.04.2016 ICMA -	47239	576.90
				Vendor Subtotal for Dept:0000	1,153.80
				Subtotal for Fund: 900	183,324.09
				Report Total:	799,926.65



# Council Agenda Report

To: Mayor Rosenthal and the Honorable Members of the City Council

Prepared by: Lisa Pope, City Clerk *L. Pope*

Approved by: Jim Thorsen, City Manager *JT*

Date prepared: April 11, 2016 Meeting date: April 25, 2016

Subject: Approval of Minutes

---

**RECOMMENDED ACTION:** Approve the minutes for the March 28, 2016 Adjourned Regular City Council meeting.

**FISCAL IMPACT:** None.

**DISCUSSION:** Staff has prepared draft minutes for the March 28, 2016 Adjourned Regular City Council meeting. Staff hereby submits the minutes for Council's approval.

**ATTACHMENTS:** March 28, 2016 Adjourned Regular City Council meeting minutes

MINUTES  
MALIBU CITY COUNCIL  
ADJOURNED REGULAR MEETING  
MARCH 28, 2016  
COUNCIL CHAMBERS  
6:00 P.M.

**CALL TO ORDER**

Mayor Rosenthal called the meeting to order at 6:08 p.m.

**ROLL CALL**

The following persons were recorded in attendance by the Recording Secretary:

PRESENT: Mayor Laura Rosenthal; Mayor Pro Tem Lou La Monte; and Councilmembers Joan House and John Sibert

ABSENT: Councilmember Peak

ALSO PRESENT: Christi Hogin, City Attorney; Jim Thorsen, City Manager; Reva Feldman, Assistant City Manager; Lisa Pope, City Clerk; Craig George, Acting Environmental Sustainability Director; Bob Stallings, Parks and Recreation Director; Chris Deleau, Planning Manager; Rob DuBoux, Assistant Public Works Director; Heather Glaser, Deputy City Clerk; and Jennifer Brown, Senior Environmental Programs Coordinator

**PLEDGE OF ALLEGIANCE**

Walt and Lucille Keller led the Pledge of Allegiance.

**PUBLIC COMMENT ON CLOSED SESSION**

None.

The following items were listed on the Closed Session agenda:

**Personnel Matters pursuant to Government Code Section 54957:**

1. Public Employment  
Title: City Manager

**Conference with Legal Counsel – Existing litigation pursuant to Government Code Section 54956.9(d)(1):**

2. Crown Castle NG West LLC v. City of Malibu  
United States District Court Case No. 2:15-cv-06089-DSF (SSx)

3. Trancas-PCH v. City of Malibu (Housing Element case)  
Los Angeles County Superior Court Case No. BS145311  
Los Angeles County Superior Court Case No. BS145311

### **CLOSED SESSION REPORT**

City Attorney Hogin reported that the Adjourned Regular meeting convened at 4:00 p.m. at which time the City Council recessed to a Closed Session pursuant to Government Code Sections 54957 and 54956.9(d)(1), with all Councilmembers present except Councilmember Peak. She stated the Council discussed the items listed on the posted agenda and took no reportable action.

### **APPROVAL OF AGENDA**

**MOTION** Councilmember House moved and Mayor Pro Tem La Monte seconded a motion to approve the agenda, moving Item No. 1.D. to after the Consent Calendar. The motion carried 4-0, Councilmember Peak absent.

### **REPORT ON POSTING OF AGENDA**

City Clerk Pope reported that the agenda for the meeting was properly posted on March 17, 2016.

### **ITEM 1 CEREMONIAL/PRESENTATIONS**

#### **A. Recognition of Cityhood Pioneers and Former Councilmembers**

Mayor Rosenthal presented commemorative clocks to former Councilmembers Walt Keller, Jeffrey Kramer, Sharon Barovsky, Ken Kearsley, Andy Stern, Pamela Conley Ulich, Jefferson Wagner, and City Attorney Hogin. She recognized former Councilmembers Larry Wan, Michael Caggiano, Carolyn Van Horn, Missy Zeitsoff, Tom Hasse, and Jeff Jennings, who were unable to attend. She honored the memory of deceased former Councilmembers John Harlow and Harry Barovsky.

#### **B. Presentation of 2016 Walt and Lucille Keller Award to Walt and Lucille Keller**

Mayor Rosenthal presented the 2016 Walt and Lucille Keller Award to Walt and Lucille Keller.

Mrs. Keller thanked the Council for its recognition and provided an overview of the history of incorporation. She requested the award be named the Malibu Cityhood Volunteers Award and suggested carrying out the City's Vision and Mission Statements be the criteria in order to achieve the award.

Mr. Keller stated the Vision and Mission Statements should be the guide for the City. He indicated opposition to the Civic Center Wastewater Treatment Facility. He expressed disappointment in the Council's support for commercial development. He urged residents to take responsibility for maintaining the Vision and Mission Statements. He read the City's Vision Statement.

C. Recognition by Other Agencies of the City of Malibu's 25<sup>th</sup> Anniversary

Supervisor Sheila Kuehl, Los Angeles County Board of Supervisors, 3<sup>rd</sup> District, discussed the success of Malibu. On behalf of the 10 million people in Los Angeles County, she presented a certificate commending the City of Malibu for its stewardship of the beautiful area and congratulating the City on its 25<sup>th</sup> birthday.

Joey Apodaca, Field Representative for United States Congressman Ted Lieu, presented a certificate of congressional recognition to the City of Malibu for its contributions to the 33<sup>rd</sup> District.

Lauren Gallant, representing Senator Fran Pavley, California State Senate District 23, recognized the City on its 25<sup>th</sup> Anniversary.

Tim Pershing, Senior Field Representative for Assemblymember Richard Bloom, California State Assembly, 41<sup>st</sup> District, discussed the success of Malibu due to its citizens and staff and wished the City Happy Anniversary.

Mayor Harry Schwarz and City Manager Greg Ramirez, City of Agoura Hills, congratulated the City on its 25 years.

Mayor James Bozajian, Mayor Pro Tem Mary Sue Maurer, Councilmember Fred Gaines and First Mayor Dennis Washburn, City of Calabasas, presented a commendation to the City on its 25<sup>th</sup> Anniversary.

Phil Phillips, Vice President for Administration, Pepperdine University, congratulated the City on its 25 years and presented a proclamation.

Scott Houston, Director of West Basin Municipal Water District, Division 4, stated the City was a great partner in water conservation and supply. He presented a commendation on behalf of West Basin.

Mayor Rosenthal stated the City of Hidden Hills and Westlake Village were unable to attend but sent congratulations. She introduced Santa Monica College Superintendent/President Kathryn Jeffery and Board of Trustees Chair Louise Jaffe.

**ITEM 2.A. PUBLIC COMMENTS**

Norm Haynie discussed private property rights and the importance of protecting the environment. He thanked Supervisor Kuehl for her contributions to the City of Malibu.

**ITEM 2.B. COMMISSION / COMMITTEE / CITY MANAGER UPDATES**

Mayor Rosenthal thanked staff for its work for the community.

City Manager Thorsen thanked staff for all their hard work. He recognized former City Manager Katie Lichtig.

**ITEM 2.C. SUBCOMMITTEE REPORTS / COUNCIL COMMENTS**

None.

**ITEM 3 CONSENT CALENDAR**

MOTION Mayor Pro Tem La Monte moved and Councilmember Sibert seconded a motion to approve the Consent Calendar. The motion carried 4-0, Councilmember Peak absent.

The Consent Calendar consisted of the following items:

A. Previously Discussed Items

1. Second Reading and Adoption of Ordinance No. 403

Recommended Action: Conduct second reading, unless waived, and adopt Ordinance No. 403 adding Section 17.48.070 (Parking Lot Safety Standards) to Malibu Municipal Code Title 17 (Zoning) to establish development standards for new and existing parking lots citywide; determining Zoning Text Amendment No. 15-004 to be categorically exempt from the California Environmental Quality Act.

2. Second Reading and Adoption of Ordinance No. 404

Recommended Action: Conduct second reading, unless waived, and adopt Ordinance No. 404 establishing a minimum wage by adding Chapter 9.36 to the Malibu Municipal Code.

B. New Items

1. Waive Further Reading

Recommended Action: After the City Attorney has read the title, waive full reading of ordinances considered on this agenda for introduction on first reading and/or second reading and adoption.

2. Approve Warrants

Recommended Action: Allow and approve warrant demand numbers 46854-46973 listed on the register from the General Fund and direct the

City Manager to pay out the funds to each of the claimants listed in Warrant Register No. 569 in the amount of the warrant appearing opposite their names, for the purposes stated on the respective demands in a total amount of \$397,769.05. City of Malibu payroll check numbers 4649-4649 and ACH deposits were issued in the amount of \$156,480.22.

3. Approval of Minutes

Recommended Action: Approve the minutes for the February 22, 2016 Regular City Council meeting.

4. Professional Services Agreement for Custodial Services

Recommended Action: Authorize the City Manager to execute a Professional Services Agreement with Xanadu Service System for custodial services at Malibu Bluffs, Las Flores Creek, Malibu Equestrian and Trancas Canyon Parks.

**ITEM 1 CEREMONIAL/PRESENTATIONS (continued)**

D. 25<sup>th</sup> Anniversary Commemorative Video Screening

Mayor Rosenthal thanked John Watkins and Eamon Herrington for their work on the commemorative video. She thanked City Hall Maintenance Worker Frederickson, Assistant City Manager Feldman, Cultural Arts Commissioner Eric Myer and Cultural Arts Commissioner Suzanne Zimmer. She encouraged everyone to see the City museum, bid on the original works by John Van Hamersveld, Lita Albuquerque and Charles Arnoldi in the silent auction, join the Council for the unveiling of the Art of the Board surfboard art installation, and enjoy the 25th anniversary festivities.

**ITEM 4 ORDINANCES AND PUBLIC HEARINGS**

None.

**ITEM 5 OLD BUSINESS**

None.

**ITEM 6 NEW BUSINESS**

None.

**ITEM 7 COUNCIL ITEMS**

None.

**ADJOURNMENT**

At 7:05 p.m., Mayor Rosenthal adjourned the meeting.

Approved and adopted by the City Council of the  
City of Malibu on \_\_\_\_\_, 2016.

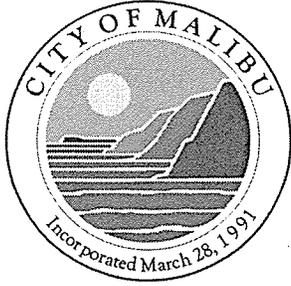
---

LAURA ROSENTHAL, Mayor

ATTEST:

---

LISA POPE, City Clerk  
(seal)



City Council Meeting  
04-25-16

**Item  
3.B.4.**

# Council Agenda Report

To: Mayor Rosenthal and the Honorable Members of the City Council

Prepared by: Rob DuBoux, Acting Public Works Director 

Approved by: Jim Thorsen, City Manager 

Date prepared: April 6, 2016 Meeting date: April 25, 2016

Subject: Amendment to Agreement with Rincon Consultants, Inc.

---

**RECOMMENDED ACTION:** Authorize the City Manager to execute Amendment No. 1 to the Professional Services Agreement with Rincon Consultants, Inc. (Rincon) to increase the compensation by \$50,000 for additional storm water quality testing, for a total of \$61,000.

**FISCAL IMPACT:** Funding for this amendment was included in the Adopted Budget for Fiscal Year 2015-2016 in Account No. 100-3007-5656 (Stormwater Treatment Facilities).

**DISCUSSION:** On November 24, 2015, the City entered into an agreement with Rincon to perform water quality monitoring for City owned storm water biofilters on Malibu Road, Las Flores Canyon Road, Broad Beach Road and Wildlife Road. The City is obligated to perform water quality monitoring at these locations to demonstrate compliance with the Settlement Agreement with Natural Resources Defense Council as well as compliance with applicable Santa Monica Bay Beaches Bacteria Total Maximum Daily Load for both dry weather and wet weather flows.

The original budget for this work included storm water quality testing for a typical year with only a few storms. However, it was anticipated that the City would experience an El Niño rain fall season between November 2015 and February 2016 that produces significant more storms. As a result of the additional storms, additional storm water quality testing was required. During the Mid-Year Budget Adjustments, additional funding was allocated for the additional testing. It is now necessary to amend the agreement to increase the agreement by \$50,000 to continue the necessary monitoring.

**ATTACHMENTS:** Amendment to Agreement with Rincon Consultants, Inc.

**AMENDMENT NO. 1 TO AGREEMENT**

THIS AMENDMENT NO. 1 TO AGREEMENT is made and entered in the City of Malibu on April 11, 2016, by and between the CITY OF MALIBU, hereinafter referred to as City, and Rincon Consultants, Inc., hereinafter referred to as Consultant.

The City and the Consultant agree as follows:

**RECITALS**

A. On November 24, 2015, the City entered into an Agreement with Consultant for water quality monitoring for the City own storm water biofilters located on Broad Beach Road, Wildlife Road, Malibu Road and Las Flores Canyon Road (the "Agreement").

B. The City desires to amend the Agreement to extend the term of the agreement to expire on November 24, 2017 and increase the scope of work to include additional water quality testing and Consultant has submitted a proposal for this purpose that is acceptable to the City.

NOW THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

1. Section 2.0 - Term of Agreement, is hereby amended to provide that the Agreement will remain in effect until November 24, 2017, unless otherwise terminated or extended as provided in the Agreement.
2. Section 4.0 – Compensation for Services, of the Agreement, is hereby amended to increase the not to exceed amount to \$61,000.
3. All terms and conditions of the Agreement not amended by this Amendment No. 1 remain in full force and effect.

This Agreement is executed on \_\_\_\_\_, 2016, at Malibu, California, and effective as of February 1, 2016.

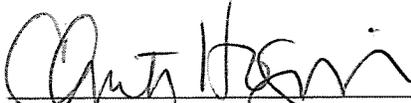
CITY OF MALIBU:

\_\_\_\_\_  
JIM THORSEN, City Manager

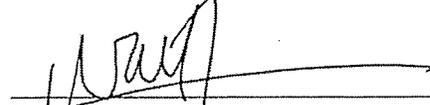
ATTEST:

\_\_\_\_\_  
LISA POPE, City Clerk  
(seal)

APPROVED AS TO FORM:

  
\_\_\_\_\_  
CHRISTI HUGIN, City Attorney

CONSULTANT:

  
\_\_\_\_\_  
By: Walter Hamann  
Title: Vice President



# Council Agenda Report

To: Mayor Rosenthal and the Honorable Members of the City Council

From: Christi Hogin, City Attorney *C. Hogin*

Date prepared: April 14, 2016 Meeting date: April 25, 2016

Subject: Appoint City Manager and Approve Employment Agreement

---

**RECOMMENDED ACTION:** 1) Appoint Reva Feldman as City Manager under the terms of the attached employment agreement; and 2) Approve the agreement and authorize the Mayor to execute the Agreement on behalf of the City Council.

**FISCAL IMPACT:** The economic terms of the Employment Agreement are within the currently approved budget. There will be no additional or unanticipated fiscal impact in this fiscal year.

**DISCUSSION:** After Jim Thorsen's announcement that he was retiring from his position effective May 2, 2016, the City initiated a search for a new City Manager. The city management profession has developed certain repositories for jobs available information. The City advertised the job opening for 6 weeks through the League of California Cities *Western Cities*, through the International City Management Association (ICMA), through California News Service (Mike Madrid), and with Public CEO. The City received 71 applications and the City Council interviewed several highly qualified candidates. On April 11, 2016, the City Council unanimously authorized an offer of employment to Reva Feldman. As announced last Council meeting, Ms. Feldman accepted the offer. Attached is a proposed Employment Agreement between the City and Reva Feldman fixing her compensation and other benefits and conditions of employment, which she has signed, indicating her acceptance of the appointment and the Agreement.

**ATTACHMENT:** Employment Agreement dated April 25, 2016

EMPLOYMENT AGREEMENT  
Between  
REVA FELDMAN and CITY OF MALIBU

THIS AGREEMENT is made and entered into as of the 25<sup>th</sup> day of April 2016, by and between the CITY OF MALIBU, California, a Municipal Corporation, hereinafter called the "City", and Reva Feldman, hereinafter called "Employee."

R E C I T A L S

A. City desires to employ the services of Employee, and Employee desires to accept employment as City Manager of the City of Malibu.

B. The City Council desires to:

(1) Retain the services of Employee and provide inducement for her to remain in such employment;

(2) Make possible full work productivity by assuring Employee's future security;

(3) Encourage the highest standards of fidelity and public service on the part of Employee; and

(4) Provide a just means for terminating Employee's services at such time as she may be unable fully to discharge her duties, or when City may desire otherwise to terminate her employment.

C. The parties further desire to establish certain benefits and certain conditions of Employee's employment.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained the parties agree as follows:

1. Duties. City agrees to employ Employee as full-time City Manager of City to perform the functions and duties specified in the job specification and the Municipal Code and to perform such other legally permissible and proper duties and functions as the City Council may from time to time assign. Employee shall not spend more than five hours per week teaching, consulting or engaging in other non-City connected business without the prior knowledge and express written approval of the City Council.

2. Term. The term of this Agreement shall commence May 3, 2016, and shall continue until May 3, 2019, unless otherwise terminated by either party as provided herein.

3. Termination and Resignation.

A. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City Council to terminate the services of Employee without cause, at any time, subject only to the City providing 10 days prior written notice to Employee, and complying with paragraph D of this Section 3. The 10-day notice provided for hereinabove shall not be given during or within a period of 90 days next succeeding any general municipal election held in the City or any special election at which a city council seat is on the ballot.

B. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign at any time from Employee's position with City, subject only to Employee providing 30 days prior written notice to the City.

C. Notwithstanding the provisions of Paragraph A of this Section 3, in the event Employee is terminated by City for "cause", then City may terminate this Agreement immediately and Employee shall be entitled to only the compensation accrued up to the date of termination. As used in this section, "cause" shall mean any of the following:

(1) Conviction of any felony.

(2) Conviction of a misdemeanor arising directly out of the Employee's duties pursuant to this Agreement.

(3) Willful abandonment of duties.

(4) Pattern of intentional failure to comply with lawful direction given by City Council at a public meeting or failure to competently discharge duties resulting in below acceptable written performance evaluation two years in a row.

D. In the event Employee is terminated by the City Council at any time during the term of this Agreement that Employee is still willing and able to perform the duties required by the Agreement, and the termination is without cause as "cause" is defined in Paragraph C above, then, subject to the limitations set forth in Government Code Section 53260 and upon delivery to the City of an executed separation agreement and release of any and all claims in a form acceptable to the City within 30 days of her termination, the City shall pay Employee a lump sum cash payment equal to six month's Base Salary. In addition, City shall extend to Employee the right at her expense to continue health insurance as may be required by and pursuant to the terms and conditions of the Consolidated Omnibus Budget Reconciliation Act Of 1986 (COBRA). The word "termination" in this paragraph shall include a reduction in salary or other financial benefits of Employee, or elimination of Employee's position (except as provided in Paragraph 4(C)), or Employee's resignation, if preceded by a suggestion by the City Council that she resign. Employee is the City Manager for the purposes of the benefits under the Joint Powers Insurance Authority of which the City is a member.

4. Salary. City agrees to pay Employee for the services required by this Agreement an annual salary of \$215,000 payable in equal monthly installments on the City's regular paydays ("Base Salary"). At any time as desired by the City Council, but at least annually, City agrees to review Employee's performance. Conditioned on a positive evaluation from the City Council, Employee's base salary shall increase to \$220,000 on May 3, 2017; and, conditioned on a positive evaluation from the City Council, Employee's base salary shall increase to \$225,000 on May 3, 2018. Employee shall not be entitled to receive any cost of living adjustments afforded to City's classified staff or salary increase during the term of this Agreement. Employee's compensation is governed by this Agreement.

5. Vehicle allowance. The City shall pay Employee an additional \$400 per month as a vehicle allowance in lieu of mileage reimbursement. The vehicle allowance is intended to reimburse Employee for the use of her private vehicle for City business. Employee must provide her own vehicle for her use in performing his duties and is responsible for all maintenance, repair, fuel and insurance expenses for her vehicle.

6. Hours of Work. Employee's duties may involve expenditures of time in excess of eight hours per day, 40 hours per week, and may also include time outside normal office hours such as attendance at City Council meetings, although Employee may manage her time. Employee shall be exempt from paid overtime compensation.

7. Retirement and Insurance Benefits.

A. Retirement. During the term of this Agreement, City shall contribute the employer's and Employee's portion of Employee's membership in the Public Employees Retirement System.

B. Deferred Compensation. City shall contribute to a qualified deferred compensation plan 6% per month of the Employee's monthly installment of her Base Salary for each year this Agreement is in effect.

C. Medical and Other Insurance. City shall pay the full monthly premiums for full family medical, dental and vision insurance for Employee and her dependents.

D. Life Insurance. City shall pay the premium for a term life insurance policy with coverage not more than \$400,000.

E. Disability Insurance. City shall pay the premium for a long-term disability insurance plan covering Employee. City shall also pay City's federally required share of Medicare coverage for Employee.

F. Other Benefits. City shall provide and pay for all other insurance mandated by State law.

G. Waiver. Employee waives any other insurance benefits.

8. Sick Leave, Vacation and Holidays.

A. Sick Leave. Employee shall be entitled to 12 days of sick leave per year, with five such days available upon execution of this Agreement. Employee may accumulate a maximum of 30 days of sick leave. In the event of termination or resignation from employment, Employee shall be entitled to compensation for 50% of accumulated and unused sick leave, up to the maximum set forth above.

B. Vacation and Holidays. Employee shall be entitled to 22 vacation days per year, with 10 such days available upon execution of this Agreement. Employee may accumulate vacation days up to a maximum of 30 working days. Employee shall also be entitled to the same number of paid holidays per year as provided in the Municipal Code. In the event of termination or resignation from employment, Employee shall be entitled to compensation for one 100% of accumulated and unused vacation days, up to the maximum set forth above.

C. Administrative Leave. Employee shall be entitled to 10 days of administrative leave per year. Employee may accumulate administrative leave days up to a maximum of five working days. In the event of termination or resignation from employment, Employee shall be entitled to compensation for one 100% of accumulated and unused administrative leave days, up to the maximum set forth above.

D. Jury duty. When called for jury duty and unable to be excused therefrom, Employee shall receive her regular base compensation less all jury fees received excluding mileage for the time required to be spent in court provided that Employee will be so paid once every three years and shall make every effort to delay jury service where such would interfere with important work in progress. Whenever daily jury duty scheduling permits, Employee shall return to her regular daily job assignment to complete her regular work day.

9. Memberships. City agrees to pay Employee's membership dues in the International City Management Association ("ICMA") and the California City Management Foundation, and Employee shall have a reasonable right to attend meetings of the ICMA, the California League of Cities, and the Contract Cities Association at City expense.

10. Expenses. City shall reimburse Employee for all reasonable expenses incurred by Employee in the performance of City's business and approved within the City's adopted budget or otherwise approved by City Council. Employee shall also be entitled to the same expense reimbursement benefits as other City classified staff.

11. Other Terms and Conditions of Employment. The City Council may from time to time fix other terms and conditions of employment relating to the performance of Employee provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Municipal Code, or other applicable law.

12. Revolving Door. Employee must comply with Government Code Section 87406.3 for a period of one year after separating from service with City. This section will survive termination of this agreement.

13. Assembly Bill 1344 Compliance. To the extent CITY provides: (a) paid leave to Employee pending an investigation; (b) funds for the legal criminal defense of the Employee; and/or (c) a cash settlement to Employee related to the termination of the Employee, pursuant to this Agreement and Government Code Section 53243 et seq., Employee shall fully reimburse the City for any and all amounts paid by the City which fall within subsections (a) through (c) in the event that the Employee is convicted of a crime involving the abuse of his office or position.

14. General Provisions.

A. The text herein shall constitute the entire agreement between the parties.

B. If Employee dies or becomes incapacitated during the term of this Agreement, any accrued and unpaid wages provided by the terms of this Agreement shall be paid by City to Eden Concoff.

C. If any provision or portion hereof contained in this Agreement is held to be unconstitutional, invalid or unenforceable the remainder of this Agreement or portion thereof shall be deemed severable and shall not be affected and shall remain in full force and effect.

///

///

///

D. This Agreement shall be effective as of May 3, 2016.

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

CITY OF MALIBU

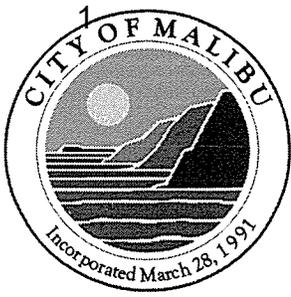
By \_\_\_\_\_  
MAYOR

ATTEST: \_\_\_\_\_  
LISA POPE, City Clerk

EMPLOYEE  
  
\_\_\_\_\_  
REVA FELDMAN

APPROVED AS TO FORM:

\_\_\_\_\_  
CHRISTI HOGIN, City Attorney



# Supplemental Council Agenda Report

To: Mayor Rosenthal and the Honorable Members of the City Council

Prepared by: Reva Feldman, Assistant City Manager 

Reviewed by: Jim Thorsen, City Manager 

Date prepared: April 21, 2016 Meeting date: April 25, 2016

Subject: Approval of Issuance of Bonds for City of Malibu Assessment District (AD) No. 2015-1 (Civic Center Wastewater Treatment Facility – Phase 1)

---

**RECOMMENDED ACTION:** 1) Adopt Resolution No. 16-15 authorizing and providing for the issuance of bonds pursuant to the provisions of the Improvement Bond Act of 1915 in the principal amount not to exceed \$6,495,000 for City of Malibu AD No. 2015-1 (Civic Center Wastewater Treatment Facility (CCWWTF) – Phase 1) and approving certain documents and authorizing certain actions in connection therewith; 2) Approve Bond Counsel Agreement with Stradling, Yocca, Carlson & Rauth for bond counsel services; and 3) Approve Professional Services Agreement with Stifel Nicolaus for Bond Underwriting Services.

**FISCAL IMPACT:** There is no fiscal impact on the General Fund to pay any costs associated with the issuance of Bonds. Principal and interest payments on the Bonds will be secured by assessments levied on properties within the boundaries of the AD.

The Bonds that will be issued are a special obligation of the City and are payable and secured by a pledge of Assessments levied on property within the AD. Neither the faith nor credit of the City is pledged to or responsible for the repayment of the Bonds. All consultant fees in connection with the formation and issuance of Bonds of the proposed AD will be paid from proceeds of the Bonds. The City will be responsible for the annual administration of the AD, however assessments will be levied annually in the estimated amount of not to exceed \$25,000 a year (escalated by the Consumer Price Index) to offset the costs of administration.

**DISCUSSION:****Project Information**

On June 27, 2011, the Council approved a Memorandum of Understanding (MOU) between the City and the Regional Water Quality Control Board (RWQCB) and the State Water Resources Control Board (SWRCB) regarding the implementation of the Basin Plan Amendment for the Malibu Civic Center Area Prohibition. Under the MOU, which was amended in December 2014, properties in Phase One of the Prohibition Area (primarily the commercial core of the Civic Center) must connect to a centralized wastewater treatment facility by June 2017. Phase Two (primarily residential properties) must connect to the centralized wastewater treatment facility by November 2022. A third phase may be implemented, depending on the outcome of the first two phases.

The project will bring wastewater collection and recycled water distribution pipelines to the property line of individual parcels. Individual property owners will be responsible for the improvements needed on their particular parcel to connect to the system. It is anticipated that Phase One of the project could generate up to 70 million gallons of recycled water a year, thereby helping reduce Malibu's reliance on potable water.

On January 12, 2015, the Council certified the Environmental Impact Report, approved the Coastal Development Permit and Conditional Use Permit for Phase One of the CCWWTF. Additionally, the Council approved a Local Coastal Program Amendment, Zoning Text Amendment and Zoning Map Amendment associated with the Project.

On March 12, 2015, the RWQCB unanimously approved the Waste Discharge Requirement (WDR) and the Water Recycling Requirements (WRR).

On May 13, 2015, the California Coastal Commission unanimously approved an amendment to the Local Implementation Plan (LIP) of the Local Coastal Plan to allow for the development of the CCWWTF with certain modifications. The Council approved the proposed modifications on June 8, 2015. The California Coastal Commission certified the LIP on August 12, 2015.

**Assessment District**

The Municipal Improvement Act of 1913 (Division 12 of the Streets & Highways Code of the State of California) (1913 Act) provides the City with the legal authority to form an assessment district to finance public improvements, provided that only those parcels which receive a special benefit in accordance with Article XIID of the California Constitution (Prop 218) be assessed to pay for such improvements. Prop 218 requires that an assessment engineer prepare a report determining the special benefits each property within the proposed assessment district receives from the proposed improvements.

Each property located in the Assessment District has been assigned an assessment amount based on the volume and concentration of wastewater estimated to be generated by that individual property. Wastewater flow and treatment plant load for existing development are estimated using actual building square footage and current uses (e.g. retail, restaurant, and office). Wastewater flow and treatment plant load for vacant parcels are estimated using: 1) the maximum floor area ratio allowed by the City (0.15) and an eighty percent (80%) retail and twenty percent (20%) restaurant use mix; or 2) submitted development plans.

On June 8, 2015, the Council adopted Resolution Nos. 15-27 and 15-28 which stated the Council's intention to take proceedings to form the Assessment District pursuant to the 1913 Act, preliminarily approving the Assessment Engineer's Report and setting a Public Hearing for August 10, 2015 on the proposed assessment proceedings, as required by Prop 218. On August 10, 2015, the Council adopted Resolution No. 15-51, which continued the Public Hearing until October 12, 2015, due to changes needed in the assessment amounts and a reduction in the purchase price for the land needed for the treatment facility. The October 12, 2015 scheduled Council meeting was continued to October 14, 2015. On October 14, 2015, the Council adopted Resolution No. 15-65 which continued the Public Hearing to January 25, 2016, in order for the City to re-bid the construction contract for the project and ordered changes to the Assessment Engineer's Report.

On, December 11, 2015, which was at least 45 days prior to the Public Hearing, the City Clerk's office mailed notices to all property owners in the proposed Assessment District as required by Prop 218.

On January 25, 2016, the Council adopted Resolution No. 16-06 confirming the assessments and proceedings which formed the City of Malibu Assessment District No. 2015-1 and adopted Resolution No. 16-07 approving the Final Engineer's Report.

### **Project Funding**

The total net assessable cost of Phase One is \$57.4 million, including design and construction.

The City has applied for two State Revolving Fund (SRF) loans from the State Water Resources Control Board, which provides low-interest loans for water quality projects. There are two separate loan programs that the CCWWTF project is eligible for: 1) the Recycled Water Loan (RWL) Program; and 2) the Wastewater Treatment Loan (WWTL) Program. The City has also applied for grant funding through the State Water Resources Control Board.

On June 25, 2012, the Council established Community Facilities District (CFD) 2012-01, which provided funding of \$5 million for a portion of the design of the project. The CFD

is comprised of some, but not all, of the properties that are located in the proposed Assessment District. The CFD was structured so that the first three years of debt service would be paid from capitalized interest so property owners would not have to make a payment. If the Assessment District is formed, the CFD will be paid off through Assessment District proceeds.

The City has paid for all of the costs of the project to date. The County of Los Angeles provided \$1.1 million that reduced the overall design costs applicable to the Assessment District to \$6 million. The CFD generated a net amount of \$5 million, of which \$4 million was used for design costs and \$1 million was used to reimburse the City for design costs previously paid. The City expects to be reimbursed approximately \$1 million from proceeds of the Bonds and/or the State Revolving Fund Loans or Grants.

Certain project costs cannot be funded from the SRF, and the City must issue bonds to cover those costs regardless of the funding used for the remainder of the project. These costs include capitalized interest costs and bond redemption premiums associated with the CFD, formation costs of the Assessment District and a reserve fund associated with the SRF loan.

If the City is not successful in obtaining the SRF Loans or Grants it will be required to issue additional bonds to finance the costs of the Project. The Bonds have been sized to pay for costs not reimbursable or payable from the SRF Loans and Grants. Any State Loan entered into will be payable from and secured by a pledge and lien on the Assessments on a parity with the Bonds. State policy requires the Bonds to be issued prior to the State entering into the SRF Loan and Grant Funding Agreement. Accordingly, the SRF Loan and Grant Funding Agreement restricts the issuance of future parity bonds. Any excess Bond proceeds will be used to pay Project costs or to redeem Bonds following the completion of the Project.

#### ATTACHMENTS:

1. Resolution No. 16-15
2. Fiscal Agent Agreement
3. Bond Purchase Agreement
4. Preliminary Official Statement
5. Continuing Disclosure Agreement
6. Bond Counsel Agreement with Stradling, Yocca, Carlson and Rauth
7. Professional Services Agreement with Stifel Nicolaus

## RESOLUTION NO. 16-15

A RESOLUTION OF THE CITY COUNCIL OF CITY OF MALIBU AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF BONDS PURSUANT TO THE PROVISIONS OF THE IMPROVEMENT BOND ACT OF 1915 IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$6,495,000 FOR CITY OF MALIBU ASSESSMENT DISTRICT NO. 2015-1 (CIVIC CENTER WASTEWATER TREATMENT FACILITY – PHASE 1) AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

The City Council of the City of Malibu does hereby find, order and resolve as follows:

Section 1. Recitals.

A. The City Council of the City of Malibu (City) has taken proceedings under the Municipal Improvement Act of 1913, Division 12 of the California Streets and Highways Code (Code), for the formation of City of Malibu Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facility – Phase 1) (Assessment District) and has confirmed an assessment in the amount of \$63,688,774.33, which assessment and a related diagram were recorded in the office of the Public Works Director of the City, acting as the Superintendent of Streets, and with the County Recorder of the County of Los Angeles.

B. A notice of assessment, as prescribed in Section 3114 of the Code, has been recorded with the County Recorder of the County of Los Angeles, whereupon the assessment attached as a lien upon the property assessed within the Assessment District as provided in Section 3115 of the Code.

C. Said proceedings provide that bonds (Bonds) will be issued and/or a loan from the State Water Resources Control Board (State Loan) will be entered into pursuant to the Improvement Bond Act of 1915, Division 10 of the Code (Act) to represent and be secured by the unpaid assessments on the parcels within the Assessment District.

D. The Council desires to delegate to the City Manager the authority to determine the amount of unpaid assessments upon the security of which such Bonds and/or the State Loan are to be issued in an amount not to exceed the unpaid assessments.

E. It is necessary and desirable that the City sell the Bonds to be issued to represent a portion of the unpaid assessments and that the Bonds be issued primarily to redeem the Community Facilities District No. 2012-1 of the City of Malibu (Malibu Civic Center Wastewater Treatment Plan Design Phase One) Special Tax Bonds, Series 2013 (Prior Bonds) in order to extinguish a portion of the special tax lien associated therewith on certain properties within the Assessment District and to fund a reserve fund for the State Loan.

F. There has been presented to the Council the forms of a Fiscal Agent Agreement between the City and U.S. Bank National Association, as Fiscal Agent (Fiscal Agent

Agreement), a Continuing Disclosure Agreement by and between the City and U.S. Bank National Association (Continuing Disclosure Agreement), a Bond Purchase Agreement to be entered into between the City and Stifel, Nicolaus & Company, Incorporated (Underwriter), as the purchaser of the Bonds (Bond Purchase Agreement) and the form of a Preliminary Official Statement for the Bonds (Preliminary Official Statement).

G. The Council wishes to approve the forms of the Fiscal Agent Agreement, the Continuing Disclosure Agreement, the Escrow Agreement and the Bond Purchase Agreement; to authorize the issuance of the Bonds and the sale thereof to the Underwriter on the terms approved hereby; to authorize the mailing of the Preliminary Official Statement to prospective purchasers of the Bonds; and to authorize the officers of the City to take all actions required for the issuance of the Bonds.

Section 2. The above recitals are all true and correct.

Section 3. The Fiscal Agent Agreement is approved in substantially the form presented to the City Council; and each of the Mayor, the City Manager, acting as Treasurer of the Assessment District and their written designees (Authorized Officers) are authorized and directed to execute, and the City Clerk, or her written designee, is authorized to attest, the Fiscal Agent Agreement substantially in the form approved with such additions thereto and changes therein as the officer or officers executing the Fiscal Agent Agreement deem necessary to cure any ambiguity or defect therein, to insert the offering price(s), interest rate(s), selling compensation, principal amount per maturity, redemption dates and prices and such other related terms and provisions of the Bonds, or to conform any provisions therein to the Bond Purchase Agreement and the Official Statement, or as required by the City Attorney, and the City's Bond Counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation (Bond Counsel). Approval of such changes shall be conclusively evidenced by the execution and delivery of the Fiscal Agent Agreement by one or more Authorized Officers.

Section 4. Bonds in an aggregate principal amount not to exceed \$6,495,000 representing a portion of the amount of the unpaid assessments as determined by the City Manager, or designee, shall be issued pursuant to the provisions of the Act upon the security of unpaid assessments levied within the Assessment District on a parity with the State Loan and as set forth in the Fiscal Agent Agreement. The Bonds shall be dated, be in such aggregate principal amount, bear interest at such rates, and mature on such dates and in such amounts as are set forth in the Bond Purchase Agreement upon the execution and delivery thereof in accordance with Section 9 below. The Bonds shall be issued substantially in the form of bonds set forth in the Act, except as such form may vary from the terms and conditions set forth in this Resolution and the Fiscal Agent Agreement. The principal amount of the Bonds to be sold will be determined by the City Manager, or designee.

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 City is not obligated to advance available funds from the City treasury to the Redemption Fund in the event of a delinquency in the payment of an assessment installment or

installments. The Bonds are not general obligations of the City; they are limited obligations payable solely from the funds specified in the act and the Fiscal Agent Agreement.

Section 5. The provisions of Part 11.1 (commencing with Section 8760) of the Act, providing an alternative procedure for the division of land and the Bonds, shall apply.

Section 6. The Continuing Disclosure Agreement is approved in substantially the form presented to the City Council; and each Authorized Officer is hereby authorized and directed, for and in the name of and on behalf of the City, to execute, and the Secretary, or her written designee, to attest to and deliver to U.S. Bank National Association, as Dissemination Agent, the Continuing Disclosure Agreement substantially in the form hereby approved, with such additions thereto and changes therein, including the selection of an alternate Dissemination Agent from time to time, as may be approved by the Authorized Officer executing such agreement or required by the City Attorney or Bond Counsel, such approval or requirement to be conclusively evidenced by the execution and delivery of the Continuing Disclosure Agreement.

Section 7. The form of the Preliminary Official Statement presented at this meeting is hereby approved, and the Underwriter is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Bonds in the form hereby approved, together with such additions thereto and changes therein as are determined necessary by the City Manager, or written designee, to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, including, but not limited to, such additions and changes as are necessary to make all information set forth therein accurate and not misleading. Each of the Authorized Officers is hereby authorized to execute a final Official Statement in the form of the Preliminary Official Statement, together with such changes as are determined necessary by the City Manager, or written designee, to make such Official Statement complete and accurate as of its date. The Underwriter is further authorized to distribute the final Official Statement for the Bonds and any supplement thereto to the purchasers thereof upon its execution by one of the Authorized Officers.

Section 8. Subject to Section 3 hereof, the sale of the Bonds to the Underwriter is hereby approved provided that (a) the Underwriter's discount, exclusive of original issue discount, shall not exceed one and three-quarter percent (1.75%) of the original aggregate principal amount of the Bonds, (b) the interest rates on the Bonds shall not exceed six and one-half percent (6.5%) per annum, and (c) the final principal amounts, discount and interest rates for the Bonds shall have been approved by the City Manager, acting as Treasurer, or designee; and, subject to such approval, any one of the Authorized Officers is hereby authorized and directed to evidence the City's acceptance of the offer made by executing and delivering to the Underwriter a Bond Purchase Agreement substantially in the form hereby approved with such additions thereto and changes therein as may be approved by the Authorized Officer executing the agreement, or required by City Attorney or Bond Counsel, such approval or requirement to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement.

Section 9. The Fiscal Agent is hereby authorized and directed to authenticate the Bonds and to deliver them to The Depository Trust Company on behalf of the Underwriter upon payment of the purchase price thereof.

Section 10. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the sale and delivery of the Bonds and the redemption of the Prior Bonds, execution of the State Loan and otherwise to effectuate the purposes of this Resolution; and any actions previously taken by such officers for these purposes are hereby ratified and confirmed.

Section 11. Any action authorized or directed in this Resolution to be taken or performed by an Authorized Officer may be taken or performed by their designee with the same force and effect as if taken or performed by such Authorized Officer.

Section 12. If any section, subsection, sentence, clause or phrase of this Resolution shall be for any reason held by a court of competent jurisdiction to be unconstitutional, invalid or unenforceable, such holding shall not affect the validity of the remaining portions hereof. The City Council hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared to be unconstitutional, invalid or unenforceable, and such holding shall not affect the validity of the remaining portions hereof.

Section 13. This Resolution shall be liberally construed to the end that its purpose may be effected. No error, irregularity or informality and no neglect or omission herein or in any proceeding had pursuant hereto which does not directly affect the jurisdiction of the City Council shall void or invalidate this Resolution or such proceeding or any part thereof, or any act or determination made pursuant thereto.

Section 14. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, and ADOPTED on April 25, 2016.

---

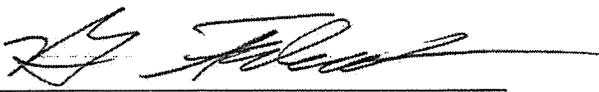
LAURA ROSENTHAL, Mayor

ATTEST:

---

LISA POPE, City Clerk  
(Seal)

APPROVED AS TO FORM:




---

BRIAN FORBATH, Bond Counsel

**FISCAL AGENT AGREEMENT**

**By and Between**

**CITY OF MALIBU**

**and**

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

**Relating to**

**\$ \_\_\_\_\_  
CITY OF MALIBU  
ASSESSMENT DISTRICT NO. 2015-1  
(CIVIC CENTER WASTEWATER TREATMENT FACILITY – PHASE 1)  
TAXABLE LIMITED OBLIGATION IMPROVEMENT BONDS  
2016 SERIES A**

**Dated as of May 1, 2016**

## TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS	
Section 101.	Definitions ..... 1
Section 102.	Interpretation..... 6
Section 103.	Equality of Bonds; Pledge of Assessments; No Obligation to Cure Deficiency..... 7
ARTICLE II AUTHORIZATION AND ISSUANCE OF BONDS	
Section 201.	Assessments ..... 7
Section 202.	Type and Nature of Bonds; Limited Liability..... 8
Section 203.	Authorization and Purpose of Bonds ..... 8
ARTICLE III TERMS AND PROVISIONS OF BONDS	
Section 301.	Terms of Bonds..... 8
Section 302.	Execution and Authentication..... 11
Section 303.	Registration, Exchange or Transfer ..... 11
Section 304.	Bond Register ..... 11
Section 305.	Mutilated, Lost, Destroyed or Stolen Bonds..... 12
Section 306.	Form of Bonds; Temporary Bonds ..... 12
ARTICLE IV REDEMPTION OF BONDS	
Section 401.	Provisions for the Redemption of Bonds ..... 12
Section 402.	Selection of Bonds for Redemption..... 13
Section 403.	Notice of Redemption..... 14
Section 404.	Partial Redemption of Bonds ..... 14
Section 405.	Effect of Notice and Availability of Redemption Money..... 14
ARTICLE V CREATION OF FUNDS AND ACCOUNTS; APPLICATION OF PROCEEDS AND ASSESSMENTS	
Section 501.	Funds and Accounts..... 15
Section 502.	Costs of Issuance Fund ..... 16
Section 503.	Assessment Fund ..... 16
Section 504.	Redemption Fund..... 17
Section 505.	Reserve Fund ..... 18
Section 506.	[Reserved]..... 19
Section 507.	Improvement Fund..... 19
Section 508.	Investments ..... 19
Section 509.	Delinquency Resulting in Ultimate or Temporary Loss on Bonds..... 21

ARTICLE VI  
ISSUANCE OF BONDS

Section 601. Authorization and Designation of Bonds..... 22  
 Section 602. Denominations of Bonds..... 22  
 Section 603. Interest Payment Date of Bonds ..... 22  
 Section 604. Form of Bonds ..... 23  
 Section 605. Application of Proceeds of the Sale of Bonds and of the Prepaid Amounts ..... 29

ARTICLE VII  
COVENANTS AND WARRANTY

Section 701. Warranty ..... 29  
 Section 702. Covenants..... 29  
 Section 703. Continuing Disclosure Agreement..... 30

ARTICLE VIII  
AMENDMENTS TO AGREEMENT

Section 801. Amendments Not Requiring Bondowner Consent ..... 31  
 Section 802. Amendments Requiring Bondowner Consent ..... 31  
 Section 803. Notation of Bonds; Delivery of Amended Bonds..... 32

ARTICLE IX  
FISCAL AGENT

Section 901. Fiscal Agent ..... 32  
 Section 902. Removal of Fiscal Agent ..... 33  
 Section 903. Resignation of Fiscal Agent..... 33  
 Section 904. Liability of Fiscal Agent ..... 34  
 Section 905. Interested Transactions ..... 36  
 Section 906. Agents ..... 36

ARTICLE X  
EVENTS OF DEFAULT; REMEDIES

Section 1001. Event of Default..... 36  
 Section 1002. Remedies of Owners ..... 37

ARTICLE XI  
DEFEASANCE

Section 1101. Defeasance ..... 38

ARTICLE XII  
MISCELLANEOUS

Section 1201. Cancellation of Bonds..... 40  
 Section 1202. Execution of Documents and Proof of Ownership ..... 40  
 Section 1203. Unclaimed Moneys ..... 40  
 Section 1204. Provisions Constitute Contract; Successors..... 41  
 Section 1205. Further Assurances; Incontestability..... 41  
 Section 1206. Severability ..... 41

Section 1207. General Authorization..... 41  
Section 1208. Liberal Construction ..... 41  
Section 1209. Notice..... 42  
Section 1210. Action on Next Business Day ..... 42

Signatures..... S-1  
EXHIBIT A Form of Written Delivery Requisition – [Costs of Issuing Bonds]  
[Improvement Fund] .....A-1

## FISCAL AGENT AGREEMENT

This Fiscal Agent Agreement, dated as of May 1, 2016 (the “Agreement”), is made and entered into by the City of Malibu (the “City”), a municipal corporation, duly established and existing under the laws of the State of California (the “State”), and U.S. Bank National Association (the “Fiscal Agent”) in connection with Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facility – Phase 1) (the “Assessment District”).

### WITNESSETH:

WHEREAS, the City Council of the City of Malibu (the “City Council”) has taken proceedings under the Municipal Improvement Act of 1913, Division 12 of the California Streets and Highways Code (the “1913 Act”), for the formation of Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facility – Phase 1) and has confirmed an assessment, which assessment and a related diagram were recorded with the Superintendent of Streets, and a notice of assessment, as prescribed in Section 3114 of the Code, has been recorded with the County Recorder of the County of Los Angeles, whereupon the assessment attached as a lien upon the property assessed within the Assessment District as provided in Section 3115 of the Code; and

WHEREAS, it is necessary and desirable that the City sell bonds (the “Bonds”) pursuant to the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (the “1915 Act”), to be issued, along with the execution of the State Loan Agreement, to represent the unpaid assessments;

In consideration of the mutual covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

## ARTICLE I

### DEFINITIONS

**Section 101. Definitions.** Unless the context otherwise requires, the following terms shall have the following meanings:

“Additional Bonds” means any bonds issued pursuant to Section 1102 with a claim on the Assessments on a parity with the Bonds.

“Administrative Expense Fund” means the City of Malibu Assessment District No. 2015-1 Administrative Expense Fund established with the Treasurer.

“Administrative Expense Requirement” means an amount, not in excess of the aggregate maximum annual assessment for Administrative Expenses permitted to be levied within the Assessment District as set forth in the Engineer’s Report, to be specified each year by the Treasurer to be used for Administrative Expenses.

“Administrative Expenses” means the ordinary and necessary fees and expenses for determination of the Assessment and administering the levy and collection of the Assessment and servicing, calling and redeeming the Bonds, including 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, annual audits and costs incurred in

the levying and collection of the Assessment) including the fees and expenses of its counsel and all other costs and expenses of the City or the Fiscal Agent incurred in connection with the discharge of their respective duties hereunder and, in the case of the City, in any way related to the administration of the Assessment District and fees, costs or expenses of the State Water Resources Control Board and its agents and counsel pursuant to the State Loan Agreement.

“Agreement” means this Fiscal Agent Agreement, as amended or supplemented pursuant to the terms hereof.

“Annual Debt Service” means all principal of and interest on the Bonds and any Additional Bonds due in a Bond Year.

“Assessment” or “Assessments” means the special assessments levied in the Assessment District in accordance with the 1913 Act and the Resolution of Formation, exclusive of any assessments levied to pay Administrative Expenses, together with the net proceeds derived from any foreclosure proceedings and interest and penalties thereon.

“Assessment District” means City of Malibu Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facility – Phase 1).

“Assessment Fund” means the City of Malibu Assessment District No. 2015-1 Assessment Fund established and held by the City pursuant to Section 501 hereof.

“Assessment Installment” means the annual portion of the Assessment levied to pay the principal of and interest on the Bonds which does not include assessments levied by the City to pay Administrative Expenses.

“Authorized Investments” means, subject to applicable law, (1) Federal Securities; (2) an Investment Agreement, acceptable to, and approved in writing by, the Treasurer; (3) taxable government money market funds rated in one of the two highest rating categories by Standard & Poor’s Rating Services restricted to obligations with average maturities of one year or less, insured or fully guaranteed as to the principal and interest thereon by the full faith and credit of the United States of America or by repurchase agreements collateralized by such obligations including money market funds for which the Fiscal Agent and affiliates provide investment advisory or other management services; (4) tax-exempt obligations, including tax exempt money market funds, rated at least “A” or higher by Standard & Poor’s Rating Services and Moody’s Investors Service; (5) 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 and Standard & Poor’s Rating Services, limited to 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 “A” or higher rating for such corporation’s debt, other than commercial paper, as provided for by Moody’s Investors Service and Standard & Poor’s Rating Services and which may not exceed 180 days maturity nor represent more than 10% of the outstanding paper of an issuing corporation; (6) notes, bonds or other obligations which are at all times secured by a perfected first security interest in securities of the types listed by Section 53651 of the California Government Code as eligible securities for the purpose of securing local agency deposits or which are listed as an Authorized Investment under any of the clauses (1) through (5) of this definition (except those described in this clause (6)) and which have a market value, determined at least weekly, at least equal to 102% of the amount of principal and accrued interest on such obligation, which shall be placed by delivery into the custody of a trust

company or the trust department of a bank which is not affiliated with the issuer of the secured obligation and which bank shall be responsible for making any market value determinations, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted; (7) The State of California Local Agency Investment Fund; (8) time or demand deposits (including those of the Fiscal Agent or its affiliates) fully insured by the Federal Deposit Insurance Corporation or with institutions rated in one of the two highest rating categories by Moody's Investors Service or Standard & Poor's Rating Services; (9) repurchase agreements secured by Federal Securities; (10) the County of Los Angeles Pooled Investment Fund; and (11) any other investment in which funds of the City may be legally invested.

"Authorized Representative of the City" means the members of the City Council, the City Manager, the Assistant City Manager or any other person or persons designated by the City Council of the City and authorized to act on behalf of the City by a written certificate signed on behalf of the City by any member of the City Council and containing the specimen signature of each such person.

"Bond Counsel" means an attorney or a firm of attorneys, selected by the City, of nationally recognized standing in matters pertaining to the tax treatment of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

"Bond Purchase Agreement" means the Bond Purchase Agreement authorized and executed by the City and Stifel, Nicolaus & Company, Incorporated as the initial purchaser of the Bonds.

"Bond Register" means the books which the Fiscal Agent shall keep or cause to be kept pursuant to Section 304, on which the registration and transfer of the Bonds shall be recorded.

"Bond Year" means the one year period or shorter period ending each year on September 2, or such other date as may be specified by the City.

"Bondowner" or "Owner" means the person or persons in whose name or names any Bond or Additional Bond is registered as shown on the Bond Register.

"Bonds" means the City of Malibu Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facility – Phase 1) Taxable Limited Obligation Improvement Bonds 2016 Series A issued pursuant to the Resolution of Issuance and this Agreement.

"Business Day" means any day of the year in New York, New York or Los Angeles, California other than a Saturday, Sunday, a day on which the New York Stock Exchange is closed or any day on which the Fiscal Agent is not open for business.

"Certificate of the City" means a written certificate or warrant request executed by an Authorized Representative of the City.

"City" means City of Malibu, a municipal corporation organized under the laws of the State of California.

"City Clerk" means the City Clerk of the City and his or her designee.

"City Council" means the City Council of the City of Malibu.

“Closing Date” means the date of delivery of the Bonds by the City and payment therefor by the original purchaser thereof.

“Code” means the Internal Revenue Code of 1986, as amended.

“County” means the County of Los Angeles.

“Costs of Issuance Fund” means the City of Malibu Assessment District No. 2015-1 Costs of Issuance Fund established with the Fiscal Agent pursuant to Section 501 hereof.

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

“DTC Participants” means securities brokers and dealers, banks, trust companies, clearing corporations and other organizations maintaining accounts with DTC.

“Engineer’s Report” means the report concerning the Assessment District prepared by David Taussig & Associates, as approved by the City on January 25, 2016 and on file with the City Clerk.

“Federal Securities” means, subject to applicable law, United States Treasury notes, bonds, bills or certificates of indebtedness, including United States Treasury Obligations, State and Local Government Series (“SLGS”) or other direct obligations issued by the United States Treasury for which the faith and credit of the United States are pledged for the payment of principal and interest; and obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank Board, the Tennessee Valley Authority, or other federal agencies or United States Government-sponsored enterprises.

“Fiscal Agent” means U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, or any other bank or trust company which may at any time be substituted in its place as provided in Sections 902 and 903 and any successor thereto.

“Fiscal Year” means the twelve-month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the City as its Fiscal Year in accordance with applicable law.

“Improvements” means the design and construction of a wastewater treatment plant, wastewater collection and recycled water distribution system and a recycled water injection system and the funding of a reserve fund under the State Loan Agreement, as described in the Engineer’s Report.

“Improvement Fund” means the City of Malibu Assessment District No. 2015-1 Improvement Fund established pursuant to Section 501 of this Agreement.

“Independent Financial Consultant” means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the City and who, or each of whom:

- (1) is in fact independent and not under the domination of the City;

- (2) does not have any substantial interest, direct or indirect, with the City; and
- (3) is not connected with the City as a member, officer or employee of the City, but who may be regularly retained to make annual or other reports to the City.

“Interest Payment Date” means each March 2 and September 2, commencing [September 2, 2016].

“Investment Agreement” means one or more agreements entered into between the Fiscal Agent, for the benefit of the City, and an entity or entities whose long term uninsured, unsecured and unguaranteed debt or claims-paying ability is rated as of the date of the Investment Agreement in either of the two highest categories (without regard to gradations of plus and minus within such categories) by Standard & Poor’s Rating Services or Moody’s Investors Service, or an agreement between the Fiscal Agent, for the benefit of the City, and an entity which is rated as of the date of the Investment Agreement in either of the two highest categories (without regard to gradations of plus and minus within such categories) by Standard & Poor’s Rating Services or Moody’s Investors Service.

“1913 Act” means the Municipal Improvement Act of 1913, being Division 12 (commencing with Section 10000) of the California Streets and Highways Code.

“1915 Act” means the Improvement Bond Act of 1915, being Division 10 (commencing with Section 8500) of the California Streets and Highways Code.

“Notice of Assessment” means the Notice of Assessment recorded in the Office of the County Recorder of the County of Los Angeles on January 28, 2016, as Document No. 20160102871.

“Outstanding Bonds” or “Outstanding” means all Bonds theretofore issued by the City, except:

- (1) Bonds theretofore canceled or surrendered for cancellation in accordance with Section 1201 hereof;
- (2) Bonds for the payment or redemption of which moneys shall have been deposited in trust (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in this Agreement; and
- (3) Bonds defeased pursuant to Sections 1101(b) or (c) hereof.

“Owner” means, with respect to any Bond, the person shown as the owner thereof in the Bond Register.

“Prior Bonds” means the Community Facilities District No. 2012-1 of the City of Malibu (Malibu Civic Center Wastewater Treatment Plan Design Phase One) Special Tax Bonds, Series 2013.

“Record Date” means the fifteenth day of the month preceding an Interest Payment Date, whether or not such day is a Business Day.

“Redemption Fund” means the City of Malibu Assessment District No. 2015-1 Redemption Fund established with the Fiscal Agent pursuant to Section 501 hereof.

“Reserve Fund” means the City of Malibu Assessment District No. 2015-1 Reserve Fund established with the Fiscal Agent pursuant to Section 501 hereof.

“Reserve Requirement” means, on each September 2nd (the calculation date), the least of (i) 10% of the net proceeds derived from the sale of the Bonds and any Additional Bonds, (ii) maximum annual debt service on the Outstanding Bonds and any Additional Bonds, or (iii) 125% of average Annual Debt Service on the Outstanding Bonds and any Additional Bonds.

“Resolution of Formation” means Resolution No. 16-06 adopted by the City Council on January 25, 2015, forming the Assessment District and confirming the levy of assessments in accordance with the Engineer’s Report presented at such meeting.

“Resolution of Intention” means Resolution No. 15-27, adopted by the City Council of the City on June 8, 2015, stating the City’s intention, among other things, to issue the Bonds.

“Resolution of Issuance” means Resolution No. \_\_\_\_\_, adopted by the City Council of the City on April 25, 2016, authorizing the issuance of the Bonds and approving the terms and provisions of this Agreement.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, New York, New York 10041, Attn: Redemption Area, Facsimile transmission: (212) 855 7232, (212) 855 7233, or such other securities depositories as are designated by the City and whose business is to perform the functions of a clearing agency with respect to exempted securities, as defined in Section 3(a)(12) of the Securities Exchange Act of 1934, and who is registered as a clearing agency under Section 17A of the Act, such other addresses and/or such other securities depositories as the City may designate in a Certificate of the City delivered to the Fiscal Agent.

“Six-Month Period” means the period of time beginning on the Delivery Date of Bonds, as applicable, and ending six consecutive months thereafter, and each six-month period thereafter until the latest maturity date of the Bonds (and any obligations that refund an issue of the Bonds).

“State Loan Agreement” means that certain Loan and Grant Agreement by and between the City and the State Water Resources Control Board to be entered into immediately following the issuance of the Bonds.

“State Water Resources Control Board” means the State Water Resources Control Board, an administrative and regulatory agency of the State of California.

“Superintendent of Streets” means the Public Works Director of the City, or his or her designee.

“Supplemental Fiscal Agent Agreement” or “Supplement” means any supplemental agreement amending or supplementing this Agreement.

“Treasurer” means the City Treasurer or the City Manager, or his or her designee.

## **Section 102. Interpretation.**

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural, and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

**Section 103. Equality of Bonds; Pledge of Assessments; No Obligation to Cure Deficiency.** Pursuant to the 1913 Act, the 1915 Act and this Agreement, the Bonds, and Additional Bonds and the State Loan Agreement are equally secured by a first pledge of and shall be equally payable from the Assessments without priority for number, issue date, date of sale, date of execution or date of delivery, and the payment of the interest on and principal of the Bonds and any Additional Bonds and any premiums upon the redemption thereof, as well as any payments due under the State Loan Agreement, are equally secured by a first pledge of and shall be exclusively paid from the Assessments. The Bonds and any Additional Bonds shall also be secured by a first pledge of moneys on deposit in the Assessment Fund, Redemption Fund and the Reserve Fund which are hereby set aside for the payment of the Bonds and any Additional Bonds. The Assessments, the amounts in the foregoing funds (other than those moneys in the Assessment Fund held to make payments due under the State Loan Agreement), and any interest earned on such amounts shall constitute a trust fund held for the benefit of the Owners of the Bonds and any Additional Bonds to be applied to the payment of the interest on, premium, if any, and principal of the Bonds and any Additional Bonds. Payments pursuant to the State Loan Agreement shall be secured by a pledge of or lien on and be payable from the Assessments and the amounts on deposit in the Assessment Fund on a parity with the Bonds and any Additional Bonds. So long as any of the Bonds and any Additional Bonds remain Outstanding and the State Loan Agreement remains in effect, such amounts shall not be used for any other purpose, except as permitted by the 1913 Act, the 1915 Act, this Agreement, the State Loan Agreement or any Supplemental Fiscal Agent Agreement.

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF BONDS

**Section 201. Assessments.** The Assessments remaining unpaid, and the aggregate principal amount thereof, have been determined by the Treasurer and the Treasurer has filed a list of said Assessments in the office of the Superintendent of Streets. For a particular description of the lots or parcels of land bearing the respective assessment numbers set forth in said unpaid list and upon which Assessments remain unpaid, reference is hereby made to the Notice of Assessment and to the diagram recorded in the office of the Superintendent of Streets after confirmation of the Assessments by the City Council through the adoption of the Resolution of Formation and the Resolution of Change, the several lots or parcels of land represented by said assessment numbers being so numbered and designated upon the diagram and Assessments as so confirmed and recorded.

Collection of the remaining Assessments shall cease in the event sufficient moneys are available to redeem the Bonds and all amounts owed with respect to the State Loan Agreement as provided in Section 505.

**Section 202. Type and Nature of Bonds; Limited Liability.** Notwithstanding anything contained herein, in the Bonds, in the 1915 Act, any other provision of law, or in any of the resolutions adopted in connection with the proceedings for the Assessment District to the contrary, all Bonds authorized pursuant to this Agreement shall be a special obligation of the City, and the City shall not under any circumstances (including, without limitation, after any installment of principal or interest of any Assessment levied on any lot or parcel in the Assessment District becomes delinquent or after the City acquires title to any such lot or parcel whether through foreclosure or otherwise) be obligated to pay principal, premium, if any, or interest on the Bonds from any source whatsoever other than the Redemption Fund (including any transfers thereto from the Improvement Fund, the Assessment Fund and Reserve Fund). Neither the City, the City Council, the officers or employees of the City, any person or entity acting for or on behalf of the City in connection with the issuance of the Bonds or in connection with the formation or operation of the Assessment District, nor any persons executing the Bonds, shall be liable personally on the Bonds or be subject to any personal liability for the Bonds or any personal liability or accountability whatsoever by reason of or in connection with the issuance of the Bonds or by reason of any act or acts or the failure or omission to take any act or acts (including, without limitation, a negligent act or omission) in connection with or related to the formation or operation of the Assessment District.

**Section 203. Authorization and Purpose of Bonds.** The Bonds shall be designated “City of Malibu Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facility – Phase 1) Taxable Limited Obligation Improvement Bonds 2016 Series A” and shall be issued by the City under and pursuant to the 1915 Act and under and pursuant hereto in the aggregate principal amount equal to a portion of the aggregate amount of the unpaid Assessments determined by the Treasurer pursuant to Section 201. The designation of the Bonds shall include, in addition to the name “City of Malibu Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facility – Phase 1) Taxable Limited Obligation Improvement Bonds 2016 Series A,” such further appropriate particular designation added to or incorporated in the title for the Bonds as the City may determine or as shall be required by the 1915 Act; and each Bond shall bear upon its face the designation so determined. The Bonds may contain or have endorsed thereon such other descriptive provisions, specifications and words not inconsistent with the provisions hereof as may be desirable or necessary to comply with custom or the rules of any securities exchange or commission or brokerage board or otherwise as may be determined by the City prior to the delivery thereof.

The primary purpose for which the Bonds are to be issued is to provide funds to pay the cost of the Improvements heretofore ordered by the City Council.

### ARTICLE III

#### TERMS AND PROVISIONS OF BONDS

**Section 301. Terms of Bonds.**

(a) The interest on and principal of and redemption premiums, if any, on the Bonds shall be payable in lawful money of the United States of America at the office of the Fiscal Agent designated by the Fiscal Agent. Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

(b) All Bonds shall be initially issued in the form of a separate single certificated fully registered Bond for each maturity date, and the ownership of each Bond shall be registered in the

Bond Register in the name of Cede & Co., as nominee of DTC. Except as provided in subsection (e) hereof, all outstanding Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

(c) With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the City and the Fiscal Agent shall have no responsibility or obligation as 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 or any other person of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person of any amount with respect to principal of, premium, if any, and interest on the Bonds. The City and the Fiscal Agent may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Fiscal Agent shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner shall receive a certificated Bond evidencing the obligation of the City to make payments of principal, premium, if any, and interest pursuant to this Agreement. 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 provisions herein with respect to record dates, the word "Cede & Co." in this Agreement shall refer to such new nominee of DTC.

(d) The delivery of a representation letter by the City and the Fiscal Agent shall not in any way limit the provisions of subsection (b) hereof or in any other way impose upon the City or the Fiscal Agent any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners. The Fiscal Agent shall take all action necessary for all representations in the representation letter with respect to the Fiscal Agent to be complied with at all times.

(e) (i) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and the Fiscal Agent and discharging its responsibilities with respect thereto under applicable law.

(ii) The City, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the City determines that:

(A) DTC is unable to discharge its responsibilities with respect to the Bonds, or

(B) a continuation of the requirement that outstanding Bonds be registered in the Bond Register in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the Beneficial Owners of such Bonds.

(iii) Upon the termination of the services of DTC with respect to the Bonds pursuant to subsection (e)(ii)(B) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to subsection (e)(i) or subsection (e)(ii)(A) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be

found which, in the opinion of the City, is willing and able to undertake such functions upon reasonable and customary terms, the City is obligated to deliver Bond certificates, as described in this Agreement and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or names DTC shall designate to the Fiscal Agent in writing, in accordance with the provisions of this Agreement.

(f) Notwithstanding any other provisions of this Agreement to the contrary, as long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal or, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the DTC representation letter for the Bonds.

(g) Each Bond shall bear interest from the Interest Payment Date next preceding its date of authentication, unless (i) its date of authentication is after a Record Date and on or before the immediately succeeding Interest Payment Date, in which event the Bond shall bear interest from such Interest Payment Date or (ii) its date of authentication is before the close of business on the first Record Date, in which event the Bond shall bear interest from its dated date; provided, that if at the time of authentication of any Bond interest is then in default on the Outstanding Bonds, such Bonds shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Bonds.

Payment of interest on the Bonds due on or before the maturity or prior redemption thereof shall be made only to the person whose name appears in the Bond Register as the registered owner thereof at the close of business on the Record Date, such interest to be paid by check mailed by first class mail on the Interest Payment Date to such registered owner at his address as it appears on such books or at such other address as he may have filed with the Fiscal Agent for that purpose; provided, however, that, in the case of a registered owner of \$1,000,000 or more in aggregate principal amount of Bonds, upon written request of such registered owner to the Fiscal Agent at least 15 days prior to an Interest Payment Date, such payment may be made by wire transfer to an account within the United States designated by such owner. Payment of the principal of and redemption premiums, if any, on the Bonds shall be made by check only to the person whose name appears in the Bond Register as the registered owner thereof, such principal and redemption premiums, if any, to be paid only on the surrender of the Bonds at the office of the Fiscal Agent at maturity or on redemption prior to maturity.

(h) The Bonds shall recite, in substance, that the interest on and principal of and redemption premiums, if any, on the Bonds are payable solely from the levy of the Assessments, that the Bonds are limited obligations of the City and that the City will not obligate itself to advance available funds from its treasury to cure any deficiency in the Redemption Fund.

(i) From and after the issuance of the Bonds, the findings and determinations of the City Council shall be conclusive evidence of the existence of the facts so found and determined in any action or proceeding in any court in which the validity of such Bonds is at issue; and no bona fide purchaser of any of such Bonds shall be required to independently establish the existence of any fact or the performance of any condition or the taking of any proceeding required prior to such issuance or the application of the purchase price paid for such Bonds. The recital contained in the Bonds that the Bonds are issued under and pursuant to the 1915 Act and under and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance and all Bonds shall be incontestable from and after their issuance. Bonds shall be deemed to be issued, within the meaning

hereof, whenever the definitive Bonds (or any temporary Bonds exchangeable therefor) have been delivered to the purchaser thereof and the purchase price thereof received.

**Section 302. Execution and Authentication.** The Bonds shall be signed on behalf of the City by the manual or facsimile signature of the Treasurer of the City and by the manual or facsimile signature of the City Clerk in their capacity as officers of the City, and the seal of the City (or a facsimile thereof) may be impressed, imprinted, engraved or otherwise reproduced thereon, and attested by the signature of the City Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed have been authenticated and delivered by the Fiscal Agent (including new Bonds delivered pursuant to the provisions hereof with reference to the transfer and exchange of Bonds or to lost, stolen, destroyed or mutilated Bonds), such Bonds shall nevertheless be valid and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office.

Only such Bonds as shall bear thereon such certificate of authentication in the form set forth in Section 604 hereof shall be entitled to any right or benefit under this Agreement, and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been manually executed by the Fiscal Agent.

**Section 303. Registration, Exchange or Transfer.** The registration of any Bond may, in accordance with its terms, be transferred upon the Bond Register by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation at the aforesaid office of the Fiscal Agent, accompanied by delivery of a written instrument of transfer in a form acceptable to the Fiscal Agent and duly executed by the Bondowner or his or her duly authorized attorney.

Bonds may be exchanged at the aforesaid office of the Fiscal Agent for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity. The Fiscal Agent will not charge the Owner for any new Bond issued upon any exchange or transfer, but shall require the Owner requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. The cost of printing any Bonds and any services rendered or any expenses incurred by the Fiscal Agent in connection with any exchange or transfer shall be paid by the City as Administrative Expenses. Whenever any Bond or Bonds shall be surrendered for registration of transfer or exchange, the City shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond or Bonds of the same maturity for a like aggregate principal amount; provided, that the Fiscal Agent shall not be required to register transfers or make exchanges of Bonds (a) 15 days prior to the date established by the Fiscal Agent for selection of Bonds for redemption, or (b) with respect to a Bond after such Bond has been selected for redemption.

**Section 304. Bond Register.** The Fiscal Agent will keep or cause to be kept, at its corporate trust office, sufficient books for the registration and transfer of the Bonds which shall at all times during regular business hours upon reasonable prior notice be open to inspection by the City; 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 transferred on said Bond Register, Bonds as herein provided.

The City and the Fiscal Agent may treat the Owner of any Bond whose name appears on the Bond Register as the absolute Owner of such Bond for any and all purposes, and the City and the

Fiscal Agent shall not be affected by any notice to the contrary. The City and the Fiscal Agent may rely on the address of the Owner as it appears in the Bond Register for any and all purposes. It shall be the duty of the Bondowner to give written notice to the Fiscal Agent of any change in the Owner's address so that the Bond Register may be revised accordingly.

**Section 305. Mutilated, Lost, Destroyed or Stolen Bonds.** If any Bond shall become mutilated, the City shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor, date, maturity 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 handled in accordance with Section 1201 of this Agreement. 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 is satisfactory to the Fiscal Agent and, if indemnity satisfactory to the Fiscal Agent shall be given, the City, at the expense of the Bondowner, shall execute and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and maturity, numbered and dated as such Fiscal Agent shall determine in lieu of and in substitution for the Bond so lost, destroyed or stolen. Any Bond issued in lieu of any Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits hereof with all other Bonds issued hereunder. The Fiscal Agent shall not treat both the original Bond and any replacement Bond as being Outstanding Bonds for the purpose of determining the principal amount of Bonds which may be executed, authenticated and delivered or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement bond shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Bond to replace a Bond which has been mutilated, lost, destroyed or stolen, and which has matured or is about to mature, the Fiscal Agent may make payment with respect to such Bond upon receipt of indemnity satisfactory to it and the City.

**Section 306. Form of Bonds; Temporary Bonds.** At the option of the City, the definitive Bonds may be typewritten, and the Bonds and the certificate of authentication shall be substantially in the form provided in Section 604.

Until definitive Bonds shall be prepared, the City may cause to be executed and delivered, in lieu of such definitive Bonds, temporary Bonds in typed, written, printed, lithographed or engraved form and in fully registered form, subject to the same provisions, limitations and conditions as are applicable in the case of definitive Bonds, except that they may be in any denominations authorized by the City. Until exchanged for definitive Bonds, any temporary Bonds shall be entitled and subject to the same benefits and provisions of this Agreement as definitive Bonds. If the City issues temporary Bonds, it will execute and furnish definitive Bonds without unnecessary delay and thereupon any temporary Bond may be surrendered to the Fiscal Agent at the aforesaid office, without expense to the Owner, in exchange for a definitive Bond of the same maturity, interest rate and principal amount in any authorized denomination. All temporary Bonds so surrendered shall be canceled by the Fiscal Agent and shall not be reissued.

## ARTICLE IV

### REDEMPTION OF BONDS

**Section 401. Provisions for the Redemption of Bonds.**

(a) Mandatory Redemption from Assessment Prepayments. Whenever, as of an Interest Payment Date, there are sufficient funds in the Prepayment Account of the Redemption Fund from the proceeds of prepayments of Assessments, the Bonds shall be called for redemption as provided in Part 11.1 of the 1915 Act. The Bonds, or any portion of the principal thereof, in the principal amount of \$5,000 or any integral multiple thereof, may be redeemed and paid in advance of maturity on any Interest Payment Date, pro rata among maturities, by giving notice to the Owner thereof as provided in Section 403 below and by paying the principal amount thereof, plus interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, at the following redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed):

<i>Redemption Date</i>	<i>Price</i>
September 2, 2021 through March 2, 2024	103%
September 2, 2024 and March 2, 2025	102
September 2, 2025 and March 2, 2026	101
September 2, 2026 and thereafter	100

(b) Optional Redemption of Bonds from Other Funds, Excluding Assessment Prepayments. The Bonds are subject to redemption prior to their stated maturity dates on any Interest Payment Date from such maturities as selected by the City, from any source of funds other than prepayment of Assessments, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption at the following redemption prices (expressed as a percentage of the principal amount of Bonds to be redeemed):

<i>Redemption Date</i>	<i>Price</i>
Interest Payment Dates on or prior to March 2, 2024	103%
September 2, 2024 and March 2, 2025	102
September 2, 2025 and March 2, 2026	101
September 2, 2026 and thereafter	100

**Section 402. Selection of Bonds for Redemption.** If less than all of the Outstanding Bonds are to be redeemed, the City shall designate the principal amount of Bonds of each maturity to be redeemed as provided for in Section 8768 of the 1915 Act such that the ratio of Outstanding Bonds to issued Bonds shall be approximately the same in each maturity of the Bonds insofar as possible, and the Fiscal Agent shall select the particular Bonds to be redeemed from each maturity in said designated amount by lot in such manner as the Fiscal Agent may choose. The Fiscal Agent shall promptly notify the City in writing of the Bonds, or portions thereof, selected for redemption.

In lieu, or partially in lieu, of such call and redemption, moneys deposited in the Redemption Fund may be used to purchase Outstanding Bonds in the manner hereinafter provided. Purchases of Outstanding Bonds may be made by the City prior to the selection of Bonds for redemption by the Fiscal Agent, at public or private sale as and when and at such prices as the City may in its discretion determine, but only at prices (including brokerage or other expenses) of not more than par, plus the premium, if any, which would be payable with respect to such Bonds upon the redemption thereof, plus accrued interest, and any accrued interest payable upon the purchase of Bonds may be paid from the amount in the Interest Account of the Redemption Fund for payment of interest on the next following Interest Payment Date. The Fiscal Agent shall disburse moneys in the Prepayment Account for such purpose upon written direction of the City.

**Section 403. Notice of Redemption.** When Bonds are to be called for redemption under Section 401 and the Fiscal Agent has received the required notice from the City, the Fiscal Agent shall give notice, in the name of the City, of the redemption of such Bonds. Such notice of redemption shall (a) specify the serial numbers and the maturity date or dates of the Bonds selected for redemption, except that where all the Bonds subject to redemption, or all the Bonds of one maturity, are to be redeemed, the serial numbers thereof need not be specified; (b) state the date fixed for redemption and for surrender of the Bonds to be redeemed; (c) state the redemption price; (d) state the place or places where the Bonds are to be surrendered for redemption; and (e) in the case of Bonds to be redeemed only in part, state the portion of such Bond which is to be redeemed. Such notice shall further state that on the date fixed for redemption, there shall become due and payable on each Bond or portion thereof called for redemption, the principal thereof, together with any premium, and interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue and be payable. At least thirty (30) days but no more than sixty (60) days prior to the redemption date, the Fiscal Agent shall mail a copy of such notice, by registered or certified mail, postage prepaid, to the respective Owners of Bonds selected for redemption at their addresses appearing on the Bond Register. The actual receipt by the Owner of any Bond of notice of such redemption shall not be a condition precedent thereto, and failure to receive such notice shall not affect the validity of the proceedings for the redemption of such Bonds, or the cessation of interest on the redemption date. A certificate by the Fiscal Agent that notice of such redemption has been given as herein provided shall be conclusive as against all parties.

A notice of redemption for a redemption pursuant to Section 401(b) above may be conditioned upon receipt by the City of sufficient funds to effect the redemption. If sufficient funds are not on deposit with the Fiscal Agent at least one day prior to the redemption date, the redemption shall not occur and the Bonds shall remain Outstanding hereunder. If any redemption is cancelled due to a lack of sufficient funds, the Fiscal Agent shall mail a notice to the Owners stating that such redemption was cancelled and did not occur

Notices of redemption of Bonds registered in the name of DTC's nominee will be mailed by the Fiscal Agent to DTC, or its nominee, and not to the owners of beneficial interests in the Bonds. Notice of redemption will be provided to such beneficial owners only in accordance with the procedures governing the DTC book-entry system.

The Fiscal Agent shall take the following additional actions with respect to such notice of redemption provided that neither the failure to take such actions nor any defect in the action taken shall affect the validity of the proceedings for such redemption. On the date on which the notice to redemption is mailed to the Owners of the Bonds pursuant to the provisions above, such notice of redemption shall be given to one or more of the Securities Depositories if DTC is not the owner of all of the Bonds selected by the City by (i) first class mail, postage prepaid, (ii) confirmed facsimile transmission, or (iii) overnight delivery service.

**Section 404. Partial Redemption of Bonds.** Upon surrender of any Bond to be redeemed in part only, the City shall execute and the Fiscal Agent shall authenticate and deliver to the Owner, at the expense of the City, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the same interest rate and the same maturity.

**Section 405. Effect of Notice and Availability of Redemption Money.** Notice of redemption having been duly given, as provided in Section 403, and the amount necessary for the

redemption having been made available for that purpose and being available therefor on the date fixed for such redemption:

(a) the Bonds, or portions thereof, designated for redemption shall, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in this Agreement, anything in this Agreement or in the Bonds to the contrary notwithstanding;

(b) upon presentation and surrender thereof at the corporate trust office of the Fiscal Agent, the redemption price of such Bonds shall be paid to the Owner thereof;

(c) from and after the redemption date the Bonds or portions thereof so designated for redemption shall be deemed to be no longer Outstanding and such Bonds or portions thereof shall cease to bear further interest; and

(d) from and after the date fixed for redemption no Owner of any of the Bonds or portions thereof so designated for redemption shall be entitled to any of the benefits of this Agreement, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

## ARTICLE V

### CREATION OF FUNDS AND ACCOUNTS; APPLICATION OF PROCEEDS AND ASSESSMENTS

**Section 501. Funds and Accounts.** There are hereby created and established the following funds and accounts, which funds and accounts the City agrees and covenants to maintain with the Fiscal Agent so long as any Bonds are Outstanding hereunder:

(a) the City of Malibu Assessment District No. 2015-1 Costs of Issuance Fund (the "Costs of Issuance Fund");

(b) the City of Malibu Assessment District No. 2015-1 Redemption Fund (the "Redemption Fund"), in which there shall be established and created a Principal Account, an Interest Account and a Prepayment Account;

(c) the City of Malibu Assessment District No. 2015-1 Reserve Fund (the "Reserve Fund"); and

(d) the City of Malibu Assessment District No. 2015-1 Improvement Fund (the "Improvement Fund").

The City covenants and agrees to establish with the Treasurer the City of Malibu Assessment District No. 2015-1 Administrative Expense Fund (the "Administrative Expense Fund") and the City of Malibu Assessment District No. 2015-1 Assessment Fund (the "Assessment Fund").

Except for the Administrative Expense Fund, all moneys in the funds and accounts established hereunder shall be held by the Fiscal Agent and the Treasurer for the benefit of the Bondowners (other than the Improvement Fund), shall be accounted for separately and apart from all other accounts, funds, money or other resources of the City held by the Fiscal Agent and shall be allocated, applied and disbursed solely to the uses and purposes hereinafter set forth in this Article.

The Fiscal Agent may establish such additional funds, accounts or subaccounts of the funds or accounts listed above as it deems necessary or prudent to further its duties pursuant to this Agreement or any Supplemental Fiscal Agent Agreement and shall establish any additional funds, accounts or subaccounts which the City directs it to establish.

**Section 502. Costs of Issuance Fund.** The Fiscal Agent shall deposit into the Costs of Issuance Fund the amounts specified in Section 605. The Fiscal Agent shall pay the costs of issuing the Bonds from the Costs of Issuance Fund as set forth in written requisitions submitted by an Authorized Representative of the City from time to time which requests shall be substantially in the form set forth in Exhibit A hereto. Amounts on deposit in the Costs of Issuance Fund after the completion of the Improvements and the payment of all claims with respect thereto shall be used as determined by the City in the manner provided in Section 10427 of the 1913 Act. At the direction of an Authorized Representative of the City, the Fiscal Agent shall transfer any remaining balance in the Costs of Issuance Fund for deposit in the Improvement Fund and the Costs of Issuance Fund shall be closed.

**Section 503. Assessment Fund.** Upon receipt of Assessment Installments, the Treasurer shall immediately deposit the Assessment Installments into the Assessment Fund. On or prior to the first day of March and September of each year commencing September 2, 2016, the City shall transfer to the Fiscal Agent for deposit to the Redemption Fund the amounts set forth in the following clauses, in the following order of priority, and on a parity basis, without preference or priority, transfer to the State Water Resources Control Board amounts necessary to pay the principal and interest due on the State Loan Agreement on such \_\_\_\_\_ [March 2 or September 2], including amounts necessary to restore the reserve fund established for the State Loan Agreement to the required level:

(a) the Interest Account of the Redemption Fund, an amount sufficient to make the Interest Payment on the next succeeding Interest Payment Date for the Bonds and any Additional Bonds;

(b) the Principal Account of the Redemption Fund, the amount needed to make the Principal Payment due on the following September 2 on the Outstanding Bonds and any Additional Bonds; and

(c) the Reserve Fund, the amount needed to restore the Reserve Fund to the Reserve Requirement.

Any moneys remaining in the Assessment Fund after the deposits described above shall be transferred by the Treasurer, at the written direction of an Authorized Representative of the City, and to the extent that there are sufficient moneys on deposit therein, to the Prepayment Account of the Redemption Fund to redeem Bonds and any Additional Bonds as provided in Section 504. To the extent that the amounts in the Assessment Fund are insufficient to redeem Bonds or any Additional Bonds in an authorized denomination, such moneys shall be used by the Fiscal Agent, at the written direction of an Authorized Representative of the City for the payment of interest or principal on the next Interest Payment Date. The City shall apply such amounts, as a credit against each of the unpaid Assessments in amounts equal to each parcel's share or portion thereof, of the total amount of Assessment.

Upon provision for payment or redemption of all Bonds and any Additional Bonds and after payment of any amounts due to the Fiscal Agent, all moneys remaining in the Assessment Fund shall be paid to the City.

**Section 504. Redemption Fund.** The principal of and interest on the Bonds and any Additional Bonds until maturity shall be paid by the Fiscal Agent from the Redemption Fund. At the maturity of the Bonds and any Additional Bonds, and after all principal and interest then due on any Outstanding Bonds and any Additional Bonds has been paid or provided for, moneys in the Redemption Fund shall be transferred to the Assessment Fund.

(a) On or prior to the first day of March or September of each year, commencing September 1, 2016, the Fiscal Agent shall transfer to the Interest Account of the Redemption Fund an amount such that the balance in the Interest Account one day prior to each Interest Payment Date shall be equal to the installment of interest due on the Bonds and any Additional Bonds on said Interest Payment Date. Moneys in the Interest Account shall be used for the payment of interest on the Bonds and any Additional Bonds as the same becomes due.

(b) On or prior to the first day of September of each year, commencing September 1, 2016, the Fiscal Agent shall transfer to the Principal Account of the Redemption Fund an amount up to the principal payment due on the Bonds and any Additional Bonds on the following September 2. Moneys in the Principal Account shall be used to pay the principal of the Bonds and any Additional Bonds as the same become due at maturity.

(c) Any amounts remaining in the Redemption Fund, other than in the Prepayment Account, on September 15 of each year, after all principal and interest payments due on the prior September 2 have been paid, shall be transferred to the Assessment Fund.

(d) Moneys set aside in the Prepayment Account of the Redemption Fund shall be used solely for the purpose of redeeming Bonds and any Additional Bonds and shall be applied on or after the redemption date to the payment of principal of and premium, if any, on the Bonds and any Additional Bonds to be redeemed upon presentation and surrender of such Bonds or any Additional Bonds.

Upon receiving any prepayment of an Assessment, the City shall transfer such prepayment to the Fiscal Agent for deposit in the Prepayment Account, which when coupled with the moneys transferred from the Reserve Fund pursuant to Section 505 to the Prepayment Account, shall be used to redeem Bonds pursuant to Section 401(a) or any Additional Bonds pursuant to the terms of the applicable Supplemental Fiscal Agent Agreement on the next Interest Payment Date for which proper notice pursuant to Section 403 or applicable provision of a Supplemental Fiscal Agent Agreement can be given by the Fiscal Agent. Alternatively, the City may transfer any prepayment to the State Water Resources Control Board to prepay a part of the State Loan Agreement. Upon receipt of written instructions from the City, the Fiscal Agent shall transfer that portion, if any, of the prepayment representing accrued interest owing on the Bonds or any Additional Bonds to the Interest Account of the Redemption Fund and that portion representing principal and premium due on the Bonds or any Additional Bonds on the next principal payment date to the Principal Account of the Redemption Fund. If less than all of the prepayment of an Assessment, together with the money transferred from the Reserve Fund, can be used to redeem Bonds or any Additional Bonds in increments of \$5,000, the remaining portion of the prepayment is to be retained in the Prepayment Account and, when at the written direction of an Authorized Representative of the City there is

sufficient money to redeem Bonds or any Additional Bonds, shall be used to redeem Bonds or any Additional Bonds as herein provided. Money received from the City from funds other than the prepayment of Assessments, including any surplus amount in the Improvement Fund transferred to the Fiscal Agent in accordance with Section 10427(d) of the 1913 Act, shall be deposited in the Prepayment Account and used to redeem Bonds as provided in Section 401(b) hereof or any Additional Bonds pursuant to the terms of the applicable Supplemental Fiscal Agent Agreement.

If, after all of the Bonds and Additional Bonds have been redeemed and canceled or paid and canceled, there are moneys remaining in any account of the Redemption Fund, said moneys shall be transferred to the Assessment Fund.

**Section 505. Reserve Fund.** The Fiscal Agent shall initially deposit into the Reserve Fund the amount specified in Section 605. Thereafter, the Treasurer shall transfer sufficient funds from the Assessment Fund as provided in Section 503 in order to maintain the Reserve Requirement in the Reserve Fund at all times. On or before each February 15 and August 15, the Fiscal Agent shall determine whether the amount on deposit in the Reserve Fund equals the Reserve Requirement.

Moneys in the Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the Bonds and any Additional Bonds when due in the event that the moneys in the Redemption Fund are insufficient therefor. The Fiscal Agent shall withdraw moneys as necessary from the Reserve Fund for deposit in the Redemption Fund on or before the first day of March and September of each year.

In the event an Assessment is prepaid in whole or in part, the Assessment being prepaid shall be reduced by the amount transferred from the Reserve Fund pursuant to this paragraph to the Prepayment Account of the Redemption Fund. The amount transferred shall be that portion of the balance then in the Reserve Fund equal to the proportion that the Assessment prepaid bears to the total of all Assessments remaining unpaid as of such date. The City shall notify, or shall cause the Fiscal Agent to be notified, of the amount to be transferred.

In the event that moneys in the Reserve Fund and the moneys in the Redemption Fund and the Assessment Fund are sufficient to retire all of the Outstanding Bonds and any Additional Bonds plus accrued interest thereon, such moneys in the Reserve Fund and the Assessment Fund shall at the written direction of City be transferred to the Redemption Fund for the payment of the Bonds and any Additional Bonds.

All amounts remaining in the Reserve Fund in the year in which the last Assessment Installments become due and payable shall be credited toward said Assessment Installments as set forth below:

On or prior to July 1st of the Fiscal Year next preceding the Fiscal Year in which the last unpaid Assessment Installment securing the Bonds and any Additional Bonds becomes due and payable, the City shall determine the amount remaining in the Reserve Fund, and shall declare such amount to be surplus and direct the Fiscal Agent as to the transfer of such amount in order that it may be credited in the manner set forth in Section 10427.1 of the 1913 Act; provided that if all or any part of such Assessments remain unpaid and are payable in installments, the amount apportioned to each parcel shall be credited against the last of such unpaid Assessment Installments and, if the amount apportioned to each parcel exceeds the amount of said last installment, then such excess shall be credited against the next to last of such Assessment Installments.

Notwithstanding any provisions herein to the contrary, moneys in the Reserve Fund in excess of the Reserve Requirement shall be withdrawn from the Reserve Fund by the Fiscal Agent on or before each February 15 and August 15, and shall be transferred to the Interest Account, the Principal Account or the Prepayment Account in an amount directed in writing by an Authorized Representative of the City received at least one Business Day prior to each February 15 and August 15. In the absence of written direction from the City, all amounts shall be transferred to the Redemption Fund and shall be used as provided in Section 503.

**Section 506. [Reserved].**

**Section 507. Improvement Fund.** The moneys in the Improvement Fund shall be applied to pay the costs of the Improvements and shall be disbursed by the Fiscal Agent as specified in a written direction from an Authorized Representative of the City which must be submitted in connection with each requested disbursement substantially in the form set forth in Exhibit A hereto.

Upon receipt of a certificate of an Authorized Representative of the City stating that all or a specified portion of the amount remaining in the Improvement Fund is no longer needed to pay costs of the Improvements, the Fiscal Agent shall transfer all or such specified portion, as applicable, of the moneys remaining on deposit in the Improvement to the Prepayment Account of the Redemption Fund to be used to redeem Bonds or any Additional Bonds or for such other purposes as permitted by the 1913 Act and the 1915 Act, all as directed in said certificate.

**Section 508. Investments.** Moneys held in any of the funds and accounts under this Agreement shall be invested at the written direction of an Authorized Representative of the City only in Authorized Investments which shall be deemed at all times to be a part of such funds and accounts. The Fiscal Agent shall provide monthly statements or reports of the principal balances and investment earnings thereon in each fund and account maintained by the Fiscal Agent hereunder.

Authorized Investments shall be purchased at such prices as directed by an Authorized Representative of the City in written directions (or telephonic directions confirmed in writing) delivered to the Fiscal Agent. The Fiscal Agent may conclusively reply upon the written instructions of the Authorized Representative as to both the suitability and legality of directed investments. Directions as to the purchase of all Authorized Investments shall be subject to the limitations hereinafter in this Section set forth and such additional limitations or requirements consistent with the foregoing as may be established by the Treasurer.

Moneys in all funds and accounts except for the Reserve Fund shall be invested in Authorized Investments maturing, or with respect to which payments of principal and interest are scheduled or otherwise payable, not later than the date on which the Treasurer has estimated that such moneys will be required by the Fiscal Agent for the purposes specified in this Agreement. Moneys in the Reserve Fund shall be invested in Authorized Investments.

All interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Agreement shall be retained therein, except as transfers from such funds or accounts are authorized in this Agreement. For investment purposes only, the Fiscal Agent may commingle the funds and accounts established hereunder, and administered by the Fiscal Agent, but shall account for each separately.

Notwithstanding anything to the contrary contained in this Section, an amount of interest received with respect to any Authorized Investment equal to the amount of accrued interest, if any, paid as part of the purchase price of such Authorized Investment shall be credited to the fund or account for the credit of which such Authorized Investment was acquired.

For the purpose of determining the amount in any fund or account other than the Reserve Fund, all Authorized Investments credited to such fund or account shall be valued at the lower of the cost or the market value thereof, exclusive of accrued interest. Amounts in the Reserve Fund shall be valued at their market value at least semi-annually on or before February 15 and August 15 (or more frequently as may be requested by the Treasurer, but in no event more often than monthly). In making any such valuation, the Fiscal Agent may utilize nationally recognized securities valuation or pricing services available to it through its accounting system. The Fiscal Agent may rely on such valuations and shall not be responsible for the accuracy thereof.

The Fiscal Agent, or any of its affiliates, may act as principal or agent in the making or disposing of any investment or as a sponsor, depository, manager for or advisor to any issuer of Authorized Investments. The Fiscal Agent shall sell, or present for redemption, any Authorized Investment so purchased 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 Authorized Investment is credited, and, subject to the provisions of Section 904, the Fiscal Agent shall not be liable or responsible for any loss resulting from such investment, or any other investment made at the direction of the City or otherwise made in accordance with this Agreement.

In the absence of written investment direction from the Treasurer received at least two Business Days prior to the maturity of an Authorized Investment, the Fiscal Agent shall invest solely in Authorized Investments set forth in subsection (3) of the definition thereof.

The Fiscal Agent shall be entitled to rely conclusively upon the written instructions of the City directing investments in Authorized Investments as to the fact that each such investment is permitted by the laws of the State of California and is an Authorized Investment as required by this Agreement and shall not be required to make further investigation with respect thereto. With respect to any restrictions set forth in the list of Authorized Investments which embody legal conclusions (e.g., the existence, validity and perfection of security interests in collateral), the Fiscal Agent shall be entitled to rely conclusively on an opinion of counsel or upon a representation of the provider of such Authorized Investment obtained at the City's expense.

Except as specifically provided in this Agreement, the Fiscal Agent shall not be liable to pay interest on any moneys received by it, but shall be liable only to account to the City for earnings derived from funds that have been invested.

The City acknowledges that regulations of the Comptroller of the Currency grant the City the right to receive brokerage confirmation of security transactions to be effected by the Fiscal Agent hereunder as they occur. The City specifically waives the right to receive such confirmation to the extent permitted by applicable law and agrees that it will instead receive periodic cash transaction statements which include detail for the investment transactions effected by the Fiscal Agent hereunder; provided, however, that the City retains its right to receive brokerage confirmation on any investment transaction requested by the City.

**Section 509. Delinquency Resulting in Ultimate or Temporary Loss on Bonds.** If a temporary deficiency occurs in the Assessment Fund with which to pay Bonds, any Additional Bonds or the State Loan Agreement that have then matured, past due interest or the principal and interest on Bonds, any Additional Bonds or the State Loan Agreement coming due during the current year, but it does not appear to the Treasurer that there will be an Ultimate Loss (as defined herein) to the Bondowners or the State Water Resources Control Board, the Treasurer shall transfer moneys on deposit in the Reassessment Fund to the Fiscal Agent and the State Water Resources Control Board on a pari passu basis without preferences or priority and shall cause the Fiscal Agent to pay the principal of Bonds and any Additional Bonds which have matured as presented and make interest payments on the Bonds and any Additional Bonds when due, as long as there are available funds in the Redemption Fund, in the following order of priority:

(1) All matured interest payments shall be made before the principal of any Bonds and any Additional Bonds is paid.

(2) Interest on Bonds and any Additional Bonds of earlier maturity shall be paid before interest on Bonds and any Additional Bonds of later maturity.

(3) Within a single maturity, interest on lower-numbered Bonds and any Additional Bonds shall be paid before interest on higher-numbered Bonds and any Additional Bonds.

(4) The principal of Bonds and any Additional Bonds shall be paid in the order in which the Bonds and any Additional Bonds are presented for payment. Any Bond or Additional Bond which is presented but not paid shall be assigned a serial number according to the order of presentment and shall be returned to the Bondowner.

When funds become available for the payment of any Bond or Additional Bond which was not paid upon presentment, the Treasurer shall cause the Fiscal Agent to notify the registered owner of such Bond or Additional Bond by registered mail to present the Bond or Additional Bond for payment. If the Bond or Additional Bond is not presented for payment within ten days after the mailing of the notice, interest shall cease to run on such Bond or Additional Bond.

If it appears to the Treasurer that there is a danger of an ultimate loss accruing to the Bondowners for any reason, he or she is required pursuant to the 1915 Act to withhold payment on all matured Bonds and Additional Bonds and interest on all Bonds and Additional Bonds and report the facts to the City Council so that the City Council may take proper action to equitably protect all Bondowners.

Upon the receipt of such notification from the Treasurer, the City Council shall fix a date for a hearing upon such notice. At the hearing the City Council must determine whether in its judgment there will ultimately be insufficient money in the Assessment Fund to pay the principal of the unpaid Bonds, Additional Bonds and the State Loan Agreement and interest thereon. If the City Council determines that in its judgment there will ultimately be a shortage in the Assessment Fund to pay the principal of the unpaid Bonds and Additional Bonds and interest thereon and the State Loan Agreement (an "Ultimate Loss"), the City Council shall direct the Treasurer to pay to the Owners of all Outstanding and unpaid Bonds and Additional Bonds and the State Water Resources Control Board such proportion thereof as the amount of funds on hand in the Assessment Fund bears to the total amount of the unpaid principal of the Bonds, any Additional Bonds and the State Loan

Agreement and interest which has accrued or will accrue thereon. Similar proportionate payments shall thereafter be made periodically as moneys come into the Assessment Fund.

Upon the determination by the City Council that an Ultimate Loss will occur, the Treasurer shall cause the Fiscal Agent to notify all Bondowners to surrender their Bonds and Additional Bonds to the Treasurer for cancellation. Upon cancellation of the Bonds and any Additional Bonds, the Bondowner shall be credited with the principal amount of the Bond or Additional Bond so canceled. The Treasurer shall then pay by warrant the proportionate amount of principal and accrued interest due on the Bonds and Additional Bonds of each Bondowner as may be available from time to time out of the money in the Redemption Fund. Interest shall cease on principal payments made from the date of such payment, but interest shall continue to accrue on the unpaid principal at the rate specified on the Bonds and any Additional Bonds until payment thereof is made. No premiums shall be paid on payments of principal on Bonds and Additional Bonds made pursuant to this Section in advance of the maturity date thereon.

If a Bond or Additional Bond is not surrendered for registration and payment, the Treasurer shall cause the Fiscal Agent to give notice at the expense of the City to the Bondowner by registered mail, at the Bondowner's last address as shown on the registration books, of the amount available for payment. Interest on such amount shall cease as of ten days from the date of mailing of such notice.

If the City Council determines that in its judgment there will not be an Ultimate Loss, it shall direct the Treasurer to pay matured Bonds and Additional Bonds and interest as long as there is available money in the Redemption Fund. The priority of payments will be as set forth in the first paragraph hereof.

## ARTICLE VI

### ISSUANCE OF BONDS

**Section 601. Authorization and Designation of Bonds.** The City has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines, that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by the 1915 Act, and that the City is now authorized, pursuant to each and every requirement of the 1915 Act and hereof, to issue the Bonds upon the security of the Assessments in the aggregate principal amount described in the Bond Purchase Agreement and in the form and manner provided herein, which Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

**Section 602. Denominations of Bonds.** The Bonds shall be issued as fully registered Bonds in the denomination of \$5,000 or any increment of \$5,000 in excess thereof.

**Section 603. Interest Payment Date of Bonds.** The Bonds shall be dated their Closing Date and shall mature on September 2 of the years, and in the respective principal amounts set forth opposite such years, and shall bear interest at the respective rates per annum, set forth in the following table:

<i>Maturity Date</i> <i>(September 2)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
--	-------------------------	----------------------

\$

%

**Section 604. Form of Bonds.** The Bonds shall be in substantially the following form, the blanks to be filled in with appropriate words and figures, conforming to the terms of this Fiscal Agent Agreement:

**[FORM OF BOND]**

R-\_\_

\$ \_\_\_\_\_

**UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE FISCAL AGENT AGREEMENT) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.**

**UNITED STATES OF AMERICA  
STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES**

**CITY OF MALIBU  
ASSESSMENT DISTRICT NO. 2015-1  
(CIVIC CENTER WASTEWATER TREATMENT FACILITY – PHASE 1)  
TAXABLE LIMITED OBLIGATION IMPROVEMENT BOND  
2016 SERIES A**

***INTEREST  
RATE***  
\_\_\_\_\_%

***MATURITY DATE***  
September 2, \_\_\_\_\_

***DATED DATE***  
\_\_\_\_\_, 2016

***CUSIP  
NUMBER***  
\_\_\_\_\_

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ AND 00/100 DOLLARS

Under and by virtue of the Improvement Bond Act of 1915, Division 10 (commencing with Section 8500) of the California Streets and Highways Code (the "Act") and Resolution No. \_\_\_\_\_ (the "Resolution of Issuance") adopted by the City Council of the City of Malibu (the "City") on the \_\_\_\_\_ day of \_\_\_\_\_, 2016, the City will, out of the redemption fund for the payment of the bonds issued upon the unpaid portion of assessments made for the acquisition, work, and improvements more fully described in proceedings taken pursuant to Resolution No. 15-27 (the "Resolution of Intention") adopted by the City Council of the City on the 8th day of June, 2015, pay to the registered owner stated above, on the maturity date stated above, the principal sum stated above in lawful money of the United States of America, all as provided for in a Fiscal Agent Agreement dated as of \_\_\_\_\_ 1, 2016 (the "Fiscal Agent Agreement"), by and between U.S. Bank National Association, as fiscal agent (the "Fiscal Agent") and the City. In like manner, the City will pay interest on this bond from the Interest Payment Date (as defined below) next preceding the date on which this bond is authenticated, unless (i) its date of authentication is after the fifteenth day of the month preceding an Interest Payment Date (the "Record Date") and on or before the immediately succeeding Interest Payment Date, in which event the bond shall bear interest from such Interest Payment Date or (ii) its date of authentication is before the close of business on the first Record Date, in which event the bond shall bear interest from the date of this bond; provided, however, that if at the time of authentication of this bond, interest is in default, interest on this bond

shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment. Such interest shall be payable on March 2 and September 2 of each year, commencing [September 2, 2016] (each, an “Interest Payment Date”).

Both the principal hereof and redemption premium hereon, if any, are payable at the office of the Fiscal Agent, and the interest hereon is payable by check mailed by first class mail, postage prepaid, on the Interest Payment Date to the owner hereof at the owner’s address as it appears on the records of the Fiscal Agent or at such address as may have been filed with the Fiscal Agent for that purpose, at the close of business on the applicable Record Date; provided, however, that at the written request of an owner of at least \$1,000,000 in aggregate principal amount of bonds, filed with the Fiscal Agent prior to any Record Date, interest on such bonds will be paid to such owner on such succeeding Interest Payment Date by wire transfer of immediately available funds to an account within the United States of America designated in such written request.

This bond will continue to bear interest after maturity at the rate above stated provided it is presented at maturity and payment hereof is refused upon the sole ground that there are not sufficient moneys in said redemption fund with which to pay the same. If it is not presented at maturity, interest hereon will run only until maturity.

This bond is one of several annual maturities of bonds (the “Bonds”) of like date, tenor and effect, but differing in amounts, maturities and interest rates, issued by the City under the Act and the Fiscal Agent Agreement for the purpose of providing means for paying for the improvements described in the proceedings; and it is secured by the moneys in the redemption fund and by the unpaid portion of certain assessments made for the payment of those improvements, and, including principal and interest, is payable exclusively out of said fund.

This bond, or any portion of the principal hereof, in the principal amount of \$5,000 or any integral multiple thereof, may be redeemed and paid in advance of maturity on any Interest Payment Date from the proceeds of prepayment of Assessments in the manner provided in Part 11.1 of the Act in any year by giving notice to the owner hereof as provided in the Fiscal Agent Agreement and by paying the principal amount thereof, plus interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, at the following redemption prices (expressed as a percentage of the principal amount of the bond to be redeemed):

<i>Redemption Date</i>	<i>Price</i>
Interest Payment Dates on or prior to March 2, 2024	103%
September 2, 2024 and March 2, 2025	102
September 2, 2025 and March 2, 2026	101
September 2, 2026 and thereafter	100

This bond is subject to redemption prior to its stated maturity date on any Interest Payment Date, from any source of funds other than prepayment of assessments at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption at the following redemption prices (expressed as a percentage of the principal amount of the bond to be redeemed):

<i>Redemption Date</i>	<i>Price</i>
September 2, 2021 through March 2, 2024	103%
September 2, 2024 and March 2, 2025	102
September 2, 2025 and March 2, 2026	101
September 2, 2026 and thereafter	100

This bond is transferable by the registered owner hereof, in person or by the owner's attorney duly authorized in writing, at the office of the Fiscal Agent, subject to the terms and conditions provided in the Fiscal Agent Agreement, including the payment of certain charges, if any, upon surrender and cancellation of this bond. Upon such transfer a new registered bond or bonds of any authorized denomination or denominations, of the same maturity, for the same aggregate principal amount, will be issued to the transferee in exchange herefor.

Bonds shall be registered only in the name of an individual (including joint owners), a corporation, limited liability company, a partnership, a trust or other legal entity validly existing and authorized to own the Bonds.

Neither the City nor the Fiscal Agent shall be required to make such exchanges or to register such transfers of bonds (a) during the 15 days prior to any Interest Payment Date or the date established by the Fiscal Agent for selection of Bonds for redemption, or (b) with respect to a bond after such bond has been selected for redemption.

The City and the Fiscal Agent may treat the owner hereof, as shown on the bond register kept by the Fiscal Agent, as the absolute owner for all purposes; and the City and the Fiscal Agent shall not be affected by any notice to the contrary.

The Fiscal Agent Agreement is incorporated by reference herein and by acceptance hereof the registered owner assents to said terms and conditions.

This bond is subject to refunding pursuant to the procedures of the Refunding Act of 1984 for 1915 Improvement Act Bonds.

This bond shall not be entitled to any benefit under the Act or the Fiscal Agent Agreement or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been manually signed by the Fiscal Agent.

THE CITY HAS DECLARED AND DETERMINED IN THE RESOLUTION OF INTENTION THAT PURSUANT TO SECTION 8769 OF THE IMPROVEMENT BOND ACT OF 1915 IT WILL NOT OBLIGATE ITSELF TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO CURE ANY DEFICIENCY WHICH MAY OCCUR IN THE REDEMPTION FUND.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF MALIBU, THE COUNTY OF LOS ANGELES, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE FISCAL AGENT AGREEMENT.

IN WITNESS WHEREOF, the City of Malibu has caused this bond to be signed in manual or facsimile form by the Treasurer of said City and attested to by the City Clerk of the City Council of said City, all as of the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

CITY OF MALIBU

\_\_\_\_\_  
Treasurer for the City of Malibu

ATTEST:

\_\_\_\_\_  
City Clerk

**[FORM OF CERTIFICATE OF AUTHENTICATION AND REGISTRATION]**

This is one of the bonds described in the within-mentioned Fiscal Agent Agreement, which bond has been authenticated and registered on \_\_\_\_\_, 2016.

U.S. BANK NATIONAL ASSOCIATION,  
as Fiscal Agent

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

**[FORM OF LEGAL OPINION]**

The attached is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

\_\_\_\_\_  
City Clerk of the City of Malibu

**[FORM OF ASSIGNMENT]**

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

TAX I.D. #: \_\_\_\_\_  
the within bond and do(es) hereby irrevocably constitute and appoint

attorney to transfer the same on the register of the Fiscal Agent with full power of substitution in the premises.

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

\_\_\_\_\_  
SIGNATURE GUARANTEED:

\_\_\_\_\_  
Signature(s) must be guaranteed by an eligible guarantor institution

NOTE: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever and the signature(s) must be guaranteed by an eligible guarantor.

**Section 605. Application of Proceeds of the Sale of Bonds and of the Prepaid Amounts.** Proceeds from the sale of the Bonds shall be used as follows:

(i) \$\_\_\_\_\_ shall be deposited by the Fiscal Agent into the Reserve Fund equaling the Reserve Requirement;

(ii) \$\_\_\_\_\_ shall be deposited by the Fiscal Agent in the Costs of Issuance Fund;

(iii) \$\_\_\_\_\_ shall be transferred to U.S. Bank National Association as trustee for the Prior Bonds for the purpose of paying debt service on the Prior Bonds through September 1, 2016 and redeeming the Prior Bonds then outstanding on September 1, 2016;

(iv) \$\_\_\_\_\_ shall be deposited by the Fiscal Agent in the Interest Account; and

(v) \$\_\_\_\_\_ shall be deposited by the Fiscal Agent in the Improvement Fund.

## ARTICLE VII

### COVENANTS AND WARRANTY

**Section 701. Warranty.** The City shall preserve and protect the security of the Bonds and the rights of the Owners against all claims and demands of all persons.

**Section 702. Covenants.** So long as any of the Bonds are Outstanding and unpaid, the City makes the following covenants with the Owners under the provisions of the 1913 Act, the 1915 Act and this Agreement (to be performed by the City or its proper officers, agents or employees), which covenants are necessary, convenient and desirable to secure the Bonds and tend to make them more marketable; provided, however, that said covenants do not require the City to expend any funds or moneys other than the Assessments:

(a) Punctual Payment; Covenant Against Encumbrances. The City covenants that it will receive all Assessment Installments in trust and will, consistent with Section 503 hereof, deposit the Assessment Installments on a parity basis with the Fiscal Agent for the payment of the Bonds and to the State Water Loan Fund as needed, and the City shall have no beneficial right or interest in the amounts so deposited except as provided by this Agreement. All such Assessment Installments, whether received by the City in trust or deposited with the Fiscal Agent, all as herein provided, shall nevertheless be disbursed, allocated and applied solely to the uses and purposes herein set forth, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the City.

The City covenants that it will duly and punctually pay or cause to be paid the principal of and interest on every Bond issued hereunder, together with the premium, if any, thereon on the date, at the place and in the manner set forth in the Bonds and in accordance with this Agreement to the extent Assessments and interest earnings transferred to the Redemption Fund are available therefor, and that the payments into the Redemption Fund and the Reserve Fund will be made, all in strict conformity with the terms of the Bonds and this Agreement, and that it will faithfully observe and

perform all of the conditions, covenants and requirements of this Agreement and all Supplements and of the Bonds issued hereunder. If at any time the total balance in the Redemption Fund, the Assessment Fund and the Reserve Fund is sufficient to redeem all Outstanding Bonds pursuant to Section 401 hereof, the Treasurer may direct the Fiscal Agent to effect such redemption on the earliest date on which all Outstanding Bonds may be redeemed.

The City will not mortgage or otherwise encumber, pledge or place any charge upon any of the Assessment Installments, and will not issue any obligation or security superior to the Bonds, payable in whole or in part from the unpaid Assessments other than the State Loan Agreement and amounts due thereunder.

(b) Covenant to Levy. The City will cause the Assessment Installments required to pay the principal of and interest on the Bonds and payments under the State Loan Agreement when due to be placed on the tax bills of the owners of the parcels assessed and covenants to levy assessments, as permitted by law and the Resolution of Formation, to satisfy the Administrative Expense Requirement.

(c) Commence Foreclosure Proceedings. If the City determines that any single parcel subject to the Assessments is delinquent in the payment of an Assessment Installment, then the City shall, within 60 days of such determination, send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the owner of each parcel delinquent in the payment of said Assessment Installment, and (if the delinquency remains incurred) shall commence foreclosure proceedings within 180 days of such determination against each parcel delinquent.

(d) Books and Accounts. The City will cause the Fiscal Agent to keep 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 made by its Fiscal Agent hereunder. 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 or of the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding or their representatives authorized in writing.

**Section 703. Continuing Disclosure Agreement.** The City hereby covenants and agrees that it will comply with and carry out all of its obligations under the Continuing Disclosure Agreement to be executed and delivered by the City in connection with the issuance of the Bonds. Notwithstanding any other provision of this Agreement, failure of the City to comply with the Continuing Disclosure Agreement shall not be considered an event of default; however, any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section 703. For purposes of this Section, "Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

## ARTICLE VIII

### AMENDMENTS TO AGREEMENT

**Section 801. Amendments Not Requiring Bondowner Consent.** The City may from time to time, and at any time, without notice to or consent of any of the Bondowners, adopt Supplements hereto for any of the following purposes:

(a) to cure any ambiguity or to correct or supplement any provisions herein provided that such action shall not materially adversely affect the interests of the Bondowners;

(b) to add to the covenants and agreements of, and the limitations and the restrictions upon, the City contained in this Agreement, other covenants, agreements, limitations and restrictions to be observed by the City which are not contrary to or inconsistent with this Agreement as theretofore in effect;

(c) to modify, amend or supplement this Agreement in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not, materially adversely affect the interests of the Owners of the Bonds; or

(d) to modify, alter, amend or supplement this Agreement in any other respect which is not materially adverse to the Bondowners.

**Section 802. Amendments Requiring Bondowner Consent.** Exclusive of the Supplements described in Section 801, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right to consent to and approve such Supplements as shall be deemed necessary or desirable by the City for the purpose of waiving, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Agreement; provided, however, that nothing herein shall permit, or be construed as permitting, (a) an extension of the maturity date of the principal, or the payment date of interest on, any Bond, (b) a reduction in the principal amount of, or redemption premium on, any Bond or the rate of interest thereon, (c) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds the Owners of which are required to consent to such Supplement without the consent of the Owners of all the Bonds then Outstanding.

If at any time the City shall desire to enter into a Supplement, which pursuant to the terms of this Section shall require the consent of the Bondowners, the City shall so notify the Fiscal Agent and shall deliver to the Fiscal Agent a copy of the proposed Supplement. The Fiscal Agent shall, at the expense of the City, cause notice of the proposed Supplement to be mailed, by first class mail postage prepaid, to all Bondowners and their addresses as they appear in the Bond Register. Such notice shall briefly set forth the nature of the proposed Supplement and shall state that a copy thereof is on file at the office of the Superintendent of Streets and the corporate trust office of the Fiscal Agent for inspection by all Bondowners. The failure of any Bondowners to receive such notice shall not affect the validity of such Supplement when consented to and approved by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding as required by this Section. Whenever at any time within one year after the date of the first mailing of such notice the

Fiscal Agent shall receive an instrument or instruments purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplement described in such notice, and shall specifically consent to and approve the Supplement substantially in the form of the copy referred to in such notice as on file with the Superintendent of Streets and the Fiscal Agent, such proposed Supplement, when duly executed by the City, shall thereafter become a part of the proceedings for the issuance of the Bonds. In determining whether the Owners of a majority of the aggregate principal amount of the Bonds have consented to the adoption of any Supplement, Bonds which are owned by the City or by any person directly or indirectly controlling or controlled by or under the direct or indirect common control with the City, shall be disregarded and shall be treated as though they were not Outstanding for the purpose of any such determination. Upon request, the City shall designate to the Fiscal Agent those Bonds disqualified by this Section 802.

Upon the execution and delivery by the City and the Fiscal Agent of any Supplement and the receipt of consent to any such Supplement from the Owners of not less than a majority in aggregate principal amount of Bonds Outstanding in instances where such consent is required pursuant to the provisions of this Section, this Agreement shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Agreement of the City, the Fiscal Agent and all Owners of Bonds then Outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

No Supplement pursuant to either Section 801 or Section 802 shall modify or amend any of the rights or obligations of the Fiscal Agent without its written consent thereto. The Fiscal Agent shall be provided an opinion of counsel, at the expense of the City, that any such Supplement complies with the provisions of this Article VIII and the Fiscal Agent may conclusively rely upon such opinion.

**Section 803. Notation of Bonds; Delivery of Amended Bonds.** After the effective date of any action taken as hereinabove provided, the City may determine that the Bonds may bear a notation, by endorsement in form approved by the City, as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the office of the Fiscal Agent, a suitable notation as to such action shall be made on such Bonds. If the City shall so determine, new Bonds so modified as, in the opinion of the City, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Bond Outstanding at such effective date such new Bonds shall be exchanged at the office of the Fiscal Agent without cost to each Owner, for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

## ARTICLE IX

### FISCAL AGENT

**Section 901. Fiscal Agent.** U.S. Bank National Association is hereby appointed Fiscal Agent for the City for the purpose of receiving all money which the City is required to deposit with the Fiscal Agent hereunder and to allocate, use and apply the same as provided in this Agreement.

The Fiscal Agent is hereby authorized to and shall mail by first-class mail, postage prepaid, interest payments to the Bondowners, select Bonds for redemption, and maintain the Bond Register. The Fiscal Agent is hereby authorized to pay the principal of and premium, if any, on the Bonds

when the same are duly presented to it for payment at maturity or upon redemption, to provide for the registration of transfer and exchange of Bonds presented to it for such purposes, to provide for the cancellation of Bonds, and to provide for the authentication of Bonds, and shall perform all other duties assigned to or imposed on it as provided in this Agreement. The Fiscal Agent shall keep accurate records of all funds administered by it and all Bonds paid and discharged by it.

The Fiscal Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, or on redemption prior to maturity. The Fiscal Agent shall cancel all Bonds upon payment thereof or upon the surrender thereof by the City pursuant to Section 1201 hereof. The Fiscal Agent shall keep accurate records of all Bonds paid and discharged and canceled by it for six years or such longer period as required by applicable law or the policies of the Fiscal Agent.

The City shall from time to time, subject to any agreement between the City and the Fiscal Agent then in force, pay to the Fiscal Agent compensation for its services, reimburse the Fiscal Agent for all its advances and expenditures, including, but not limited to, advances to and fees and expenses of independent accountants, counsel, agents, receiver and engineers or other experts employed by it in the exercise and performance of its powers and duties hereunder, and indemnify, defend and save the Fiscal Agent harmless against any losses, costs, expenses or liabilities, including reasonable fees and expenses of its attorneys (including the allocated costs and disbursements of in-house counsel, to the extent such services are not redundant with those provided by outside counsel), not arising from its own negligence or willful misconduct which it may incur in the exercise and performance of its powers and duties hereunder, which indemnity shall survive discharge of the Bonds.

Any bank or trust company into which the Fiscal Agent may be merged or converted or with which it may be consolidated or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or trust company to which the Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such bank or trust company shall be eligible under Section 902, 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.

**Section 902. Removal of Fiscal Agent.** The City may in the absence of an event of default at any time, in the exercise of its sole discretion, upon thirty (30) days prior written notice to the Fiscal Agent, remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto; provided that any such successor shall be a bank or trust company doing business and having a corporate trust office in Los Angeles or San Francisco, California, having a combined capital (exclusive of borrowed capital and surplus) (or whose parent or holding company has a combined capital (exclusive of borrowed capital and surplus) of at least fifty million dollars (\$50,000,000), 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 the combined capital and surplus shall be as set forth in its most recent report of condition so published. The City shall notify the Bondowners in writing of any such removal of the Fiscal Agent and appointment of a successor thereto.

**Section 903. Resignation of Fiscal Agent.** The Fiscal Agent may at any time resign by giving written notice to the City. Upon receiving such notice of resignation, the City shall promptly appoint a successor Fiscal Agent by an instrument in writing; provided, however, that in the event that the City does not appoint a successor Fiscal Agent within thirty (30) days following receipt of

such notice of resignation, the resigning Fiscal Agent may petition, at the expense of the City, an appropriate court having jurisdiction to appoint a successor Fiscal Agent. Any resignation or removal of the Fiscal Agent and appointment of a successor Fiscal Agent shall become effective only upon the written acceptance of appointment by the successor Fiscal Agent, and notice to the Bondowners of the Fiscal Agent's identity and address.

**Section 904. Liability of Fiscal Agent.** The recitals of fact and all promises, covenants and agreements contained herein and in the Bonds shall be taken as statements, promises, covenants and agreements of the City, and the Fiscal Agent assumes no responsibility for the correctness of the same and makes no representations as to the validity or sufficiency of this Agreement or of the Bonds, and shall incur no responsibility in respect thereof other than in connection with its duties or obligations herein or in the Bonds or in the certificate of authentication assigned to or imposed upon the Fiscal Agent. The Fiscal Agent shall have no duties or obligations other than as specifically set forth herein and no implied duties, covenants or obligations shall be read into this Agreement against the Fiscal Agent. The Fiscal Agent shall be under no responsibility or duty with respect to the issuance of the Bonds for value. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

The Fiscal Agent shall have no liability or obligation to the Bondowners with respect to the payment of debt service by the City or with respect to the observance or performance by the City of the other conditions, covenants and terms contained in this Agreement, or with respect to the investment of any moneys in any fund or account established, held or maintained by the City pursuant to this Agreement or otherwise.

The Fiscal Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, bond or other paper or documents believed by it to be genuine and to have been signed or presented by the proper party or parties. The Fiscal Agent may consult with counsel, who may be counsel to the City, at the expense of the City, with regard to legal questions, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered hereunder 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 written 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 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 deem reasonable.

The Fiscal Agent shall have no duty or obligations whatsoever to enforce the collection of Assessments or other funds to be deposited with it hereunder, or as to the correctness of any amounts received, but its liability shall be limited to the proper accounting for such funds as it shall actually receive. The Fiscal Agent shall have no duty or obligation to monitor the City's compliance with the 1913 Act or the 1915 Act. No provision in 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 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 entitled to interest on all amounts advanced by it at the maximum rate permitted by law.

The Fiscal Agent shall have no responsibility, opinion or liability with respect to any information, statement or recital in any official statement or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

All protections extended to the Fiscal Agent shall also extend to its officers, directors, employees and agents. The Fiscal Agent's rights to indemnification hereunder and to payment of its fees and expenses shall survive its resignation or removal and the final payment or defeasance of the Bonds.

The Fiscal Agent makes no covenant, representation or warranty concerning the current or future tax status of interest on the Bonds.

The Fiscal Agent may become an Owner with the same rights it would have if it were not Fiscal Agent; may acquire and dispose of other bonds or evidence of indebtedness of the City with the same rights it would have if it were not the Fiscal Agent; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of the majority in principal amount of the Bonds then Outstanding.

The Fiscal Agent may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, shall not be responsible for the actions or omissions of such attorneys, agents or receivers if appointed by it with reasonable care, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder.

The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Fiscal Agent shall only perform those duties specifically set forth herein and no implied duties, covenants or obligations whatsoever shall be read into this Agreement. In the event of and during the continuance of an event of default, the Fiscal Agent shall exercise such care in performing its duties hereunder as a prudent person would exercise under the circumstances in the conduct of its own affairs. No action by the Fiscal Agent shall be construed or deemed to expand the limitations on the scope of the Fiscal Agent's duties. The Fiscal Agent shall not be considered in breach of or in default in its obligations hereunder in the event of 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 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 Assessment District, 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.

In accepting the trust hereby created, the Fiscal Agent acts solely as Fiscal Agent for the Owners and not in its individual capacity, and all persons, including, without limitation, the Owners and the City, having any claim against the Fiscal Agent arising from the Agreement shall look only to the funds and accounts held by the Fiscal Agent hereunder for payment, except as otherwise provided herein or where the Fiscal Agent has breached its standard of care as described in this Section. Under no circumstances shall the Fiscal Agent be liable in its individual capacity for the obligations evidenced by the Bonds.

The Fiscal Agent shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Fiscal Agent or in the exercise of any right hereunder. In the event of conflicting instructions hereunder, the Fiscal Agent shall have the right to decide the appropriate course of action and be protected in so doing.

The Fiscal Agent shall have no responsibility or liability with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed in any respect relating to the Bonds.

The Fiscal Agent shall not to be deemed to have knowledge of any event of default hereunder unless it has actual knowledge thereof at its Principal Office.

**Section 905. Interested Transactions.** The Fiscal Agent and its officers and employees may acquire and hold Bonds with the same effect as if it were not Fiscal Agent. The Fiscal Agent, either as principal or agent, may engage in or be interested in any financial or other transaction with the City.

**Section 906. Agents.** The Fiscal Agent may execute any of its duties or powers or perform its duties through attorneys, agents or receivers and the Fiscal Agent shall not be answerable for the default or misconduct of any such attorney, agent or receiver selected by it with reasonable care.

## ARTICLE X

### EVENTS OF DEFAULT; REMEDIES

**Section 1001. Event of Default.** Any one or more of the following events shall constitute an “event of default”:

(a) Default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or from mandatory redemption;

(b) Default in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable; or

(c) Default by the City in the observance of any of the other agreements, conditions or covenants on its part in this Agreement or in the Bonds contained, and the continuation of such default for a period of thirty (30) days after the City shall have been given notice in writing of such default by the Fiscal Agent or any Owner, provided that if within thirty (30) days the City has

commenced curing of the default and diligently pursues elimination thereof, such period shall be extended to permit such default to be eliminated.

**Section 1002. Remedies of Owners.** Following the occurrence of an event of default, any Owner shall have the right for the equal benefit and protection of all Owners similarly situated:

(a) By mandamus or other suit or proceeding at law or in equity to enforce his or her rights against the City and any of the members, officers and employees of the City, and to compel the City or any such members, officers or employees to perform and carry out their duties under the 1913 Act or the 1915 Act and their agreements with the Owners as provided in this Agreement;

(b) By suit in equity to enjoin any actions or things which are unlawful or violate the rights of the Owners; or

(c) By a suit in equity to require the City and its members, officers and employees to account as the trustee of an express trust.

Nothing in this article or in any other provisions of this Agreement, or in the Bonds, shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the interest on and principal of the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as herein provided, out of the Assessments pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in this Agreement.

A waiver of any default of breach of duty or contract by any Owner shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission by any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners by the 1913 Act or the 1915 Act or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners.

If any suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, the City and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the 1913 Act, the 1915 Act or any other law.

In no event shall the Fiscal Agent have any responsibility to cure or cause the City or any other person or entity to cure an event of default hereunder.

## ARTICLE XI

### DEFEASANCE AND ADDITIONAL BONDS

**Section 1101. Defeasance.** If the City shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of any Outstanding Bonds the interest due thereon and the principal thereof, at the times and in the manner stipulated therein and in this Agreement, then the Owners of such Bonds shall cease to be entitled to the pledge of Assessments and other amounts hereunder, and all covenants, agreements and other obligations of the City to the Owners of such Bonds under this Agreement shall thereupon cease, terminate and become void and be discharged and satisfied except for the City's covenant under Section 702(a) hereof. In such event, the Fiscal Agent shall execute and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiscal Agent shall pay over or deliver to the City after payment of any amounts due the Fiscal Agent hereunder all money or securities held by it pursuant to this Agreement which are not required for the payment of the interest due on, and the principal of, such Bonds.

Any Outstanding Bond shall be deemed to have been paid within the meaning expressed in the first paragraph of this Section if such Bond is paid in any one or more of the following ways:

(a) by paying or causing to be paid the principal of and interest with respect to such Bond, as and when the same become due and payable;

(b) by depositing with the Fiscal Agent at or before maturity, money which, together with the amounts then on deposit in the Assessment Fund, the Reserve Fund and the Redemption Fund, is fully sufficient to pay the principal of, premium and interest on such Bond as and when the same shall become due and payable; or

(c) by depositing with the Fiscal Agent Federal Securities in such amount as an Independent Financial Consultant shall determine will, together with the interest to accrue thereon and moneys then on deposit in the Assessment Fund, the Reserve Fund and the Redemption Fund which is available to pay such Bond, together with the interest to accrue thereon without further investment, be fully sufficient to pay and discharge the principal of, premium, if any, and interest on such Bond as and when the same shall become due and payable; then, notwithstanding that such Bond shall not have been surrendered for payment, all obligations of the City under this Agreement with respect to such Bond shall cease and terminate, except for the obligation of the Fiscal Agent to pay or cause to be paid to the Owner of any Bond not so surrendered and paid, all sums due thereon from funds provided to it by the City and except for the City's covenant under Section 702(e) hereof. Any money or securities deposited with the Fiscal Agent to defease any Bond or Bonds shall be accompanied by a certificate of a certified public accountant confirming the accuracy of the calculations establishing the sufficiency of such deposit. Any funds held by the Fiscal Agent at the time of payment or defeasance of all Outstanding Bonds, which are not required for the purpose above mentioned, or for payment of amounts due the Fiscal Agent hereunder shall be paid over to the City.

**Section 1102. Additional Bonds.** Nothing in this Agreement or any Supplemental Fiscal Agent Agreement shall preclude the redemption prior to maturity of any Bonds subject to call and redemption and payment of said Bonds from proceeds of Additional Bonds issued under the Refunding Act of 1984 for 1915 Improvement Act Bonds or under any other law of the State of California.

If the City is unable to enter into the State Loan Agreement or otherwise obtain financing from the State Water Resources Control Board in an amount sufficient, along with the proceeds of the Bonds, to construct the Improvements, the City is authorized to issue Additional Bonds for the purpose of financing the Improvements, subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(a) The City shall be in compliance with all covenants set forth in this Fiscal Agent Agreement and any Supplemental Fiscal Agent Agreement then in effect and a certificate of the City to that effect shall have been filed with the Fiscal Agent.

(b) The City shall deliver a certificate to the Fiscal Agent certifying that the aggregate principal amount of the Bonds and any Additional Bonds Outstanding and to be Outstanding under this Fiscal Agent Agreement and any Supplemental Fiscal Agent Agreements, plus the principal balance remaining under the State Loan Agreement, will not exceed the amount of Assessments then unpaid.

(c) The issuance of such Additional Bonds shall have been duly authorized pursuant to the 1913 Act, the 1915 Act and all other applicable laws, and the issuance of such Additional Bonds shall have been provided for by a Supplemental Fiscal Agent Agreement duly adopted by the City which shall specify the following:

(i) the purpose for which such Additional Bonds are to be issued and the fund or funds into which the proceeds thereof are to be deposited;

(ii) the authorized principal amount of such Additional Bonds;

(iii) the date and the maturity date or dates of such Additional Bonds; provided that (i) each maturity date shall fall on an September 2, (ii) all such Additional Bonds of like maturity shall be identical in all respects, except as to number, and (iii) fixed serial maturities shall be established to provide for the retirement of all such Additional Bonds on or before their respective maturity dates;

(iv) the description of the Additional Bonds, the place of payment thereof and the procedure for execution and authentication;

(v) the denominations and method of numbering of such Additional Bonds;

(vi) the amount and due date of each mandatory sinking fund payment due on term bonds, if any, for such Additional Bonds;

(vii) the amount, if any, to be deposited from the proceeds of such Additional Bonds in the Reserve Fund to increase the amount therein to the Reserve Requirement;

(viii) the form of such Additional Bonds; and

(ix) such other provisions as are necessary or appropriate and not inconsistent with this Fiscal Agent Agreement.

## ARTICLE XII

### MISCELLANEOUS

**Section 1201. Cancellation of Bonds.** All Bonds surrendered to the Fiscal Agent for payment upon maturity or for redemption shall upon payment therefor, and any Bond purchased by the City as authorized herein shall be, cancelled forthwith and shall not be reissued. The Fiscal Agent shall destroy such Bonds as provided by law and furnish to the City a certificate of destruction.

**Section 1202. Execution of Documents and Proof of Ownership.** Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Agreement to be signed or executed by Bondowners may be in any number of concurrent instruments of similar tenor, may be signed or executed by such Owners in person or by their attorneys appointed by an instrument in writing for that purpose, or by the commercial bank, trust company or other depository for such Bonds. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, and of the ownership of Bonds shall be sufficient for the purposes of this Agreement (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his or her attorney of any such instrument and of any instrument appointing any such attorney, may be proved by a signature guarantee of any commercial bank or trust company located within the United States of America. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such signature guarantee shall also constitute sufficient proof of his authority.

(b) As to any Bond, the person in whose name the same shall be registered in the Bond Register shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of or on account of the principal of any such Bond, and the interest thereon, shall be made only to or upon the order of the registered Owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond and the interest thereon to the extent of the sum or sums to be paid. The Fiscal Agent shall not be affected by any notice to the contrary. Nothing contained in this Agreement shall be construed as limiting the Fiscal Agent to such proof, it being intended that the Fiscal Agent may accept other evidence of the matters herein stated which the Fiscal Agent may deem sufficient. Any request or consent of the Owner of any Bond shall bind every future Owner of the same Bond in respect of anything done or suffered to be done by the Fiscal Agent in pursuance of such request or consent.

**Section 1203. Unclaimed Moneys.** Anything in this Agreement to the contrary notwithstanding, any money held by the Fiscal Agent in trust for the payment and discharge of any of the Bonds which remains unclaimed for one year after the Bonds become due and payable, if such money was held by the Fiscal Agent at such date, or for one year after the date of deposit of such money if deposited with the Fiscal Agent after said date when such Bonds become due and payable, shall be repaid by the Fiscal Agent to the City, as its absolute property and free from trust, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Owners shall look only to the City for the payment of such Bonds; provided, however, that, before being required to make any such payment to the City, the Fiscal Agent shall, at the written request and the expense of the City, cause to be mailed to the registered Owners of such Bonds, at their addresses as they appear on the Bond Register, a notice that said money remains unclaimed and that, after a date

named in said notice, which date shall not be less than thirty (30) days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the City.

**Section 1204. Provisions Constitute Contract; Successors.** The provisions of this Agreement shall constitute a contract between the City and the Bondowners and the provisions hereof shall be construed in accordance with the laws of the State of California.

In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and the Fiscal Agent shall prevail, the Fiscal Agent shall be entitled to receive from the Assessment District reimbursement for reasonable costs, expenses, outlays and attorneys' fees (including the allocated costs and disbursements of in-house counsel, to the extent such services are not redundant with those provided by outside counsel), and should said suit, action or proceeding be abandoned, or be determined adversely to the Fiscal Agent, then the City, the Fiscal Agent and the Bondowners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

After the issuance and delivery of the Bonds this Agreement shall be irrevocable, but shall be subject to modifications to the extent and in the manner provided in this Agreement, but to no greater extent and in no other manner.

This Agreement shall be binding upon and inure to the benefit of the City and the Fiscal Agent, and their respective successors and assigns.

**Section 1205. Further Assurances; Incontestability.** 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 Bonds of the rights and benefits provided in this Agreement.

After the sale and delivery of the Bonds by the City, the Bonds shall be incontestable by the City.

**Section 1206. Severability.** If any covenant, agreement or provision, or any portion thereof, contained in this Agreement, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Agreement and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and this Agreement and the Bonds shall remain valid and the Bondowners shall retain all valid rights and benefits accorded to them under the laws of the State of California.

**Section 1207. General Authorization.** Authorized Representatives of the City are hereby respectively authorized to do and perform from time to time any and all acts and things consistent with this Agreement necessary or appropriate to carry the same into effect.

**Section 1208. Liberal Construction.** This Agreement shall be liberally construed to the end that its purpose may be effected. No error, irregularity, informality and no neglect or omission herein or in any proceeding had pursuant hereto which does not directly affect the jurisdiction of the City Council shall void or invalidate this Agreement or such proceeding or any part thereof, or any act or determination made pursuant thereto.

**Section 1209. Notice.** Any notices required to be given to the City with respect to the Bonds for this Agreement shall be mailed, first class, or personally delivered to the City Manager at 23825 Stuart Ranch Road, Malibu, California 90265, and all notices to the Fiscal Agent shall be mailed, first class, or personally delivered to the Fiscal Agent at U.S. Bank National Association, 633 West Fifth Street, 24th Floor, Los Angeles, California 90071, Attention: Global Corporate Trust Services.

**Section 1210. Action on Next Business Day.** If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Fiscal Agent Agreement, is not a Business Day, such payment, with no interest accruing for the period from and after such nominal date, may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided therefore in this Fiscal Agent Agreement.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]*

IN WITNESS WHEREOF, the City and the Fiscal Agent have executed this Agreement, effective the date first written above.

CITY OF MALIBU

By: \_\_\_\_\_  
Its: City Manager

ATTEST:

\_\_\_\_\_  
City Clerk

U.S. BANK NATIONAL ASSOCIATION,  
as Fiscal Agent

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

**EXHIBIT A****FORM OF WRITTEN DELIVERY REQUISITION –  
[COSTS OF ISSUING BONDS] [IMPROVEMENT FUND]**

U.S. Bank National Association, as Fiscal Agent (the “Fiscal Agent”)

RE: Disbursement from the [Improvement Fund pursuant to Section 507] [Costs of Issuance Fund pursuant to Section 502] of the Fiscal Agent Agreement, dated as of \_\_\_\_\_ 1, 2016 (the “Fiscal Agent Agreement”), by and between the City of Malibu (“City”) and the Fiscal Agent, in connection with the issuance of \$\_\_\_\_\_ City of Malibu Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facility – Phase 1) Taxable Limited Obligation Improvement Bonds 2016 Series A (the “Bonds”).

**REQUISITION NO. 1**

You are hereby instructed to pay to the parties, listed on Schedule I attached hereto, [as costs of issuing the Bonds as provided in Section 502] [as costs of the Improvements as provided in Section 507] of the Fiscal Agent Agreement. These costs have been properly incurred, are a proper charge against the [Costs of Issuance Fund] [Improvement Fund] and have not been the basis of any previous disbursements.

The Fiscal Agent is hereby instructed to pay an amount which shall not exceed the amounts listed on Schedule I attached hereto upon receipt of an invoice of the payee.

CITY OF MALIBU

By: \_\_\_\_\_  
Its: Assistant City Manager

**SCHEDULE I**

*Party*

*Purpose*

*Amount*

## 4-19-16 Jones Hall Drafts

\$ \_\_\_\_\_  
**CITY OF MALIBU**  
**ASSESSMENT DISTRICT NO. 2015-1**  
**(CIVIC CENTER WASTEWATER TREATMENT FACILITIES - PHASE 1)**  
**TAXABLE LIMITED OBLIGATION IMPROVEMENT BONDS**  
**2016 SERIES A**

\_\_\_\_\_  
**BOND PURCHASE AGREEMENT**  
 \_\_\_\_\_  
 \_\_\_\_\_, 2016

City of Malibu  
 23825 Stuart Ranch Road  
 Malibu, California 90265

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”) acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement with the City of Malibu (the “**City**”) which, upon acceptance, will be binding upon the City and the Underwriter. This offer is made subject to its acceptance by the City on the date hereof, and it is subject to withdrawal by the Underwriter upon notice delivered to the City at any time prior to the acceptance by the City. Capitalized terms that are used in this offer and not otherwise defined herein shall have the respective meanings ascribed to them in the Fiscal Agent Agreement (as hereinafter defined).

The City acknowledges and agrees that (i) the purchase and sale of the Bonds (defined below) pursuant to this Bond Purchase Agreement is an arm’s-length commercial transaction between the City and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and has not assumed a fiduciary responsibility in favor of the City with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the City on other matters), (iii) the only contractual obligations the Underwriter has to the City with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement; (iv) the City has consulted its own legal, financial and other advisors to the extent it has deemed appropriate; (v) the Underwriter has financial interests that may differ from and be adverse to those of the City; and (vi) the Underwriter has provided the City with certain disclosures required under the rules of the Municipal Securities Rulemaking Board (the “**MSRB**”).

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 agrees to purchase from the City, and the City agrees to sell to the Underwriter, all (but not less than all) of the City of Malibu Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facility - Phase 1) Taxable Limited Obligation Improvement Bonds, 2016 Series A (the "**Bonds**") in the aggregate principal amount specified in Exhibit A hereto. The Bonds shall be dated the Closing Date (as hereinafter defined), bear interest from said date (payable semiannually on March 2 and September 2 in each year, commencing September 2, 2016) at the rates per annum, and mature on the dates and in the amounts set forth in Exhibit A hereto. The purchase price for the Bonds shall be the amount specified as such in Exhibit A.

(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 be subject to redemption as provided in, the Fiscal Agent Agreement, dated as of May 1, 2016 (the "**Fiscal Agent Agreement**") by and between the City and U.S. Bank National Association, as fiscal agent (the "**Fiscal Agent**"), approved in a resolution (the "**Resolution of Issuance**") adopted by the City Council of the City of Malibu (the "**City Council**") on April 25, 2016.

All of the proceedings of the City undertaken to form the Assessment District (as defined below) and to levy the Assessments (as defined below) were undertaken under the Municipal Improvement Act of 1913 (Division 12 of the California Streets and Highways Code) (the "**1913 Act**").

The proceeds of the Bonds will be used to (i) finance a portion of the costs of the design and construction of a wastewater treatment plant, wastewater collection and recycled water distribution system and recycled water injection system, (ii) fund a debt service reserve fund for the Bonds, (iii) finance capitalized interest on the Bonds through [September 2, 2016], (iv) pay costs of issuing the Bonds, (v) redeem a portion of the Community Facilities District No. 2012-1 of the City of Malibu (Malibu Civic Center Wastewater Treatment Plan Design Phase One) Special Tax Bonds, Series 2013 (the "Prior Bonds") on September 1, 2016, and (vi) fund a debt service reserve fund for the State Loan Agreement (as defined below).

(c) Subsequent to its receipt of a certificate from the City deeming the Preliminary Official Statement for the Bonds, dated \_\_\_\_\_, 2016 (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 distributed copies of the Preliminary Official Statement to potential purchasers of Bonds. The City hereby ratifies the use and distribution by the Underwriter of the Preliminary Official Statement and authorizes the Underwriter to use and distribute the Official Statement, the Fiscal Agent Agreement, the Continuing Disclosure Agreement, dated as of \_\_\_\_\_, 2016, by and between the City and U.S. Bank National Association (the "**Continuing Disclosure Agreement**"), this Bond Purchase Agreement, any other documents or contracts to which the City is a party, and all information contained therein, and all other documents, certificates and 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) At 8:00 A.M., Pacific Daylight Time, on \_\_\_\_\_, 2016, or at such earlier time or date as shall be agreed upon by the Underwriter and the City (such time and date being herein referred to as the “**Closing Date**”), the City will deliver (i) to The Depository Trust Company in New York, New York, the Bonds in definitive form (all Bonds being in book-entry form registered in the name of Cede & Co. and having the CUSIP numbers assigned to them printed thereon), duly executed by the officers of the City as provided in the Fiscal Agent Agreement, and (ii) to the Underwriter, at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, the other documents herein mentioned; and the Underwriter shall accept such delivery and pay the purchase price of the Bonds in same day funds (such delivery and payment being herein referred to as the “**Closing**”). The Bonds, as so registered, shall be made available to the Underwriter for inspection not later than the second business day before the Closing Date.

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

(a) The City is duly organized and validly existing as a general law city under the laws of the State of California, has duly authorized the formation of the City of Malibu Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facilities - Phase 1) (the “**Assessment District**”) pursuant to (i) a resolution of intention, Resolution No. 15-27 adopted by the City Council on June 8, 2015, (ii) a resolution preliminarily approving an engineer’s report, Resolution No. 15-28 adopted on June 8, 2015 and (iii) following a duly noticed public hearing and the tabulation of assessment ballots, a resolution confirming the proposed assessments, Resolution No. \_\_\_\_, adopted on January 25, 2016 (collectively, the “**Formation Resolutions**”), and caused to be recorded in the real property records of the County of Los Angeles a Notice of Assessment on January 28, 2016 as Document No. 20160102871 (the “**Notice of Assessment**”). The Resolution of Issuance, Formation Resolutions, the Notice of Assessment and all other resolutions adopted with respect to the formation of the Assessment District and the issuance of the Bonds are collectively referred to herein as the “**Formation Documents**.” Each of the Formation Documents remains in full force and effect as of the date hereof and has not been amended.

(b) The City has, and at the Closing Date will have, full legal right, power and authority (i) to execute, deliver and perform its obligations under this Bond Purchase Agreement, the Fiscal Agent Agreement, the Continuing Disclosure Agreement and irrevocable instructions by the City (“**Irrevocable Instructions**”) relating to the refunding of the Prior Bonds (collectively, the “**City Documents**”) and to carry out all transactions contemplated by each of the City Documents, (ii) to issue, sell and deliver the Bonds to the Underwriter pursuant to the Resolution of Issuance, this Bond Purchase Agreement and the Fiscal Agent Agreement as provided herein, and (iii) to carry out, give effect to and consummate the transactions contemplated by the Official Statement and the City Documents;

(c) The City has complied, and at the Closing Date will be in compliance, in all material respects, with the City Documents; and an immaterial compliance therewith by the City, if any, will not impair the ability of the City to carry out, give effect to or consummate the transactions contemplated by the foregoing. From and after the date of issuance of the Bonds, the City will continue to comply with the covenants of the City contained in the City Documents;

(d) The City has duly and validly: (i) adopted or recorded, as applicable, the Formation Documents, (ii) taken or caused to be taken, all proceedings necessary under the Constitution and laws of the State of California in order to form the Assessment District, to

confirm assessments (the “**Assessments**”) on various parcels located within the Assessment District in the respective amounts shown in the report of the Assessment Engineer approved by the City on January 25, 2016 (the “**Engineer’s Report**”), as adjusted to reflect credits for funds advanced by property owners, to cause each of the Assessments to be a valid lien upon the parcel upon which it was confirmed and to authorize the sale and issuance of the Bonds, (iii) authorized and approved the execution and delivery of the City Documents, (iv) authorized the preparation and delivery of the Preliminary Official Statement and the Official Statement, and (v) 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 the City Documents (including, without limitation, the collection of the Assessments); and at the Closing Date the Assessment District will be validly formed, the Assessments will be validly confirmed and constitute liens on the respective parcels within the Assessment District, and (assuming due authorization, execution and delivery by other parties thereto, where necessary) the City Documents and the Bonds will constitute the valid, legal and binding obligations of the City enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors’ rights in general and to the application of equitable principles;

(e) The City is not in breach of or default under any applicable law or administrative rule or regulation of the United States or the State of California, or of any department, division, agency or instrumentality of either of them, 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 is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the performance by the City of its obligations under the City Documents or the Bonds; 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 United States or the State of California, or of any department, division, agency or instrumentality of either of them, or under any applicable court or administrative decree or order, or a material breach of or default under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound;

(f) Except for compliance with the blue sky or other states securities law filings, as to which the City makes no representations, all approvals, consents, authorizations, elections and orders of or filings or registrations with any State 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 of its obligations hereunder, or under the City Documents or the Bonds, have been obtained and are in full force and effect;

(g) Each of the Assessments has been duly and lawfully confirmed, may be collected in installments under the laws of the State of California, and constitutes a valid and legally binding lien on the property on which it has been confirmed;

(h) Until the date which is twenty-five (25) days after the “end of the underwriting period” (as hereinafter defined), if any event shall occur of which the City becomes aware, as a result of which it may be necessary to supplement the Official Statement in order to make the statements in the Official Statement, in light of the circumstances existing at such time, not misleading, the City shall forthwith notify the Underwriter of such event and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement

necessary so that the statements therein, as so supplemented, will not be misleading in light of the circumstances existing at such time; and the City shall promptly furnish to the Underwriter a reasonable number of copies of such supplement (as used herein, the term "end of the underwriting period" means the later of such time as (i) the City delivers the Bonds to the Underwriter, or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public). Unless the Underwriter gives 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";

(i) The Fiscal Agent Agreement creates a valid pledge of the Assessments and the moneys in the Assessment Fund, Redemption Fund and the Reserve Fund established pursuant to the Fiscal Agent Agreement, including the investments thereof, subject in all cases to the provisions of the Fiscal Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein; and said pledge constitutes a first lien on and security interest in all of the foregoing, although the City anticipates borrowing money from the State (the "**State Loan**"), with the State Loan to be payable from Assessments on a parity basis with the Bonds;

(j) Except 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 is pending or, to the knowledge of the City, threatened against the City (i) which would materially adversely affect the ability of the City to perform its obligations under the Formation Documents, the City Documents or the Bonds, or (ii) seeking to restrain or to enjoin: (A) the development of any of the land within the Assessment District, (B) the issuance, sale or delivery of the Bonds, (C) the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, (D) the construction of the improvements to be financed by the Assessment District or (E) the collection or application of the Assessments, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Formation Documents, the City Documents, or any action contemplated by any of said documents, or (iii) in any way contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or the powers or authority of the City with respect to the Bonds, the Formation Documents, the City Documents, or any action of the City contemplated by any of said documents; nor is there any action pending or, to the knowledge of the City, threatened against the City which alleges that interest on the Bonds is not excludable from gross income for federal income tax purposes (if applicable) or is not exempt from 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 as the Underwriter may designate; provided, however, the City shall not be required to register as a dealer or a broker of securities or to consent to service of process in connection with any blue sky filing;

(l) Any certificate signed by any authorized official of the City authorized to do so shall be deemed a representation and warranty to the Underwriter as to the statements made therein;

(m) The City will apply the proceeds of the Bonds in accordance with the Fiscal Agent Agreement and as described in the Official Statement;

(n) The Official Statement (other than information in "APPENDIX E – BOOK-ENTRY ONLY SYSTEM", as to which no view is expressed) was, as of the date thereof, and will be, as of the Closing Date, true, correct and complete in all material respects; and the Official Statement (except the portions thereof mentioned above, as to which no view is expressed), does not, as of the date thereof, and will not, as of the Closing Date, 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 light of the circumstances under which they were made, not misleading;

(o) The Preliminary Official Statement 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 paragraph (b)(1) of Rule 15c2-12. The City hereby covenants and agrees that, within seven (7) business days from the date hereof, the City shall cause a final printed form of the Official Statement to be delivered to the Underwriter in a quantity mutually agreed upon by the Underwriter and the City so that the Underwriter may comply with paragraph (b)(4) of Rule 15c2-12 and Rules G-12, G-15, G-32 and G-36 of the Municipal Securities Rulemaking Board; and

(p) Except as otherwise disclosed in the Official Statement, The City has not, in the past five years, failed to comply in any material respect with its previous undertakings pursuant to Rule 15c2-12.

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, as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers 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 of its obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) At the Closing Date, the City Documents and the Formation Documents 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 and by this Bond Purchase Agreement, all such actions as, in the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel for the City, shall be necessary and appropriate;

(b) Between the date hereof and the Closing Date, the market price or marketability of the Bonds at the initial offering prices set forth in the Official Statement shall not have been materially adversely affected, in the judgment of the Underwriter (evidenced by a written notice to the City terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), which judgment shall be formed 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 or the Internal Revenue Service of the United States of America, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon the interest that would be received by the holders of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof, if applicable;

(2) legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America, 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, or 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, or of the Bonds, including any or all underwriting arrangements, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws, rules or regulations as amended and then in effect;

(3) any amendment to the federal or California Constitution or action by any federal or California court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the City, its property, income, securities (or interest thereon), the validity or enforceability of the Assessments or the ability of the City to construct or acquire the improvements as contemplated by the City Documents or the Official Statement or the right of any owner of the property within the Assessment District to develop such property in the manner described in the Official Statement; or

(4) 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 Official Statement, or results in the Official Statement containing any untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

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

(1) The City Documents, together with a certificate dated as of the Closing Date of the City Clerk to the City Council to the effect that each such document is a true, correct and complete copy of the one duly approved by the City.

(2) The Official Statement, duly executed by the City.

(3) An approving opinion for the Bonds, dated the Closing Date and addressed to the City, of Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond

Counsel for the City, in the form attached to the Preliminary Official Statement as Appendix D, and a reliance letter dated the Closing Date and addressed to the Underwriter, to the effect that such approving opinion addressed to the City may be relied upon by the Underwriter to the same extent as if such opinion was addressed to it.

(4) A supplemental opinion, dated the Closing Date and addressed to the Underwriter, of Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel for the City, to the effect that (i) this Bond Purchase Agreement has been duly authorized, executed and delivered by the City, and, assuming such agreement constitutes the valid and binding obligation of the other parties thereto, constitutes the legally valid and binding agreement of the City enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditor's rights or remedies, by general principles of equity and by limitations on against public agencies in the State of California; (ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Fiscal Agent Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and (iii) the statements contained in the Official Statement on the cover and under the captions "INTRODUCTION," "REFUNDING PLAN," "THE BONDS," "SECURITY FOR THE BONDS," "CONCLUDING INFORMATION — Tax Matters" and Appendices C and D (except that no opinion or belief need be expressed as to any financial or statistical data, any forecasts, any assumptions or any expressions of opinion contained in the Official Statement), insofar as such statements expressly summarize certain provisions of the Bonds, the 1913 Act, the Fiscal Agent Agreement and the opinion of such firm concerning the exclusion from gross income for federal income tax purposes (if applicable) and exemption from State of California personal income taxes of interest on the Bonds, are accurate in all material respects.

(5) An opinion, dated the Closing Date and addressed to the Underwriter, of Stradling, Yocca, Carlson & Rauth, a Professional Corporation, Disclosure Counsel, to the effect that, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of their participation in conferences with representatives of the City, the Assessment Engineer (defined herein) and others, and their examination of certain documents, nothing has come to their attention which has led them to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to any financial or statistical data, appraisals or assessed valuations, any forecasts, any assumptions or any expressions of opinion contained in the Official Statement).

(6) A certificate, dated the Closing Date and signed by an authorized representative of the City, ratifying the use and distribution by the Underwriter of the Preliminary Official Statement and the Official Statement in connection with the offering and sale of the Bonds and certifying that (i) the representations and warranties of the City contained in Section 2 hereof 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 therein to the Preliminary Official Statement shall be deemed to be references to the Official Statement; (ii) to the best of his or her knowledge, no event has occurred since the date of the Official Statement affecting the matters contained therein which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make the statements and information contained in the Official Statement not misleading in any material respect, and the Bonds, the Formation Documents and the City Documents conform as to form and tenor to the descriptions thereof

contained in the Official Statement; and (iii) the City has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the City Documents at or prior to the Closing Date.

(7) An opinion, dated the Closing Date and addressed to the Underwriter, of City Attorney to the effect that (i) to the best of his or her knowledge and except 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 is pending or threatened which would materially adversely affect the ability of the City to perform its obligations under the City Documents, the Formation Documents or the Bonds, or seeking to restrain or to enjoin the development of property within the Assessment District, the issuance of the Bonds, or the application of the proceeds thereof in accordance with the Fiscal Agent Agreement and the construction of the City improvements to be financed by the Assessment District, or the collection of the Assessments, or in any way contesting or affecting the validity or enforceability of the City Documents, the Formation Documents or the Bonds or the accuracy of the Official Statement, or any action of the City contemplated by any of said documents; (ii) the City is duly organized and validly existing as a general law city and municipal corporation under the Constitution and laws of the State of California, with full legal right, power and authority to perform all of its obligations under the City Documents; (iii) the City has obtained all approvals, consents, authorizations, elections and orders of or filings or registrations with any State governmental authority, board, agency or commission having jurisdiction which constitute a condition precedent to the confirmation and collection of the Assessments, the issuance of the Bonds or the performance by the City of its obligations thereunder or under the City Documents, except that no opinion need be expressed regarding compliance with blue sky or other securities laws or regulations; and (iv) the City Council has duly and validly adopted the resolutions forming the Assessment District, confirming the Assessments, approving the City Documents and authorizing the sale and issuance of the Bonds at meetings of the City Council which were called, held and conducted pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, that such resolutions have not been amended, and that such resolutions are now in full force and effect.

(8) A certificate dated the Closing Date of David Taussig & Associates ("**Assessment Engineer**") to the effect that (i) the statements contained in the Official Statement relating to the size and location of the Assessment District, the amounts of the Assessments and the Engineer's Report and all other information furnished by it therein do not contain an 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 light of the circumstances under which they were made, not misleading, (ii) Appendices A and B of the Official Statement contain true and correct copies of the Assessment Diagram and the Engineer's Report, respectively and (iii) in the opinion of the Assessment Engineer, the Assessments, as set forth in the Engineer's Report, have been spread in conformance with the requirements of the 1913 Act and Article XIII D of the California Constitution to each separate lot, piece, parcel, or subdivision of lands within Assessment District.

(9) An opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel for the City, addressed to U.S. Bank National Association as the Prior Bonds trustee (the "**Prior Bonds Trustee**"), the City and the Underwriter to the effect that the Prior Bonds have been legally defeased and discharged.

(10) A verification report prepared by [Grant Thornton LLP] addressed to the Underwriter, the City and Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond

Counsel for the City as to the sufficiency of moneys on deposit to defease and discharge the Prior Bonds.;

(11) Irrevocable Instructions dated the Closing Date.

(12) A certificate of the Fiscal Agent and the Prior Bonds Trustee dated the Closing Date in form and substance reasonably acceptable to the Underwriter.

(13) An opinion, dated the Closing Date and addressed to the Underwriter and the City, of counsel to the Fiscal Agent and the Prior Bonds Trustee in form and substance acceptable to the Underwriter and the City.

(14) An opinion of Jones Hall, A Professional Law Corporation, counsel to the Underwriter, in form and substance acceptable to the Underwriter.

(15) Certified copies of the Resolution of Issuance, the Formation Resolutions and all other resolutions adopted with respect to the formation of the Assessment District and the issuance of the Bonds.

(16) Evidence of recordation of the Notice of Assessment in the real property records of Los Angeles County.

(17) 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 statements and information contained in the Preliminary Official Statement and the Official Statement, of the City's representations and warranties contained herein 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 and by 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 neither the Underwriter nor the City shall be under any further obligation hereunder, except that the respective obligations of the City and the Underwriter set forth in Section 5 and Section 6 hereof shall continue in full force and effect.

4. Conditions of the City's Obligations. The City's obligations hereunder are subject to the Underwriter's performance of its obligations hereunder, and are also subject to the following conditions:

(a) As of the Closing Date, no litigation shall be pending or, to the knowledge of the duly authorized officer of the City executing the certificate referred to in Section 3(c)(6) hereof, threatened, to restrain or enjoin the issuance or sale of the Bonds or in any way affecting any authority for or the validity of the Bonds or the City Documents or the existence or powers of the City; and

(b) As of the Closing Date, the City shall receive the approving opinions of Bond Counsel referred to in Section 3(c)(3) and (5) hereof, dated as of the Closing Date.

5. Expenses. Whether or not the Bonds are delivered to the Underwriter as set forth herein:

(a) The Underwriter shall be under no obligation to pay, and the City shall pay or cause to be paid (out of any legally available funds of the City) all expenses incident to the performance of the City's obligations hereunder, including, but not limited to, the cost of printing and delivering the Bonds to DTC, the cost of preparation, printing and delivering of the Fiscal Agent Agreement, the Preliminary Official Statement, the Official Statement and all other agreements and documents contemplated hereby (and drafts of any thereof) in such reasonable quantities as requested by the Underwriter; and the fees and disbursements of the Fiscal Agent, Bond Counsel, assessment engineering consultants, accountants, engineers or any other experts or consultants the City retained in connection with the Bonds; and

(b) The City shall be under no obligation to pay, and the Underwriter shall pay, any fees of the California Debt and Investment Advisory Commission, the cost of preparation of any "blue sky" or legal investment memoranda and this Bond Purchase Agreement; expenses to qualify the Bonds for sale under any "blue sky" or other state securities laws; and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds (except those specifically enumerated in paragraph (a) of this section), including the fees and disbursements of its counsel and any advertising expenses.

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 Malibu, 23815 Stuart Ranch Road, Malibu, California 90265, Attention: City Manager, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, San Francisco, California 94104, Attention: Sara Brown.

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

8. Survival of Representations, Warranties and Agreements. The representations, warranties and agreements of the City set forth in or made pursuant to this Bond Purchase Agreement 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 delivery of and payment for the Bonds.

9. Effective. 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.

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

11. Governing Law. This Bond Purchase Agreement shall be governed by the laws of the State of California.

12. Counterparts. This Bond Purchase Agreement may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

By: \_\_\_\_\_  
Managing Director

ACCEPTED: \_\_\_\_\_, 2015, \_\_\_\_\_ a.m./p.m.  
(California time)

CITY OF MALIBU

By: \_\_\_\_\_  
City Manager

EXHIBIT A  
MATURITY SCHEDULE

\$ \_\_\_\_\_  
CITY OF MALIBU  
ASSESSMENT DISTRICT NO. 2015-1  
(CIVIC CENTER WASTEWATER TREATMENT FACILITIES - PHASE 1)  
TAXABLE LIMITED OBLIGATION IMPROVEMENT BONDS  
2016 SERIES A

<i><b>Maturity Date (September 2)</b></i>	<i><b>Principal Amount</b></i>	<i><b>Interest Rate</b></i>	<i><b>Yield</b></i>	<i><b>Price</b></i>
---	--------------------------------	-----------------------------	---------------------	---------------------

The purchase price of the Bonds shall be \$ \_\_\_\_\_, which is the principal amount thereof less Underwriter's discount of \$ \_\_\_\_\_ and less a net original issue discount of \$ \_\_\_\_\_.

The mandatory sinking fund schedule for the Bonds maturing on September 2, 20 \_\_, September 2, 20 \_\_ and September 2, 20 \_\_ is as follows:

<i><b>Mandatory Sinking Fund Date (September 2)</b></i>	<i><b>Principal Amount</b></i>
---	--------------------------------

Mandatory Redemption from Assessment Prepayments. Whenever, as of an Interest Payment Date, there are sufficient funds in the Prepayment Account of the Redemption Fund from the proceeds of prepayments of Assessments, the Bonds shall be called for redemption as provided in Part 11.1 of the 1915 Act. The Bonds, or any portion of the principal thereof, in the principal amount of \$5,000 or any integral multiple thereof, may be redeemed and paid in advance of maturity on any Interest Payment Date, pro rata among maturities, by giving notice to the Owner thereof as provided in Section 403

below and by paying the principal amount thereof, plus interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, at the following redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed):

<b>Redemption Date</b>	<b>Price</b>
Any Interest Payment Date on or prior to March 2, _____	103%
September 2, _____ or March 2, _____	102
September 2, _____ or March 2, _____	101
September 2, _____ and thereafter	100

Optional Redemption of Bonds from Other Funds, Excluding Assessment Prepayments.

The Bonds are subject to redemption prior to their stated maturity dates on any Interest Payment Date from such maturities as selected by the City, from any source of funds other than prepayment of Assessments, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption at the following redemption prices (expressed as a percentage of the principal amount of Bonds to be redeemed):

<b>Redemption Date</b>	<b>Price</b>
Any Interest Payment Date on or prior to March 2, _____	103%
September 2, _____ or March 2, _____	102
September 2, _____ or March 2, _____	101
September 2, _____ and thereafter	100

NEW ISSUE – BOOK ENTRY ONLY

NOT RATED

*In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, the interest (and original issue discount) with respect to the Bonds is not excluded from gross income for federal income tax purposes. In the further opinion of Bond Counsel, such interest (and original issue discount) is exempt from State of California personal income tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest with respect to, the Bonds. See "CONCLUDING INFORMATION—Tax Matters" herein.*

**[\$6,495,000]\***

**CITY OF MALIBU**

**ASSESSMENT DISTRICT NO. 2015-1**

**(CIVIC CENTER WASTEWATER TREATMENT FACILITIES – PHASE I)**

**TAXABLE LIMITED OBLIGATION IMPROVEMENT BONDS**

**2016 SERIES A**

**Dated: Date of Delivery**

**Due: September 2, as shown inside cover**

The City of Malibu Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facilities – Phase I) Taxable Limited Obligation Improvement Bonds 2016 Series A (the "Bonds") are limited obligations of the City of Malibu (the "City") secured by special assessments to be levied on real property located within the City of Malibu Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facilities – Phase I) (the "Assessment District").

The design and construction of a wastewater treatment plant, wastewater collection and recycled water distribution system and recycled water injection system (the "Improvements") being financed by the Assessment District and the levy of special assessments will be undertaken as provided by the Municipal Improvement Act of 1913. The Bonds are issued pursuant to provisions of the Improvement Bond Act of 1915 and a Fiscal Agent Agreement dated as of May 1, 2016 (the "Fiscal Agent Agreement") by and between the City and U.S. Bank National Association, as Fiscal Agent (the "Fiscal Agent") to pay for a portion of the costs of the Improvements.

The Bonds are being issued in fully registered book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") in the denomination of \$5,000 or any integral multiple thereof. Interest is payable on September 2, 2016, and semiannually thereafter on March 2 and September 2 of each year. Purchasers will not receive certificates representing their interest in the Bonds. Payments of principal and interest on the Bonds will be paid by the Fiscal Agent directly to the registered owner of the Bonds. Upon receipt of payments of principal and interest on Bonds registered to its nominee, DTC is to remit such principal and interest to DTC Participants (as defined herein) for subsequent disbursement to the beneficial owners of such Bonds. See APPENDIX E—"BOOK-ENTRY ONLY SYSTEM."

The Bonds are subject to redemption prior to maturity as described under "THE BONDS—Redemption of Bonds" herein.

Under the provisions of the Improvement Bond Act of 1915, installments of principal and interest sufficient to meet annual Bond debt service will be levied by the City and billed by the County of Los Angeles (the "County") to owners of property within the Assessment District against which there are unpaid assessments. The City expects to enter into a Loan and Grant Agreement with the State Water Resources Control Board (the "State Loan Agreement") in an amount which, together with the Bonds, will be sufficient to finance the completion of the Improvements. The Bonds and the State Loan Agreement will be secured by a pledge and lien on the Assessments and moneys on deposit in the Assessment Fund on a parity with one another. Upon receipt by the City from the County, these annual assessment installments are to be deposited into the Assessment Fund to be held by the City and used to pay debt service on the Bonds and the State Loan Agreement as they become due.

Unpaid assessments constitute fixed liens on the lots and parcels assessed within the Assessment District and do not constitute a personal indebtedness of the respective owners of such lots and parcels. Accordingly, in the event of a delinquency, proceedings may be taken only against the real property securing the delinquent assessment. Thus, the value of land within the Assessment District is a critical factor in determining the investment quality of the Bonds. See "THE ASSESSMENT DISTRICT—Value-to-Assessment Lien Ratios" and "BONDOWNERS' RISKS—Land Values" herein.

The Fiscal Agent will establish a Reserve Fund and deposit therein Bond proceeds in the amount of the Reserve Requirement to provide funds for payment of principal and interest on the Bonds in the event of any delinquent assessment installments. The City's obligation to advance funds to the Redemption Fund as a result of delinquent installments is limited to the balance in the Reserve Fund. The Reserve Fund does not secure payments on the State Loan Agreement. The City will be required to fund a reserve fund pursuant to the State Loan Agreement and such reserve fund will not secure the payment of principal of and interest on the Bonds. The City has covenanted to initiate judicial foreclosure in the event of a delinquency as described herein. See "SECURITY FOR THE BONDS—Covenant to Foreclose and Court Foreclosure Proceedings."

**NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF MALIBU, THE COUNTY OF LOS ANGELES, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE FISCAL AGENT AGREEMENT.**

*This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including, without limitation, "Bondowners' Risks," to obtain information essential to the making of an informed investment decision.*

\* Preliminary, subject to change.

*The Bonds are offered when, as and if issued and delivered to the Underwriter subject to the approval of Stradling Yocca Carlson & Rauth, Newport Beach, California, Bond Counsel and Disclosure Counsel. Certain matters will be passed upon for the City by the City Attorney. Certain legal matters will be passed upon for the Underwriter by its counsel, Jones Hall, A Professional Law Corporation, San Francisco, California. It is anticipated that the Bonds will be available for delivery to The Depository Trust Company in New York, New York on or about May \_\_\_\_, 2016.*

**[STIFEL LOGO]**

Dated: \_\_\_\_\_, 2016

\$ \_\_\_\_\_  
**CITY OF MALIBU**  
**ASSESSMENT DISTRICT NO. 2015-1**  
**(CIVIC CENTER WASTEWATER TREATMENT FACILITY – PHASE I)**  
**TAXABLE LIMITED OBLIGATION IMPROVEMENT BONDS**  
**2016 SERIES A**

**BASE CUSIP<sup>†</sup>: \_\_\_\_\_**  
**MATURITY SCHEDULE**

<i>Maturity Date</i> (September 2)	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>CUSIP<sup>†</sup></i>
	\$	%	%	

---

<sup>†</sup> Copyright 2016, American Bankers Association. CUSIP data in this Official Statement is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers' Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. The City and the Underwriter make no representations as to the accuracy of CUSIP data in this Official Statement.

**CITY OF MALIBU  
COUNTY OF LOS ANGELES, CALIFORNIA**

**CITY COUNCIL**

Laura Zahn Rosenthal, *Mayor*  
Lou La Monte, *Mayor Pro Tem*  
Joan House, *Councilmember*  
Skylar Peak, *Councilmember*  
John Sibert, *Councilmember*

---

**CITY OFFICIALS**

Jim Thorsen, *City Manager*  
Reva Feldman, *Assistant City Manager*  
Christi Hogen, *City Attorney*  
Lisa Pope, *City Clerk*

---

**BOND COUNSEL AND DISCLOSURE COUNSEL**

Stradling Yocca Carlson & Rauth,  
a Professional Corporation  
Newport Beach, California

---

**FISCAL AGENT**

U.S. Bank National Association  
Los Angeles, California

---

**ASSESSMENT ENGINEER**

David Taussig & Associates  
Newport Beach, California

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

This Official Statement is not to be construed as a contract with the purchasers or Owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. This Official Statement, including any supplement or amendment hereto, is intended to be deposited with a nationally recognized municipal securities depository.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

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

The information set forth herein which has been obtained by the City from third party sources is believed to be reliable but is not guaranteed as to accuracy or completeness by the City or the Fiscal Agent. 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, create any implication that there has been no change in the affairs of the City, the landowners within the City or any other parties described herein since the date hereof. All summaries of the Fiscal Agent Agreement or other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the City for further information in connection therewith.

While the City maintains an internet website for various purposes, none of the information on that website is incorporated by reference herein or intended to assist investors in making any investment decision or to provide any continuing information with respect to the Bonds or any other bonds or obligations of the City.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption "THE ASSESSMENT DISTRICT."

**THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.**

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

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

## TABLE OF CONTENTS

INTRODUCTION.....	1	Concentration of Ownership .....	25
Purpose .....	1	Land Values .....	25
Forward Looking Statements.....	1	Bankruptcy and Foreclosure.....	25
The Assessment District .....	2	FDIC/Federal Government Interests in Parcels.....	26
Property Values and Value-to-Assessment Lien		No Acceleration Provision .....	27
Ratios .....	2	Limitation on Remedies .....	27
State Loan Agreement or Additional Bonds.....	3	Natural Disasters .....	27
Tax Matters.....	3	Hazardous Substances .....	27
Professionals Involved in the Offering .....	3	Limited Secondary Market.....	28
Continuing Disclosure .....	3	Future Debt Issuance.....	28
Bond Owners' Risks.....	3	Ballot Initiatives .....	28
Other Information.....	4	Constitutional Amendment – Articles IIC and	
FINANCING PLAN .....	4	IIID .....	29
REFUNDING PLAN .....	6	CONCLUDING INFORMATION .....	29
ESTIMATED SOURCES AND USES OF FUNDS .....	7	Continuing Disclosure.....	29
THE BONDS .....	7	Legal Opinion.....	30
General .....	7	Tax Matters .....	30
Redemption of Bonds .....	8	Litigation.....	30
Purchase of Bonds .....	8	Financial Interests .....	31
Notice of Redemption.....	9	No Rating .....	31
Selection of Bonds for Redemption.....	9	Underwriting .....	31
Refunding Bonds.....	9	Miscellaneous.....	31
Registration, Exchange or Transfer .....	9	APPENDIX A ASSESSMENT DIAGRAM .....	A-1
Annual Debt Service.....	11	APPENDIX B ENGINEER'S REPORT .....	B-1
SECURITY FOR THE BONDS .....	12	APPENDIX C SUMMARY OF THE FISCAL	
Limited Obligation .....	12	AGENT AGREEMENT.....	C-1
Assessment Liens and Installments .....	12	APPENDIX D OPINION OF BOND	
Limited Obligation Upon Delinquency .....	13	COUNSEL .....	D-1
Reserve Fund.....	13	APPENDIX E BOOK-ENTRY ONLY	
Covenant to Foreclose and Court Foreclosure		SYSTEM.....	E-1
Proceedings.....	14	APPENDIX F FORM OF CONTINUING	
Priority of Assessment Lien .....	15	DISCLOSURE AGREEMENT.....	F-1
Additional Bonds.....	15		
THE ASSESSMENT DISTRICT.....	15		
Description of the Assessment District.....	15		
Formation Proceedings .....	16		
Allocation of Assessments.....	16		
Maximum Annual Assessment for Administrative			
Costs and Expenses.....	16		
Value-to-Assessment Lien Ratios.....	16		
Largest Property Owners .....	19		
Direct and Overlapping Indebtedness.....	21		
BONDOWNERS' RISKS .....	22		
General .....	22		
Measure R.....	23		
Risks of Real Estate Secured Investments			
Generally .....	23		
Limited Obligations.....	23		
Failure to Enter into State Loan Agreement .....	23		
Delinquency Resulting in Ultimate or Temporary			
Loss on Bonds.....	24		
Non-Cash Payments of Assessments.....	24		
Limited City Obligation Upon Delinquency .....	24		
Disclosures to Future Purchasers.....	24		
Payment of the Assessments is not a Personal			
Obligation of the Owners.....	25		

**ASSESSMENT DISTRICT AERIAL**

**[\$6,495,000]\***  
**CITY OF MALIBU**  
**ASSESSMENT DISTRICT NO. 2015-1**  
**(CIVIC CENTER WASTEWATER TREATMENT FACILITY – PHASE I)**  
**TAXABLE LIMITED OBLIGATION IMPROVEMENT BONDS**  
**2016 SERIES A**

**INTRODUCTION**

**Purpose**

The purpose of this Official Statement, which includes the cover page, the table of contents and the attached appendices (collectively, the “Official Statement”), is to provide certain information concerning the issuance by the City of Malibu (the “City”) of the \$[6,495,000]\* City of Malibu Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facility – Phase I) Taxable Limited Obligation Improvement Bonds 2016 Series A (the “Bonds”). The proceeds of the Bonds will be used to (i) fund the Reserve Fund for the Bonds, (ii) finance capitalized interest on the Bonds through September 2, 2018, (iii) pay costs of issuance, (iv) redeem a portion of the Community Facilities District No. 2012-1 of the City of Malibu (Malibu Civic Center Wastewater Treatment Plan Design Phase One) Special Tax Bonds, Series 2013 (the “Prior Bonds”) on September 1, 2016, (v) pay for the formation costs of the Assessment District, and (vi) fund a debt service reserve fund for the State Loan Agreement (as defined below). See “ESTIMATED SOURCES AND USES OF FUNDS,” “REFUNDING PLAN” and “THE ASSESSMENT DISTRICT” herein.

The Bonds are to be issued pursuant to a Fiscal Agent Agreement by and between the City acting on behalf of the City of Malibu Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facility – Phase I) (the “Assessment District”) and U.S. Bank National Association (the “Fiscal Agent”), dated as of May 1, 2016 (the “Fiscal Agent Agreement”). The Bonds are secured under the Fiscal Agent Agreement by a pledge of and lien upon the Assessments (as defined therein) and all moneys on deposit in the Assessment Fund, the Redemption Fund and the Reserve Fund. Payments due by the City under a Loan and Grant Agreement (the “State Loan Agreement”) with the State Water Resources Control Board, to be executed and delivered following the issuance of the Bonds, will also be secured by the Assessments. The payments due on the Bonds and under the State Loan Agreement will be made on a parity basis. The principal amount of the State Loan Agreement plus the principal amount of the Bonds will not exceed the principal amount of the unpaid Assessments within the District (\$58,548,025.13). See “SECURITY FOR THE BONDS.”

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, this entire Official Statement and the documents summarized or described herein. A full review should be made of the entire Official Statement. The sale and delivery of Bonds to potential investors is made only by means of the entire Official Statement. All capitalized terms used in this Official Statement and not defined herein shall have the meanings set forth in APPENDIX C—“SUMMARY OF THE FISCAL AGENT AGREEMENT—Definitions” herein.

**Forward Looking Statements**

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as a “plan,” “expect,” “estimate,” “project,” “budget” or similar words. Such forward-

---

\* Preliminary, subject to change.

looking statements include, but are not limited to certain statements contained in the information under the caption “THE ASSESSMENT DISTRICT.”

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

### **The Assessment District**

The Assessment District is located in the eastern portion of the City adjacent to State Highway 1 in and around the Malibu Civic Center. There are 42 parcels in the Assessment District with unpaid assessments securing the Bonds. The property in the Assessment District is zoned residential and commercial and consists of vacant property and a variety of structures and uses. See “THE ASSESSMENT DISTRICT” herein.

Assessment proceedings were initiated by the City Council of the City pursuant to the Municipal Improvement Act of 1913, Division 12 of the California Streets and Highways Code (the “Act”) by adoption of Resolution No. 15-27 on June 8, 2015, declaring its intention to form the Assessment District. David Taussig & Associates, Newport Beach, (the “Assessment Engineer”) prepared a written report (the “Engineer’s Report”) which contained among other things, the proposed assessment for each parcel of land in the Assessment District. The Engineer’s Report was filed and preliminarily approved by the City Council by Resolution No. 15-28, adopted on June 8, 2015. On January 25, 2016, a public hearing was duly held as noticed, and all persons interested and desiring to be heard were given an opportunity to speak and be heard, and all matters pertaining to the levy were fully heard and considered by the City Council, and all oral statements and all written protests or communications were duly considered. Following the public hearing, the assessment ballots were tabulated by the Assessment Engineer and the City Clerk and it was found that a majority protest as defined by Article XIID of the California Constitution did not exist. On January 25, 2016, the City Council adopted its resolution confirming the proposed assessments. The City Council confirmed a total assessment of \$63,688,774.33 and recorded such confirmed assessments. After confirmation and recordation, the assessments became liens against the various assessed parcels.

All property owners in the Assessment District were then given mailed notice of the opportunity to pay all or a portion of their Assessments in cash within 30 days of the recording of the Assessments. Originally, there were 47 assessed parcels with Assessments totaling \$63,688,774.33. The City and the County of Los Angeles prepaid the Assessments on property they own in the Assessment District in whole during the 30 day cash prepayment period. There remains \$58,548,025.13 of unpaid Assessments securing the Bonds (the “Assessments”). See “SECURITY FOR THE BONDS.”

### **Property Values and Value-to-Assessment Lien Ratios**

The aggregate assessed value of the parcels in the City with unpaid Assessments, as shown in the County of Los Angeles assessor’s roll for fiscal year 2015-16, was \$338,044,758. The ratio of the assessed value of such parcels to the total amount of the unpaid Assessments, is approximately 5.77 to 1. See “THE ASSESSMENT DISTRICT—Value-to-Lien Assessment Ratios” for a listing of each parcel with unpaid Assessments and the assessed value of each parcel.

### **State Loan Agreement or Additional Bonds**

The City is authorized to enter into the State Loan Agreement and/or to issue additional bonds secured by the Assessments provided that the total principal amount of the Bonds and the State Loan Agreement and/or additional bonds shall not exceed the amount of the unpaid Assessments. The City expects to enter into the State Loan Agreement shortly after issuance of the Bonds. However, the City can make no assurance that the State Loan Agreement will be entered into or that if it is entered into that it will have the terms described herein. If the City is unable to obtain financing from the State Water Resources Control Board it expects to issue bonds to finance the remaining costs of the design and construction of a wastewater treatment plant, wastewater collection and recycled water distribution system and recycled water injection system (the "Improvements"), which additional bonds together with the Bonds would be in an amount not to exceed the unpaid Assessments. See "SECURITY FOR THE BONDS—Additional Bonds."

### **Tax Matters**

In the opinion of Bond Counsel, under existing laws, regulations, rulings and court decisions, the interest (and original issue discount) on the Bonds is exempt from personal income taxes of the State of California but is not excludable from gross income of the owners of the Bonds for federal income tax purposes. Set forth in Appendix D is the opinion of Bond Counsel expected to be delivered in connection with the issuance of the Bonds. For a more complete discussion of such opinion and the tax consequences incident to the ownership of the Bonds, including certain exceptions to the tax treatment of interest, see "CONCLUDING INFORMATION—Tax Matters" herein.

### **Professionals Involved in the Offering**

U.S. Bank National Association, Los Angeles, California, will act as Fiscal Agent under the Fiscal Agent Agreement and as the initial Dissemination Agent under the City's Continuing Disclosure Agreement. The legal proceedings in connection with the issuance and delivery of the Bonds are subject to the approval as to their legality of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel and Disclosure Counsel. Certain legal matters will be passed on for the City by the City Attorney. Certain legal matters will be passed upon for the Underwriter by its counsel, Jones Hall, A Professional Law Corporation, San Francisco, California. Other professional services have been performed by David Taussig & Association, Newport Beach, California, as Assessment Engineer.

For information concerning financial or other interest which certain of the above-mentioned professionals, advisors, counsel and agents may have in the offering of the Bonds, see "CONCLUDING INFORMATION—Financial Interests" herein.

### **Continuing Disclosure**

The City has agreed to provide, or cause to be provided, to each nationally recognized municipal securities information repository and any public or private repository or entity designated by the State as a state repository for purposes of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission, certain annual financial information and operating data. The City has further agreed to provide notice of certain enumerated events. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5). See "CONCLUDING INFORMATION—Continuing Disclosure" herein and Appendix F hereto for a description of the specific nature of the annual reports and notices of enumerated events to be provided by the City.

### **Bond Owners' Risks**

Certain events could affect the timely repayment of the principal of and interest on the Bonds when due. See the section of this Official Statement entitled "BONDOWNERS' RISKS" for a discussion of certain

factors which should be considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds. The purchase of the Bonds involves risks, and the Bonds are not suitable investments for some types of investors. See “BONDOWNERS RISKS” herein.

### **Other Information**

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Brief descriptions of the Bonds and the Fiscal Agent Agreement are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Fiscal Agent Agreement, the Bonds and the constitution and laws of the State as well as the proceedings of the City Council of the City, are qualified in their entirety by references to such documents, laws and proceedings, and with respect to the Bonds, by reference to the Fiscal Agent Agreement. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Fiscal Agent Agreement.

Copies of the Fiscal Agent Agreement, the Continuing Disclosure Agreement and other documents and information referred to herein are available for inspection and (upon request and payment to the Fiscal Agent of a charge for copying, mailing and handling) for delivery from the Fiscal Agent.

### **FINANCING PLAN**

The coastal waters of the Pacific Ocean near the Malibu Civic Center Area, as well as the waters of the nearby Malibu Lagoon and Malibu Creek, have historically tested poorly for water quality. The City, the Regional Water Quality Control Board-Los Angeles Region (the “Regional Board”), various environmental groups and local property owners have disputed the source of the pollution. Most properties within the Malibu Civic Center Area have septic tanks and no centralized wastewater collection, treatment and disposal system currently exists for property within the Malibu Civic Center Area. The Regional Board believes that the septic tanks are the leading source of the poor water quality.

In late 2009, the Regional Board approved an amendment to the Water Quality Control Plan for the Coastal Watersheds of Los Angeles and Ventura Counties (the “Basin Plan”). In late 2010, the State Water Resources Control Board approved the amendment to the Basin Plan. Notwithstanding the fact that the City disagrees with the Regional Board’s conclusion that septic tanks have contributed to the poor water quality in the vicinity of the City, in late 2011, the City, the Regional Board and the State Water Resources Control Board entered into a Memorandum of Understanding Regarding Phased Implementation of Basin Plan Amendment Prohibiting On-Site Wastewater Disposal Systems in the Malibu Civic Center Area, which memorandum was amended in December 2014 (as amended, the “MOU”). The MOU will expire upon the completion of Phase III, as described below, or upon earlier termination as agreed to by the City, the Regional Board and the State Water Resources Control Board. The MOU tolls and extends the period during which the City is entitled to challenge the Basin Plan amendment until the expiration of the term of the MOU.

The amendment to the Basin Plan: (i) prohibits new on-site wastewater disposal systems (septic tanks) in the Malibu Civic Center Area; (ii) prohibits discharges after June 2017 from existing septic tanks in certain areas identified in the MOU described below, which includes the entirety of the District and most of the commercial property within the Malibu Civic Center Area (“Phase I”); and (iii) prohibits discharges after November 2022 from existing septic tanks in certain residential areas (“Phase II”) in the vicinity of the Malibu Civic Center Area.

Pursuant to the MOU, the City agreed, *inter alia*: (a) to complete and submit a certified environmental impact report for a wastewater treatment plant (the “EIR”) by March 31, 2013; (b) to create an assessment district for all properties within Phase I by September 30, 2013; and (c) to design and construct a wastewater treatment plant by June 2017 to serve the Phase I property owners. The City is still working

collaboratively with the State Water Resources Control Board to construct the Improvements. The State Water Resources Control Board has provided no assurances regarding extending these deadlines but has agreed to provide moneys in the form of grants towards the construction of the Improvements and to enter into the State Loan Agreement.

The City is responsible for meeting all waste discharge requirements for the wastewater treatment plant. In addition, the wastewater treatment plant must treat all water to the requirements of applicable State and federal law and regulations, including the Clean Water Act, the Basin Plan, the Porter-Cologne Water Quality Control Act and the standards set forth in Division 4 of Title 22 of the California Code of Regulations. The MOU permits the City to consider deep well or groundwater injections without reverse osmosis as an effluent dispersal method.

Under the MOU, all property owners within the Phase I area are required to connect to the wastewater treatment plant by June 2017, and all property owners within the Phase II area are required to connect to the wastewater treatment plant or an additional facility designed to the same standards by November 2022. If required, all property owners located in the Phase III area (as defined below) must connect to the wastewater treatment plant or an additional facility designed to the same standards by November 2025. Construction of the wastewater treatment plan will not be complete by June 2017. However, as discussed above, the City is working collaboratively with the State Water Resources Control Board on completing the financing and construction of the Improvements.

Within one year after the connection of Phase I property owners to the wastewater treatment plant, the City is to undertake a 12-month water quality sampling program in the Malibu Lagoon to determine whether a one log reduction in bacteria (reflecting a 10-fold reduction in the number of live bacteria) and a 50% reduction in nitrogen concentration has occurred. Within one year after the connection of Phase II property owners to the wastewater treatment plant or an additional facility, the City is to undertake a 12-month water quality sampling program in the Malibu Lagoon to determine whether a further one log reduction in bacteria and a further 50% reduction in nitrogen concentration has occurred. Based upon the results of such testing, additional properties in the City ("Phase III") may be required to connect to the wastewater treatment plant or an additional facility by November 5, 2025.

On August 13, 2012, the City formed the Community Facilities District No. 2012-1 of the City of Malibu (Malibu Civic Center Wastewater Treatment Plan Design Phase One) (the "CFD"), which included some but not all of the properties as the Assessment District, for the purpose of financing certain costs relating to the design of a wastewater treatment plant that was contemplated prior to the execution of the MOU. On February 8, 2013, the CFD issued the Prior Bonds for the purpose of financing these design costs. The Prior Bonds are expected to be redeemed from a portion of the Bond proceeds. See "PLAN OF REFUNDING" herein.

The City expects to construct and operate the wastewater treatment plant and the other improvements and to establish rates and charges to fund the operation and maintenance thereof. The City completed the design for the Improvements in 2015 and certified the EIR in January 2015. On March 12, 2015, the State Water Resources Control Board approved the waste discharge and water recycling requirements relating to the wastewater treatment plant and on May 13, 2015, the California Coastal Commission approved an amendment to the Local Implementation Plan of the Local Coastal Plan to allow for the development of the wastewater treatment plant with certain modifications. The City Council approved the proposed modifications on June 8 2015 and the California Coastal Commission certified the Local Implementation Plan on August 12, 2015. The City now has all the approvals required to proceed with construction of the Improvements.

In December, 2015, the City opened construction bids for the Improvements. The estimated costs (including all design and construction costs) is \$52,776,366. The Assessment District has been formed for the purpose of satisfying the Phase I requirements under the MOU and includes all of the property owners required to be included in Phase I under the MOU.

The City expects the State Water Resources Control Board through the State Loan Agreement to provide funding in the amount of approximately \$60,292,000, which consists of \$24,654,121 of a 1.00% loan, \$26,081,170 of a 1.70% loan and approximately \$9,557,000 in grants. Payments under the State Loan Agreement will be secured by the unpaid Assessments on a parity basis with the payment of principal of and interest on the Bonds. The City expects the State Loan Agreement to close in [May 2016]. The City expects to award the construction contracts as soon as possible following the closing of the State Loan Agreement. Construction of the Improvements is expected to take approximately 18 months. The amount of grant moneys expected to be received from the State Water Resources Control Board is significantly higher than the approximately \$2,000,000 assumed in the Engineer's Report upon which the Assessments were conformed. Accordingly, following completion of the Improvements, the City expects to undertake proceedings to reduce the amount of the Assessments to equal the outstanding principal amount of the Bonds and any Additional Bonds, and the balance of the State Loan Agreement.

If the wastewater treatment plant is not constructed, monetary fines could be imposed upon the City or the City could become subject to court orders compelling it to take or refrain from certain actions based on the restrictions set forth in the Basin Plan and the MOU. In addition, Phase I and Phase II property owners could face similar penalties for discharges from septic tanks. The imposition of fines or restraining orders against Phase I property owners could affect their ability to develop or continue operating their properties as currently contemplated, which could impact the value of the property within the District and the property owners' ability or willingness to pay the Special Taxes. See the caption "SPECIAL RISK FACTORS—Development Restrictions Imposed by the MOU."

#### **REFUNDING PLAN**

***Refunded Bonds.*** The Prior Bonds, which are currently outstanding in the aggregate principal amount of \$6,500,000, were executed and delivered under a Bond Indenture, dated as of February 1, 2013 (the "2013 Bond Indenture"), by and between the Community Facilities District No. 2012-1 of the City of Malibu (Malibu Civic Center Wastewater Treatment Plan Design Phase One) (the "Community Facilities District") and U.S. Bank National Association, as trustee (the "2013 Trustee"). The District plans to apply a portion of the proceeds of the Bonds together with proceeds from the State Loan Agreement, along with funds held under the 2013 Bond Indenture, to pay the principal of and interest on the Prior Bonds through September 1, 2016 and to refund the Prior Bonds on September 1, 2016 at a redemption price equal to 102% of the principal amount of the Prior Bonds to be redeemed, plus accrued interest with respect thereto to the date of redemption (collectively, the "Redemption Price"). Should the State Loan Agreement not be entered into or additional bonds not be issued, only a portion of the Prior Bonds in the amount of \$1,170,000 shall be redeemed on September 1, 2016 from proceeds of the Bonds.

Upon issuance of the Bonds, a portion of the Bond proceeds will be deposited with the 2013 Trustee. The Community Facilities District will deliver irrevocable instructions to the 2013 Trustee for the purposes of redeeming the Prior Bonds being refunded by Bond proceeds on September 1, 2016 and paying the Redemption Price on such Bonds on such date (the "Irrevocable Instructions").

The foregoing amounts held by the 2013 Trustee are pledged solely to the payment of the Prior Bonds. Such funds will not be available for the payments with respect to the Bonds.

### ESTIMATED SOURCES AND USES OF FUNDS

The Fiscal Agent will receive the proceeds from the sale of the Bonds upon delivery of such Bonds to the purchasers thereof. The proceeds of the Bonds will be applied as set forth in the following table:

<b>SOURCES:</b>	
Par Amount of Bonds	\$
[Plus Original Issue Premium]	
Plus Funds held by 2013 Trustee	
Plus Assessment Prepayments	
Less Underwriter's Discount	
Total Sources	\$
<b>USES:</b>	
Improvement Fund <sup>(1)</sup>	\$
Costs of Issuance Fund <sup>(2)</sup>	
Redemption of Prior Bonds	
Interest Account <sup>(3)</sup>	
Reserve Fund	
Total Uses	\$

<sup>(1)</sup> Includes amounts to be used to fund the reserve fund for the State Loan Agreement, fund the payment of interest and principal due on the Prior Bonds through September 1, 2016, to redeem a portion of the Prior Bonds on September 1, 2016 (including redemption premium) and pay the costs of the formation of the Assessment District. Remaining funds may also be used to fund the Improvements or to redeem additional Prior Bonds.

<sup>(2)</sup> Includes costs of issuance, such as Fiscal Agent, Bond Counsel and Disclosure Counsel fees and costs, printing costs and other related costs for the issuance of Bonds, reimbursable expenses of the City and certain upfront design and engineering costs.

<sup>(3)</sup> To fund interest on the Bonds through September 2, 2018.

### THE BONDS

#### General

The \$[6,495,000]\* aggregate principal amount of the Bonds was authorized for issuance by a resolution adopted by the City Council of the City and are being issued by the City pursuant to the Act and the Fiscal Agent Agreement between the City and the Fiscal Agent.

The Bonds will be dated their date of delivery and mature on September 2 in the years and in the amounts shown on the cover page of this Official Statement. Interest shall be payable on September 2, 2016, and semiannually thereafter on March 2 and September 2 of each year until maturity. The Bonds are issued as fully registered bonds, with authorized denominations of \$5,000 and any increment of \$5,000 in excess thereof. The payment of principal of and interest on the Bonds will be made on a pro rata basis with payments due under the State Water Loan Agreement.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication and registration thereof unless (i) it is authenticated after a Record Date and on or before the immediately succeeding Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) it is authenticated before the close of business on the first Record Date, in which event it shall bear interest from its 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

---

\* Preliminary, subject to change.

paid or made available for payment thereon or from the date of original delivery of the Bonds, if no interest has previously been paid or made available for payment on the Outstanding Bonds.

Interest on the Bonds is payable by the Fiscal Agent on each Interest Payment Date, until the principal amount of a Bond has been paid or made available for payment, 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 the Business Day on the Record Date preceding the Interest Payment Date. The Bonds will be held in book-entry form and registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), all interest payments will be made directly to DTC for distribution to the beneficial owners in accordance with DTC's procedures. See APPENDIX E—"BOOK-ENTRY ONLY SYSTEM" herein.

### Redemption of Bonds

**Optional Redemption.** The Bonds are subject to redemption prior to their stated maturity dates on any Interest Payment Date from such maturities as selected by the City, from any source of funds other than Prepayment of Assessments, including, but not limited surplus monies on deposit in the Improvement Fund, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption at the following redemption prices:

<i>Redemption Date</i>	<i>Redemption Prices</i>
September 2, 2021 through March 2, 2024	103%
September 2, 2024 and March 2, 2025	102
September 2, 2025 and March 2, 2026	101
September 2, 2026 and thereafter	100

**Mandatory Redemption From Assessment Prepayments.** Whenever, as of an Interest Payment Date, there are sufficient funds in the Prepayment Account of the Redemption Fund from the proceeds of prepayments of Assessments, the Bonds shall be called for redemption as provided in Part 11.1 of the 1915 Act. Each Bond, or any portion thereof, in the principal amount of \$5,000 or any integral multiple thereof, may be redeemed and paid in advance of maturity on any Interest Payment Date in any year pro rata among maturities, by giving notice to the Owner thereof and by paying the principal amount thereof, plus interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, together with a redemption premium (expressed as percentages of the principal amount of the Bonds to be redeemed) at the following redemption prices:

<i>Redemption Date</i>	<i>Redemption Prices</i>
Interest Payment Dates on or prior to March 2, 2024	103%
September 2, 2024 and March 2, 2025	102
September 2, 2025 and March 2, 2026	101
September 2, 2026 and thereafter	100

### Purchase of Bonds

In lieu of payment at maturity or redemption, moneys in the Redemption Fund may be used and withdrawn by the Fiscal Agent for purchase of outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus the premium, if any, which would be paid upon redemption, plus interest accrued to the date of purchase.

### **Notice of Redemption**

With respect to the Bonds held in book-entry form, notices of redemption will be mailed only to The Depository Trust Company and not to any beneficial owner of the Bonds.

The Fiscal Agent shall cause notice of any redemption to be mailed by registered or certified mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to the securities depository and to certain information services, and to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books maintained by the Fiscal Agent; but the actual receipt of any notice shall not be a condition precedent to such redemption and failure to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds, or the cessation of interest on the redemption date.

A notice of redemption for optional redemption may be conditioned on the receipt by the City of sufficient funds to effect the redemption. If sufficient funds are not received by the City by the redemption date, the redemption shall not occur and the Bonds will remain outstanding under the Indenture. If any redemption is cancelled due to lack of sufficient funds, the Fiscal Agent shall mail a notice to the Bondowners stating that such redemption was cancelled and did not occur.

### **Selection of Bonds for Redemption**

Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the Bonds, the City shall select the Bonds for redemption in such a way that the ratio of Outstanding Bonds to issued Bonds shall be approximately the same in each maturity of the Bonds insofar as possible. The Fiscal Agent shall select the particular Bonds to be redeemed from each maturity by lot.

### **Refunding Bonds**

Pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds (Division 11.5 of the Streets and Highways Code) (the "1984 Act"), the City may issue refunding bonds for the purpose of redeeming the Bonds. The City may issue and sell refunding bonds without giving notice to and conducting a hearing for the owners of property in the Assessment District or giving notice to the owners of the Bonds if the City Council makes the findings required in the 1984 Act. The City may also issue additional bonds for non-refunding purposes if it is unable to enter into the State Loan Agreement or otherwise obtain financing from the State Water Resources Control Board in an amount sufficient, along with the proceeds of the Bonds, to construct the Improvements. See "SECURITY FOR THE BONDS—Additional Bonds."

### **Registration, Exchange or Transfer**

The registration of any Bond may, in accordance with its terms, be transferred upon the Bond Register by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Fiscal Agent, accompanied by delivery of a written instrument of transfer in a form acceptable to the Fiscal Agent and duly executed by the Bondowner or his or her duly authorized attorney.

Bonds may be exchanged at the office of the Fiscal Agent for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity. The Fiscal Agent will not charge the Owner for any new Bond issued upon any exchange or transfer, but shall require the Owner requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. The cost of printing any Bonds and any services rendered or any expenses incurred by the Fiscal Agent in connection with any exchange or transfer shall be paid by the City as Administrative Expenses. Whenever any Bond or Bonds shall be surrendered for registration of transfer or exchange, the City shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond or Bonds of the same maturity for a

like aggregate principal amount; provided, that the Fiscal Agent shall not be required to register transfers or make exchanges of Bonds (a) 15 days prior to the date established by the Fiscal Agent for selection of Bonds for redemption, or (b) with respect to a Bond after such Bond has been selected for redemption.

### Annual Debt Service

Table 1 below sets forth the annual debt service on the Bonds based on the maturity schedule and interest rates set forth on the cover page of this Official Statement.

**TABLE 1**  
**CITY OF MALIBU**  
**ASSESSMENT DISTRICT NO. 2015-1**  
**(CIVIC CENTER WASTEWATER TREATMENT FACILITY – PHASE I)**  
**TAXABLE LIMITED OBLIGATION IMPROVEMENT BONDS**  
**2016 SERIES A**

#### Annual Debt Service

<i>Year Ending September 2</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2016	\$	\$ (1)	\$ (1)
2017		(1)	(1)
2018		(1)	(1)
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
<b>Total</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>

<sup>(1)</sup> To be paid from capitalized interest.

Source: Underwriter.

## SECURITY FOR THE BONDS

### Limited Obligation

The obligation of the City relating to the Bonds is not a general obligation of the City, but is a limited obligation, payable solely from the Assessments, on a pro rata basis with the State Water Loan Agreement, and from the funds pledged therefor under the Fiscal Agent Agreement. Neither the faith and credit nor the taxing power of the City, the County or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds. **Notwithstanding any other provision of the Fiscal Agent Agreement, the City is not obligated to advance available surplus funds from the City treasury to cure any deficiency in the Redemption Fund.**

### Assessment Liens and Installments

The Bonds are issued upon and secured by and payable solely from the unpaid Assessments on parcels of property within the Assessment District together with interest thereon, and such unpaid Assessments, together with interest thereon, constitute a fund for the redemption and payment of the principal of the Bonds and the interest thereon and premium, if any. Amounts due under the State Water Loan Agreement are equally secured by and payable solely from the unpaid Assessments, so payments due on the Bonds and under the State Water Loan Agreement will be made on a pro rata basis. In addition, all of the Bonds are secured by the moneys in the Assessment Fund, the Redemption Fund and the Reserve Fund created pursuant to the Fiscal Agent Agreement. Amounts in the Reserve Fund will only secure the payment of debt service on the Bonds and any Additional Bonds and are not pledged to any payments due under the State Loan Agreement. The City expects to fund a separate reserve fund under the State Loan Agreement to secure payments due thereunder and such amounts will not be available to pay debt service on the Bonds.

**THE BONDS ARE NOT SECURED BY THE GENERAL TAXING POWER OF THE CITY, THE COUNTY OF LOS ANGELES OR THE STATE OF CALIFORNIA, OR ANY OF ITS POLITICAL SUBDIVISIONS, NOR IS THE FULL FAITH AND CREDIT OF THE CITY, THE COUNTY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS PLEDGED TO THE PAYMENT OF THE BONDS.**

Although the unpaid Assessments constitute fixed liens on the lots and parcels assessed, they do not constitute a personal indebtedness of the respective owners of such lots and parcels. There can be no assurance as to the ability or the willingness of such owners to pay the unpaid Assessments when due. See "BONDOWNERS' RISKS" herein.

The unpaid Assessments will be collected in annual installments, together with interest, on the County secured tax roll on which general taxes on real property are collected (the "Assessment Installments"). The City will include in the annual installments an amount for the payment of administrative expenses in the amount set forth in the Engineer's Report; such amounts are not available to pay debt service on the Bonds or payments due under the State Loan Agreement. The Assessment Installments are payable and become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do general taxes. The properties upon which the Assessments are levied are subject to the same provisions for sale and redemption as are properties for nonpayment of general taxes. The City shall immediately deposit the annual Assessment Installments into the Assessment Fund held by the City upon receipt from the County. Amounts in the Assessment Fund shall secure the payment of debt service on the Bonds and all payments due under the State Loan Agreement on a parity basis. In furtherance of the foregoing sentence, on or prior to the first day of March and September of each year, the City shall transfer to the Fiscal Agent for deposit into the Redemption Fund and the Reserve Fund the amount required in the Fiscal Agent Agreement, and on a parity basis, without preference or priority, transfer to the State Water Resources Control Board amounts necessary to pay the principal and interest due on the State Loan Agreement for the

succeeding interest payment due thereunder, including any amounts necessary to restore the reserve fund established under the State Loan Agreement.

The Assessment Installments billed against each of the lots and parcels in the Assessment District each year represent a pro rata share of the total principal and interest coming due on all of the Bonds that year and all amounts due under the State Water Loan Agreement in that year, including any amounts needed to replenish any reserve fund held thereunder. The amount billed against each lot or parcel is based on the percentage which the unpaid Assessment against the property bears to the total of unpaid Assessments in the Assessment District. The failure of a property owner to pay an annual Assessment Installment will not result in an increase in Assessment Installments against other property in the Assessment District.

Each property owner has a statutory right to prepay the Assessment on a parcel in whole or in part on any date. Amounts received as prepaid Assessments will be deposited in the Prepayment Account of the Redemption Fund and shall be used solely for the purpose of redeeming Bonds. See "THE BONDS—Redemption of Bonds—*Mandatory Redemption from Assessment Prepayments.*"

### **Limited Obligation Upon Delinquency**

THE BONDS ARE LIMITED OBLIGATIONS OF THE CITY AND ARE PAYABLE SOLELY FROM THE ASSESSMENTS AND THE ASSETS PLEDGED THEREFOR UNDER THE FISCAL AGENT AGREEMENT. THE CITY HAS DETERMINED NOT TO OBLIGATE ITSELF AND HAS NO LEGAL OR MORAL OBLIGATION TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO PAY BOND DEBT SERVICE IN THE EVENT OF DELINQUENT ASSESSMENT INSTALLMENTS. BONDOWNERS SHOULD NOT RELY UPON THE CITY TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO THE REDEMPTION FUND. NOTWITHSTANDING THE FOREGOING, THE CITY MAY, AT ITS SOLE OPTION AND IN ITS SOLE DISCRETION, ELECT TO ADVANCE SUCH FUNDS.

### **Reserve Fund**

The Fiscal Agent Agreement provides that a Reserve Fund must be maintained. As established by the Fiscal Agent Agreement, the Reserve Fund is to be held by the Fiscal Agent. The amount to be maintained in the Reserve Fund is to equal the Reserve Requirement. The Reserve Requirement means, on each September 2nd (the calculation date), the least of (i) 10% of the net proceeds derived from the sale of the Bonds and any Additional Bonds (as hereinafter defined), (ii) maximum annual debt service on the Outstanding Bonds and any Additional Bonds, or (iii) 125% of average annual debt service on the Outstanding Bonds and any Additional Bonds. Moneys in the Reserve Fund shall be held for the benefit of the Owners of the Bonds as a reserve for the payment of the principal of and interest on the Bonds and shall be subject to a lien in favor of the Owners of the Bonds. See APPENDIX C—"SUMMARY OF FISCAL AGENT AGREEMENT."

In the event an Assessment is prepaid, in whole or in part, the City shall transfer such payment to the Fiscal Agent for the prepayment of Bonds or to the State Water Resources Control Board to prepay a portion of the State Loan Agreement.

For Bond prepayments, the amount of each Assessment prepaid shall be reduced by the amount the Fiscal Agent is required to transfer from the Reserve Fund for deposit in the Prepayment Account of the Redemption Fund. Under the Fiscal Agent Agreement the Fiscal Agent is to transfer the portion of the balance then in the Reserve Fund equal to the proportion that the Assessment prepaid bears to the total of all Assessments remaining unpaid as of such date. The City shall notify, or shall cause the Fiscal Agent to be notified of the amount so transferred. After each such transfer, the Reserve Requirement shall be reduced by the amount of the related transfer.

Whenever there are insufficient funds in the Redemption Fund to meet the next maturing installment of principal of or interest on the Bonds, the Fiscal Agent shall transfer from the Reserve Fund or deposit in the Redemption Fund an amount necessary to satisfy such deficiency. The City agrees in the Fiscal Agent Agreement that if such insufficiency was caused by delinquent payment of Assessment Installments, then an amount equal to the amount so transferred shall be reimbursed and transferred by the City to the Fiscal Agent, on a pro rata basis with any amount required to be transferred to the State Water Loan Fund to replenish any reserve fund held thereunder, for deposit in the Reserve Fund from the proceeds of redemption or sale of the delinquent parcel.

If at any time the amount of interest earned by the investment of any portion of the Reserve Fund, together with the principal amount in the Reserve Fund, shall exceed the Reserve Requirement, such excess shall, at the written direction of the City, be transferred by the Fiscal Agent to the Redemption Fund and shall be credited by the City upon the unpaid Assessments in the manner set for the in the 1913 Act.

Whenever the balance in the Reserve Fund, the Assessment Fund and the Redemption Fund is sufficient to retire all the remaining outstanding Bonds, the Fiscal Agent shall transfer at the written direction of the City the balance in the Reserve Fund to the Redemption Fund and the City shall cease the collection of the principal and interest on the unpaid Assessments. In such case, the City shall credit the balance so transferred against the Assessments remaining unpaid in the manner set forth in the 1915 Act.

THE CITY HAS NO OBLIGATION TO REPLENISH THE RESERVE FUND EXCEPT TO THE EXTENT THAT DELINQUENT ASSESSMENT INSTALLMENTS ARE PAID OR PROCEEDS FROM FORECLOSURE SALES ARE REALIZED.

#### **Covenant to Foreclose and Court Foreclosure Proceedings**

The 1913 Act provides that in the event any Assessment or installment thereof or any interest thereon is not paid when due, the City may order the institution of a court action to foreclose the lien of the unpaid Assessment. In such an action, the real property subject to the unpaid Assessment may be sold at judicial foreclosure sale. This foreclosure sale procedure is not mandatory. However, pursuant to the Fiscal Agent Agreement, if the City determines that any single parcel subject to the Assessments is delinquent in the payment of an Assessment Installment, then the City shall, within 60 days of such determination, send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the owner of each parcel delinquent in the payment of said Assessment Installment, and (if the delinquency remains incurred) shall commence foreclosure proceedings within 180 days of such determination against each parcel delinquent.

The 1913 Act provides that the court in a foreclosure proceeding has the power to order property securing delinquent Assessment Installments to be sold for an amount not less than all Assessment Installments, interest, penalties, costs, fees and other charges that are delinquent at the time the foreclosure action is ordered and certain other fees and amounts as provided in the 1913 Act. The court may also include subsequent delinquent Assessment Installments and all other delinquent amounts.

If the property to be sold fails to sell for the minimum price described above, the City may petition the court to modify the judgment so that the property may be sold at a lesser price or without a minimum price. In certain circumstances, the court may modify the judgment after a hearing if the court makes certain determinations, including, but not limited to, a determination that the sale at less than the minimum price will not result in an ultimate loss to the Owners of the Bonds or the State Water Resources Control Board, or a determination that the Owners of at least 75% of the principal amount of the Bonds outstanding and the State Water Resources Control Board have consented to the petition and the sale will not result in an ultimate loss to the nonconsenting Bond Owners or the State Water Resources Control Board. Neither the property owner, nor any holder of a security interest in the property, nor any defendant in the foreclosure action, nor any agent thereof may purchase the property at the foreclosure sale for less than the minimum price.]

For any lot or parcel with not more than 4 dwelling units, a period of 140 days must elapse after the date of the notice of levy of the interest in real property is served on the judgment debtor before the sale of such lot or parcel can be made. However, pursuant to Streets and Highways Code Section 8832, the 140 day period may be shortened to 20 days for undeveloped property. If the judgment debtor fails to redeem, and if the purchaser at the sale is the judgment creditor (e.g., the City), an action may be commenced by the delinquent property owner within 90 days after the date of sale to set aside such sale.

**In the event court foreclosure proceedings are commenced by the City, there may be delays in payments to Owners of the Bonds pending prosecution of the foreclosure proceedings to completion, including the receipt of the City of the proceeds of the foreclosure sale. It is also possible that no qualified bid will be received at the foreclosure sale. See “BONDOWNERS’ RISKS” herein.**

### **Priority of Assessment Lien**

The Assessments (and any further assessment or reassessment) and each installment thereof and any interest and penalties thereon constitute a lien against the lots and parcels of land on which they were imposed until paid. Such lien has priority over all fixed special assessment liens which may thereafter be created against the property, and also has priority over all private liens, including the lien of any mortgage or deed of trust whenever created. Such lien is co-equal to and independent of the lien for general taxes. See “THE ASSESSMENT DISTRICT—Direct and Overlapping Indebtedness” and “BONDOWNERS’ RISKS—FDIC/Federal Government Interests in Parcels.”

### **Additional Bonds**

The City is authorized to issue additional bonds (the “Additional Bonds”) secured by the Assessments on a parity with the Bonds. See “THE BONDS—Refunding Bonds” above. In addition to refunding bonds, if the City is unable to enter into the State Loan Agreement or otherwise obtain financing from the State Water Resources Control Board in an amount sufficient, along with the proceeds of the Bonds, to construct the Improvements, the City is authorized to issue Additional Bonds for the purpose of financing the Improvements, subject to the following preconditions: (i) any Additional Bonds shall have the same Interest Payment Date as the Bonds, (ii) the aggregate principal amount of the Bonds and any Additional Bonds, and the principal balance of the State Loan Agreement, shall not exceed the amount of Assessments unpaid at the time of the issuance of any such Additional Bonds, and (iii) any Additional Bonds shall fund a deposit to the Reserve Fund in an amount sufficient, together with the balance of moneys in the Reserve Fund, to equal the Reserve Requirement on all Bonds and Additional Bonds expected to be outstanding.

## **THE ASSESSMENT DISTRICT**

### **Description of the Assessment District**

The property in the Assessment District is zoned residential and commercial and consists of a variety of vacant property and completed structures. The Assessment District consists of 42 assessed parcels which did not prepay their Assessments during the cash payment period. The City and the County of Los Angeles collectively prepaid the Assessments on the 5 lots they owned in whole in the amount of \$4,641,807 during the 30 day cash collection period. The Assessment District is located in the eastern portion of the City adjacent to State Highway 1 in and around the Malibu Civic Center. The aggregate assessed value of parcels in the Assessment District with unpaid Assessments was \$338,044,758 for Fiscal Year 2015-16. The Improvements financed by the Assessment District will consist of the design and construction of a wastewater treatment plant, wastewater collection and recycled water distribution system and recycled water injection system. As discussed above, the Improvements are expected to be funded by Bond proceeds and amounts received under the State Loan Agreement. Costs of the Improvements is estimated to be \$52,776,366. See “ESTIMATED SOURCES AND USES OF FUNDS.” Any surplus monies on deposit in the Improvement Fund may be used to redeem Bonds. See “THE BONDS—Redemption of Bonds.”

### **Formation Proceedings**

The City Council has taken proceedings under the 1913 Act for the formation of the Assessment District and has confirmed the Assessments, which Assessments and a related diagram were recorded in the office of the Superintendent of Streets, and with the County Recorder of the County. A notice of assessment, as prescribed in Section 3114 of the Streets and Highways Code, was recorded with the County Recorder of the County, whereupon the Assessments attached as a lien upon the property assessed within the Assessment District as provided in Section 3115 of the Streets and Highways Code. On January 25, 2016, the City Council conducted a duly noticed public hearing regarding the formation of the Assessment District. As of the close of the public hearing, there was no majority protest. Property owners were then given an opportunity to prepay their assessments in cash or to pay them in annual installments following the issuance of the Bonds. At the end of the 30-day cash collection period, a list of unpaid assessments was filed with the Administrative Services Director/Assistant City Manager of the City, acting as treasurer pursuant to Section 8620 of the 1915 Act totaling \$58,548,025.13.

### **Allocation of Assessments**

The Assessment District was formed under the authority of the Act and Article XIID of the California State Constitution, together with its implementing legislation (collectively “Proposition 218”), which require that local agencies levy assessments according to the special benefit and prescribe the procedures for such levy. Costs and expenses of the proposed Improvements must be apportioned against the parcels in the Assessment District by a formula which proportionally and equitably distributes the costs in direct proportion to the estimated special benefits these parcels receive from the Improvements. Neither the Act or Proposition 218 specify the method that is used to apportion the benefits.

In the Engineer’s Report, the engineer identified the benefits the proposed Improvements will render to the properties within the City and determined that the property owners will receive a unique and special benefit distinguished from general benefits to the area at large. The unique and special benefit from the Improvements identified in the Engineer’s Report is the ability to discharge wastewater flows to a centralized wastewater treatment facility in compliance with the MOU. See APPENDIX B—“ENGINEER’S REPORT” herein for a description of the method of apportionment of the assessments. Assessments range from a high of \$14,886,541.39 to a low of \$8,802.91 depending on the special benefit each property will receive from the Improvements as set forth in the Engineer’s Report confirmed by the City Counsel.

### **Maximum Annual Assessment for Administrative Costs and Expenses**

The costs associated with administering the Assessment District will be spread to each parcel in the Assessment District with unpaid Assessments on a pro-rata basis. Administrative costs for the Assessment District cannot exceed a total of \$25,000 which may increase annually at a compound rate beginning January 1, 2016 by the lesser of (i) five percent (5%), or (ii) the annualized positive change, if any, in the U.S. Consumer Price Index, All Urban Consumers, for Los Angeles-Riverside-Orange County, as of January 1 of each year.

### **Value-to-Assessment Lien Ratios**

The value of the land within the Assessment District with unpaid Assessments is significant because in the event of a delinquency in the payment of Assessment Installments, the Assessment District may foreclose only against delinquent parcels. The assessed value of the property within the Assessment District with unpaid Assessments was \$338,044,758 for fiscal year 2015-2016. Based on fiscal year 2015-2016 assessed values, the Assessment District has an assessed value-to-assessment lien ratio of 5.77 to 1. Table 2 below sets forth a listing of each parcel with unpaid Assessments and the assessed value, unpaid Assessments and value-to-lien of each parcel:

**TABLE 2**  
**CITY OF MALIBU**  
**ASSESSMENT DISTRICT NO. 2015-1**  
**VALUE-TO-ASSESSMENT LIEN RATIOS BY PARCEL**

<i>Assessment Number</i>	<i>Parcel Owner</i>	<i>Property Address</i>	<i>Parcel Description</i>	<i>Fiscal Year 2015-16 Assessed Value</i>	<i>Confirmed AD No. 2015-1 Assessment</i>	<i>Value-to-Lien</i>	<i>Percent Share of Assessment</i>
30	KW Malibu Colony LLC <sup>(2)</sup>	23841 Malibu Road	Malibu Colony Plaza – Shopping Center	\$ 69,361,268	\$ 14,886,541	4.66	25.43%
44	Malibu Bay Company <sup>(3)</sup>	23575 Civic Center Way	Vacant - Commercial	7,807,246	5,249,316	1.49	8.97
48	Malibu La Paz Ranch LLC	Private + Vacant	Vacant – Commercial	3,261,075	3,969,778	0.82	6.78
46	Wave Property Inc	23571 Civic Center Way	Vacant Residential	14,000,000	3,576,435	3.91	6.11
41	Surfrider Partners LLC	23833 Stuart Ranch Rd	Commercial	12,780,978	2,846,857	4.49	4.86
45	Hitoshi Yamaguchi Tr Et Al, Tosh Trust, Eiko Mori Tr, And H And E Mori Trust	23801 Stuart Ranch Rd	Vacant - Commercial	432,448	2,716,084	0.16	4.64
34	3835 Cross Creek LLC <sup>(4)</sup>	3835 Cross Creek Rd	Malibu Country Mart I – Shopping Center	12,711,812	2,529,507	5.03	4.32
47	DB Malibu Holdco LLC	Private + Vacant	Vacant - Commercial	2,899,884	2,327,811	1.25	3.98
10	Mariposa Land Co Ltd	3738 Cross Creek Rd	[Commercial]	746,167	2,197,318	0.34	3.75
33	Malibu Cross Creek Ltd <sup>(4)</sup>	23410 Civic Center Wy	Malibu Country Mart II – Shopping Center	9,591,049	1,818,307	5.27	3.11
43	DB Malibu Holdco LLC	Vacant - Whole Foods	Vacant - Commercial	6,444,189	1,669,766	3.86	2.85
6	3900 Cross Creek LLC <sup>(4)</sup>	3900 Cross Creek Rd	Malibu Country Mart III – Shopping Center	5,008,256	1,641,784	3.05	2.80
8	Jamestown Premier Malibu Village LP	23357-23361 Pacific Coast Hwy	Malibu Creek Plaza/Malibu Village – Shopping Center	61,198,800	1,574,649	38.87	2.69
17	PCH Project Owner LLC		Vacant - Residential	20,065,975	1,160,682	17.29	1.98
4	Mariposa Land Company Ltd		Vacant – Commercial	232,238	1,030,691	0.23	1.76
7	Jamestown Premier Malibu Village LP	3822-3896 Cross Creek Rd	Malibu Creek Plaza/Malibu Village – Shopping Center	61,198,800	900,729	67.94	1.54
3	3806 Cross Creek Road Llc	3806 Cross Creek Rd	The Courtyard [J & P Enterprises; previously Charter & Verizon South Inc.]	2,655,465	893,876	2.97	1.53
40	Miramar Property Investment Co	23805-23815 Stuart Ranch Rd	Miramar Properties	5,932,562	825,845	7.18	1.41
1	Mariposa Land Company Ltd	3730 Cross Creek Road	Mariposa Land Company, LLC	1,005,439	761,722	1.32	1.30
49	Malibu Lapaz Ranch LLC		Vacant - Commercial	3,261,075	669,637	4.87	1.14
29	KW Partnership LP And KW Two Partnership LP <sup>(2)</sup>		Chevron/Urgent Care	8,528,018	544,392	15.67	0.93
53	Archdiocese of LA Educ And Welfare Corp Our Lady of Malibu	3625 Winter Canyon Rd	Our Lady of Malibu Church and School (School structure)	913,410	512,852	1.78	0.88
50	Steven J Knapp Tr, Steven J Knapp Trust, Joan Knapp Tr, And Knapp Trust	3700 La Paz Ln	Vacant - JP Potential Residential [Joan B. Knapp]	93,282	479,046	0.19	0.82
35	Reco Land Corp <sup>(3)</sup>		Vacant - Commercial	589,276	467,451	1.26	0.80
51	GTE Calif Inc, SB of E Par 3 Map 201-19-746		GTE Calif, Inc.	0	331,644	0.00	0.57
5	Mariposa Land Company Ltd	3728 Cross Creek Rd	Mariposa Land Company, LLC	453,839	290,075	1.56	0.50
32	CCW Partners LLC	23440 Civic Center Wy	Malibu Prof. Arts Bldg	8,300,000	257,649	32.21	0.44

<i>Assessment Number</i>	<i>Parcel Owner</i>	<i>Property Address</i>	<i>Parcel Description</i>	<i>Fiscal Year 2015-16 Assessed Value</i>	<i>Confirmed AD No. 2015-1 Assessment</i>	<i>Value-to-Lien</i>	<i>Percent Share of Assessment</i>
13	23676 And 23726 Malibu Rd LLC	23676-23712 Malibu Rd	Malibu Rd., LLC	1,654,976	245,545	6.74	0.42
54	Roman Catholic Archbishop of LA	3625 Winter Canyon Rd	Our Lady of Malibu Church and School	584,634	244,526	2.39	0.42
18	Malibu Rd Project Owner LLC	23915 Malibu Road	Vacant – Residential	1,011,658	228,224	4.43	0.39
19	Malibu Rd Project Owner LLC	23915 Malibu Road	Vacant – Residential	2,244,880	228,224	9.84	0.39
20	Malibu Rd Project Owner LLC	23915 Malibu Road	Vacant – Residential	1,504,947	228,224	6.59	0.39
21	Malibu Rd Project Owner LLC	23915 Malibu Road	Vacant – Residential	2,318,037	228,224	10.16	0.39
27	Reco Land Corp <sup>(3)</sup>		Vacant - Commercial	234,569	228,224	1.03	0.39
28	Chevron USA Inc		Vacant - Commercial	481,435	226,625	2.12	0.39
9	So Calif Edison Co, SB of E Par 1 Map 148-19-454A	3808 Cross Creek Rd	So. Calif. Edison	0	185,573	0.00	0.32
55	Roman Catholic Archbishop of LA	3625 Winter Canyon Rd	Our Lady of Malibu Church and School (Father's Residence)	523,312	119,329	4.39	0.20
2	First Oaks Oil LLC	23387 Pacific Coast Highway	Malibu Shell	5,551,656	111,731	49.69	0.19
12	Morton M And Leslie Gerson Trs, Gerson Family Trust	23730 Malibu Rd	Morton-Gerson	493,204	65,696	7.51	0.11
31	Cross Creek Real Estate Group LLC And Malibu Bear LLC	23405 Pacific Coast Highway	Prudential Realty	1,966,703	44,833	43.87	0.08
57	MBC Colony Plaza LLC <sup>(1)(3)</sup>	Private + Vacant	Vacant – Commercial	1,811	23,801	0.08	0.04
56	Reco Land Corp <sup>(1)(3)</sup>	Private + Vacant	Vacant – Commercial	385	8,803	0.04	0.02
Grant Total:				\$ 338,044,758	\$ 58,548,025	5.77	100.00%

<sup>(1)</sup> In escrow to be sold to the City for the purpose of siting the wastewater treatment plant. [The City anticipates prepaying the assessments on the parcels when acquired.]

<sup>(2)</sup> Affiliated ownerships.

<sup>(3)</sup> Affiliated ownerships.

<sup>(4)</sup> Affiliated ownerships.

Source: David Taussig & Associates.

## Largest Property Owners

Due to the common ownership of several parcels within the Assessment District, only a few owners are responsible for a large portion of the unpaid Assessments. Table 3 below sets forth the top ten property owners within the District by share of unpaid Assessments.

**TABLE 3  
CITY OF MALIBU  
ASSESSMENT DISTRICT NO. 2015-1  
DIRECT AND OVERLAPPING ASSESSMENT INDEBTEDNESS**

<i>Rank</i>	<i>Owner</i>	<i>Number of Parcels</i>	<i>FY 2015-16 Assessed Value</i>	<i>Confirmed AD No. 2015-1 Assessment</i>	<i>Value -to- Lien</i>	<i>Percent Share of Assessment</i>
1	KW Malibu Colony LLC	2	\$ 77,889,286	\$ 15,430,933	5.05	26.36%
2	Malibu Country Mart	3	27,311,117	5,989,598	4.56	10.23
3	Malibu Bay Company	5	8,633,287	5,977,595	1.44	10.21
4	Malibu La Paz Ranch LLC	2	6,522,150	4,639,415	1.41	7.92
5	Mariposa Land Company Ltd.	4	2,437,683	4,279,806	0.57	7.31
6	DB Malibu Holdco LLC	2	9,344,073	3,997,577	2.34	6.83
7	Wave Property Inc.	1	14,000,000	3,576,435	3.91	6.11
8	Surfrider Partners LLC	1	12,780,978	2,846,857	4.49	4.86
9	Hitoshi Yamaguchi Trust, Tosh Trust, Eiko Moro Trust, and H and E Mori Trust	1	432,448	2,716,084	0.16	4.64
10	Jamestown Premier Malibu Village LP	2	122,397,600	2,475,379	49.45	4.23
	All Others	<u>19</u>	<u>56,296,136</u>	<u>6,618,347</u>	<u>8.51</u>	<u>11.30</u>
	<b>Grand Total</b>	<b>42</b>	<b>\$ 338,044,758</b>	<b>\$ 58,548,025</b>	<b>5.77</b>	<b>100.00%</b>

Source: David Taussig & Associates.

The following is a description of each of the parcels owned by the top 10 property owners:

### KW Malibu Colony LLC

Parcel 30 – a commercial development located at 23841 Malibu Road. The property is zone Commercial General. Total building area is 116,925 square feet (68,014 square feet of retail and 48,911 square feet of restaurant). Current tenants include Ralph's Starbucks, CVS, Subway and Bank of America, and several other retail and restaurant establishments.

Parcel 29 – a commercial development located at 23841 Malibu Road. The property is zoned Commercial General. Total building area is 116,925 square feet (68,014 square feet of retail and 48,911 square feet of restaurant). Current tenants include Chevron and an urgent care facility. Approximately one-half of the property is currently vacant.

### Malibu Country Mart

Parcel 34 – the Malibu Country Mart I commercial development located at 3835 Cross Creek Road consisting of high-end retail, restaurant and office uses. The property is zoned Commercial Visitor Serving I. Total building area is 29,068 square feet (19,737 square feet of retail, 18,025 square feet of restaurant and 1,306 square feet of office). Current tenants include the Ralph Lauren, Ted Baker, 7 for all Mankind, Morgan LeFay, John Varvatos, Coffee Bean Tea and Leaf and the Malibu Colony Company, and several other high-end retail, commercial and restaurant establishments.

Parcel 33 – the Malibu Country Mart II commercial development located at 23410 Civic Center Way consisting of high-end retail, restaurant and office uses. The property is zoned Commercial Visitor Serving I. Total building area is 39,076 square feet (19,996 square feet of retail, 4,700 square feet of restaurant and 14,380 square feet of office). Current tenants include Taverna Tony and Canvas, and several other high-end retail, commercial and restaurant establishments.

Parcel 6 – a restaurant, retail and office development located at 3900 Cross Creek Road. The property is zoned Commercial Visitor Serving I. Total building area is 13,061 square feet (4,686 square feet of retail, 5,245 square feet of restaurant and 3,130 square feet of office). Current tenants include L'Occitane en Provence and Starbucks, and several other retail, commercial and restaurant establishments.

### **Malibu Bay Company**

Parcel 27 – vacant land located at south of the intersection of Pacific Coast Highway and Civic Center Way and north of Malibu Road. The property is zoned Single Family Medium.

Parcel 35 – vacant land located south of Civic Center Way, north of Pacific Coast Highway and west of Webb Way. The property is zoned Commercial General and is expected to be used for retail and restaurant purposes. Total future building area is estimated at 7,242 square feet.

Parcel 44 – vacant land located at the northeast corner of Civic Center Way and Stuart Ranch Road. The property is zoned Community Commercial and is expected to be used for retail, restaurant and office purposes. Total future building area is estimated at 81,010 square feet.

Parcels 56 and 57 – vacant parcels located just west of the intersection of Civic Center Way and Pacific Coast Highway. The City is in escrow to acquire both parcels for the siting and construction of the wastewater treatment plant.

### **Malibu La Paz Ranch LLC**

Parcels 48 and 49 – vacant land located east of La Paz Lane and north of Civic Center Way. The property is zoned as Town Center Overlay and is expected to be used for retail, restaurant and office purposes. Total future building area is estimated at 132,058 square feet. Both parcels contain development conditions which would require the transfer of up to 2.3 acres to the City depending upon the density of the development. However, if such a transfer were to occur, the City's portion of the parcels would continue to be assessable as developed property.

### **Mariposa Land Co. Ltd.**

Parcel 1 – a small commercial development located at 3730 Cross Creek Road. The property is zoned Commercial Visitor Serving I. The parcel currently contains a lumber and hardware store with total building estimated at 11,801 square feet.

Parcel 4 – vacant land located north of Pacific Coast Highway just west of Malibu Lagoon. The property is zoned Commercial Visitor Serving I and is expected to be used for retail and restaurant purposes. Total future building area is estimated at 15,968 square feet.

Parcel 5 – vacant land located at 3728 Cross Creek Road. The property is zoned Commercial Visitor Serving I and is expected to be used for retail and restaurant purposes. Total future building area is estimated at 4,494 square feet.

Parcel 10 – vacant land, with temporary structures located thereon, located at 3738 Cross Creek Road. The property is zoned Commercial General and is expected to be used for retail and restaurant purposes. Total future building area is estimated at 34,042 square feet.

#### **DB Malibu Holdco LLC**

Parcels 43 and 47 – vacant land located at the northwest corner of the Civic Center Way and Cross Creek Road. The property is zoned as Commercial Visitor Serving I. These parcels are expected to be the site of a future Whole Foods grocery store, with total building area of 38,425 square feet (9,222 square feet of retail and 29,203 square feet of restaurant). The property owner has obtained all of the planning approvals required for these parcels to be developed into a Whole Foods grocery store, except for voter approval which was added as a requirement after the passage of a voter initiative (Measure R). The Los Angeles County Superior Court ruled that such voter approval requirement was unconstitutional and enjoined the City from enforcing Measure R. The proponents of Measure R have appealed the ruling and may request that the Court of Appeal reinstate Measure R. If Measure R is not in effect, the proposed development may proceed; if Measure R is in effect, voter approval would be required for the development to proceed as planned and the City’s voters have already rejected the project as entitled. See “BONDOWNERS’ RISKS—Measure R.”

#### **Wave Property LLC**

Parcel 46 – vacant land located on the west side of La Paz Lane at its current terminus. The property is Community Commercial. The parcel is owned by an entity affiliated with Pepperdine University and is expected to be developed into a parking lot for the purpose of providing parking for the Civic Center.

#### **Surfrider Partners LLC**

Parcel 41 – vacant land located at the northwest corner of Civic Center Way and Stuart Ranch Road. The property is zoned Community Commercial and is expected to be used for retail and restaurant purposes. Total future building area is estimated at 44,105 square feet.

#### **Hitoshi Yamaguchi Trust, Tosh Trust, Eiko Moro Trust, and H and E Mori Trust**

Parcel 45 – vacant land located on the east side of Stuart Ranch Road opposite of Malibu City Hall. The property is zoned Community Commercial and is expected to be used for retail and restaurant purposes. Total future building area is estimated at 42,079 square feet.

#### **Jamestown Premier Malibu Village LP**

Parcels 7 and 8 – the Malibu Creek/Malibu Village commercial development located northeast of the intersection of Pacific Coast Highway and Cross Creek Road consisting of retail and restaurant uses. The properties are zoned Commercial Visitor Serving I. Total building area is 51,822 square feet (44,482 square feet of retail and 7,340 square feet of restaurant). Current tenants include Wells Fargo Bank and True Religion, and several other retail and restaurant establishments.

### **Direct and Overlapping Indebtedness**

The ability of an owner of land within the Assessment District to pay the Assessment Installments could be affected by the existence of other taxes and assessments imposed upon the property. These other taxes and assessments securing the repayment of overlapping debt in the Assessment District are set forth in Table 3 (the “Debt Report”). The Debt Report sets forth those entities which have issued debt and does not include entities which only levy or assess fees, charges, *ad valorem* taxes or special taxes. See Table 4 below for all entities levying taxes, assessments or other charges on property in the City. The Debt Report does not include the principal amount of the Bonds. The Debt Report has been derived from data assembled and

reported to the City by the Assessment Engineer as of April 1, 2016. The Debt Report includes information for all parcels with unpaid Assessments. Neither the City nor the Underwriter has independently verified the information in the Debt Report and do not guarantee its completeness or accuracy.

**TABLE 4  
CITY OF MALIBU  
ASSESSMENT DISTRICT NO. 2015-1  
DIRECT AND OVERLAPPING ASSESSMENT INDEBTEDNESS**

<i>Overlapping Debt</i>	<i>FY 2015-16 Tax Levy</i>	<i>Amount of Levy on Parcels in AD No. 2015-1</i>	<i>Percent of Levy on Parcels in AD No. 2015-1</i>	<i>Total Debt Outstanding</i>	<i>District Share of Total Debt Outstanding</i>
Los Angeles County Regional Park and Open Space District	\$28,304,881	\$2,652	0.01%	\$82,880,000	\$7,766
				Total Overlapping Debt:	\$ 7,766
				Plus: AD No. 2015-1 Assessment Lien:	<u>\$ 58,548,025</u>
				<b>Estimated share of Direct and Overlapping Debt:</b>	<b>\$ 58,555,792</b>
				<b>District Wide Fiscal Year 2015-16 Assessed Value:</b>	<b>\$ 338,044,758</b>
				<b>Value-to-Lien Ratio:</b>	<b>5.77</b>

Source: David Taussig & Associates.

## BONDOWNERS' RISKS

### General

In order to pay debt service on the Bonds, it is necessary that unpaid Assessment Installments on parcels within the City are paid in a timely manner. The Reserve Fund will be used to pay debt service on the Bonds if delinquent Assessment Installments should occur. The Assessments are a lien on the parcels of land and the City has covenanted to institute foreclosure proceedings under certain circumstances against parcels with delinquent Assessment Installments.

Failure by owners of the parcels to pay Assessment Installments when due, depletion of the Reserve Fund or the inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent Assessment Installments for such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds, and Bondowners would therefore be adversely affected.

The 1915 Act provides that except under certain circumstances property is to be sold upon foreclosure at a Minimum Price. "Minimum Price" as defined in the 1915 Act is the amount equal to the delinquent installments of principal or interest of the assessment or assessment, together with all interest penalties, costs, fees, charges and other amounts more fully detailed in the 1915 Act. The court may authorize a sale at less than the Minimum Price if the court determines that sale at less than the Minimum Price will not result in an ultimate loss to the Bondowners or, under certain circumstances, if owners of 75% or more of the outstanding Bonds consent to such sale. There can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Fund and a delay in payments of debt service on the Bonds. See "SECURITY FOR THE BONDS—Covenant to Foreclose and Court Foreclosure Proceedings."

Unpaid Assessment Installments do not constitute a personal indebtedness of the owners of the parcels within the Assessment District. There is no assurance the owners will be able to pay the Assessment Installments or that they will pay such installments even though financially able to do so.

## **Measure R**

On November 4, 2014, the voters of the City approved ballot initiative Measure R. As its first component, Measure R contains a set of restrictions designed to limit the development of “formula retail” establishments in the City. Measure R defined “Formula Retail” business as any business for which there are ten or more locations worldwide that share two or more specified criteria. Measure R: (i) prohibits any new Formula Retail tenant larger than 2,500 square feet (ii) requires all Formula Retail tenants to obtain a conditional use permit, and (iii) prohibits a shopping center from leasing more than 30% of its square footage, or 30% of its leasable retail spaces, to Formula Retail tenants. The second component of Measure R requires voter approval of every new proposed commercial project over 20,000 square feet.

Shortly after the passage of Measure R, an affiliate of DB Malibu Holdco, Inc. (the “Petitioner”), the owner of Parcel Nos. 43 and 47 within the Assessment District upon which it proposes to build a Whole Foods grocery store, brought a lawsuit against the City seeking to enjoin the City from enforcing Measure R. On December 14, 2015, the trial court held that Measure R is invalid and enjoined the City from enforcing Measure R. Proponents of Measure R intervened in the case and filed an appeal that is still pending.

Should the trial court’s decision be overturned on appeal Measure R will be reinstated and development of commercial or mixed use projects over 20,000 square feet, including the Whole Foods grocery store, will require voter approval. The City can provide no assurance regarding whether voter approval will be required to develop large commercial and mixed use projects on parcels within the Assessment District.

## **Risks of Real Estate Secured Investments Generally**

The Bond Owners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the Assessment District, the supply of or demand for competitive properties in such area, and the market value of residential property or buildings and/or sites in the event of sale or foreclosure; (ii) changes in real estate tax rates and other operating expenses, governmental rules and fiscal policies; and (iii) natural disasters (including, without limitation, earthquakes and floods), which may result in uninsured losses.

No assurance can be given that the individual homeowners will pay Assessments in the future or that they will be able to pay such Assessments on a timely basis. See “RISK FACTORS — Bankruptcy and Foreclosure” below, for a discussion of certain limitations on the City’s ability to pursue judicial proceedings with respect to delinquent parcels.

## **Limited Obligations**

The Bonds and related interest are not payable from the general funds of the City. Except with respect to the Assessments, the credit and the taxing power of the City is not pledged for the payment of principal or interest of the Bonds, and, except as provided in the Fiscal Agent Agreement, no Owner of the Bonds may compel the exercise of any taxing power by the City or force the forfeiture of any City property. The principal of, premium, if any, and interest on the Bonds are not a debt of the City or a legal or equitable pledge, charge, lien or encumbrance upon any of the City’s property or upon any of the City’s income, receipts or revenues, except the Assessments and other amounts pledged under the Fiscal Agent Agreement.

## **Failure to Enter into State Loan Agreement**

As discussed under “FINANCING PLAN,” the City expects to enter into the State Loan Agreement which includes a grant and loan at a relatively low interest rate. Should the City not enter into the State Loan Agreement, the City would be required to issue Additional Bonds to finance the Improvements, and such Additional Bonds would likely be issued at interest rates significantly higher than that which is expected under

the State Loan Agreement. Accordingly, should the City need to issue these Additional Bonds, property owners within the Assessment District would be required to pay the increased interest costs and to pay additional principal to offset the loss of the grant moneys.

### **Delinquency Resulting in Ultimate or Temporary Loss on Bonds**

If a temporary deficiency occurs in the Redemption Fund with which to pay the principal of or interest on Bonds that have then matured, or the principal and interest on Bonds coming due during the current year, unless it appears to the Treasurer that there will be an ultimate loss to the Bondowners, the Treasurer shall cause the Fiscal Agent to pay the principal of Bonds which have matured as presented and make interest payments on the Bonds when due, as long as there are available funds in the Redemption Fund, in the order of priority and as required by the Fiscal Agent Agreement. If it appears to the Treasurer that there is a danger of an ultimate loss accruing to the Bondowners for any reason, the Treasurer is required pursuant to the 1915 Act to withhold payment on all matured Bonds and interest on all Bonds and report the facts to the City so that the City may take proper action to equitably protect all Bondowners. See APPENDIX C—"SUMMARY OF FISCAL AGENT AGREEMENT."

### **Non-Cash Payments of Assessments**

The 1915 Act may permit the owner of a parcel that is subject to an unpaid Assessment Installment to tender any Bond secured by such Assessment in payment or partial payment of any installment of the Assessment or interest or penalties thereon which may be due or payable. A Bond so tendered is to be accepted at the par amount thereof and credit is to be given for any interest thereon accrued to the date of the tender. Thus, if Bonds can be purchased at a discount, it may be to the advantage of a property owner to pay amounts due with respect to an assessment by tendering a Bond. Such a practice would decrease the cash flow available to the City to make payments with respect to other Bonds then outstanding and could result in a default in payment on the Bonds.

### **Limited City Obligation Upon Delinquency**

Pursuant to the 1915 Act, the City has elected not to be obligated to advance funds from the treasury of the City for delinquent Assessment Installments. The only obligation of the City with respect to such delinquencies and the consequent deficiencies in the Redemption Fund is to advance money to the Redemption Fund from the Reserve Fund. The City has no obligation to replenish the Reserve Fund except to the extent that delinquent Assessment Installments are paid or proceeds from foreclosure sales are realized. There is no assurance that the balance in the Reserve Fund will always be adequate to pay all delinquent Assessment Installments and if during the period of delinquency there are insufficient funds in the Reserve Fund, a delay may occur in payments to the Bondowners.

### **Disclosures to Future Purchasers**

The willingness or ability of an owner of a parcel to pay the Assessments even if the value of the parcel is sufficient may be affected by whether or not the owner was given due notice of the Assessments authorization at the time the owner purchased the parcel, was informed of the amount of the Assessments on the parcel and the risk of such a levy, and, at the time of such a levy, has the ability to pay it as well as pay other expenses and obligations. The City has caused a notice of the Assessment lien to be recorded in the Office of the Recorder for the County against each parcel. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Assessments obligation in the purchase of a property within the Assessment District or lending of money thereon.

### **Payment of the Assessments is not a Personal Obligation of the Owners**

An owner of a parcel subject to an Assessment is not personally obligated to pay such Assessment. Rather, the Assessment is an obligation which is secured only by a lien against the parcel. If the value of a parcel is not sufficient, taking into account other liens imposed by public agencies, to secure fully the Assessment, the City has no recourse against the owner.

### **Concentration of Ownership**

As of April 1, 2016, there were 7 property owners that were each responsible for at least 5% of the total unpaid Assessments. The timely payment of principal of and interest on the Bonds depends upon the willingness and ability of the current and future property owners in the Assessment District to pay the unpaid Assessments prior to delinquency. General and local economic conditions and governmental requirements or restrictions may affect the willingness of the current property owners, or any successor property owners, to pay the unpaid Assessments, and there is no assurance that the current property owners, or any successor property owners, will pay such unpaid Assessments even if financially able to do so. Due to the concentration of ownership of the property within the Assessment District, a failure by any of these property owners or any successor property owner thereto to pay their share of the unpaid Assessments may result in a default in the payment of debt service on the Bonds. See “THE ASSESSMENT DISTRICT – Largest Property Owners.”

### **Land Values**

The value of the property within the Assessment District is a critical factor in determining the investment quality of the Bonds. If a property owner is delinquent in the payment of Assessment Installments, the Assessment District’s only remedy is to commence foreclosure proceedings against the delinquent parcel in an attempt to obtain funds to pay the delinquent Assessment Installments. Reductions in property values due to a downturn in the economy, physical events such as earthquakes, fires or floods, stricter land use regulations, delays in development or other events will adversely impact the security underlying the assessments. See “THE ASSESSMENT DISTRICT—Value-to-assessment lien ratios” herein.

The assessed values set forth in this Official Statement do not represent market values arrived at through an appraisal process and generally reflect only the sales price of a parcel when acquired by its current owner, adjusted annually by an amount determined by the County Assessor, generally not to exceed an increase of more than 2% per Fiscal Year. No assurance can be given that a parcel could actually be sold for its assessed value.

No assurance can be given that any bid will be received for a parcel with delinquent Assessment Installments offered for sale at foreclosure or, if a bid is received, that such bid will be sufficient to pay all delinquent Assessment Installments. See “SECURITY FOR THE BONDS—Covenant to Foreclose and Court Foreclosure Proceedings.”

### **Bankruptcy and Foreclosure**

The payment of Assessments and the ability of the City to foreclose the lien of delinquent unpaid Assessment Installments, as discussed in the section entitled “SECURITY FOR THE BONDS—Covenant to Foreclose and Court Foreclosure Proceedings” herein, may be limited by bankruptcy, insolvency, or other laws generally affecting creditors’ rights or by the law of the State of California relating to judicial foreclosure. In addition, the prosecution of a foreclosure could be delayed due to crowded local court calendars or procedural delays.

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, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Although bankruptcy proceedings would not cause the Assessments to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings and could result in delinquent Assessment Installments not being paid in full. Where property is encumbered by liens securing mortgage loans, it is highly probable that bankruptcy of a property owner would delay foreclosure for an extended period of time. Such a delay would increase the likelihood of a delay or default in payment of the principal and interest on the Bonds.

### **FDIC/Federal Government Interests in Parcels**

The ability of the City to collect interest and penalties specified by the 1915 Act and to foreclose the lien of delinquent Assessment Installments may be limited in certain respects with regard to parcels in which the Federal Deposit Insurance Corporation (the "FDIC") has or obtains an interest. Specifically, in the event that any financial institution making a loan which is secured by parcels is taken over by the FDIC and the applicable Assessment Installment is not paid, the remedies available to the City may be constrained. The FDIC's policy statement regarding the payment of state and local real property taxes (the "Policy Statement") provides that taxes other than *ad valorem* taxes which are secured by a valid lien in effect before the FDIC acquired an interest in a property will be paid unless the FDIC determines that abandonment of its interests is appropriate. The Policy Statement provides that the FDIC generally will not pay installments of non-*ad valorem* taxes which are levied after the time the FDIC acquires its fee interest, nor will the FDIC recognize the validity of any lien to secure payment except in certain cases where the Resolution Trust Corporation had an interest in property on or prior to December 31, 1995. Moreover, the Policy Statement provides that, with respect to parcels on which the FDIC holds a mortgage lien, the FDIC will not permit its lien to be foreclosed out by a taxing authority without its specific consent, nor will the FDIC pay or recognize liens for any penalties, fines or similar claims imposed for the non-payment of taxes.

If a parcel with unpaid Assessments within the Assessment District is owned by a federal governmental entity, or a private deed of trust secured by a parcel with unpaid Assessments within the Assessment District is owned by a federal governmental entity, the ability to foreclose on the parcel to collect delinquent Assessments may be limited. Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest. This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel with unpaid Assessments within the Assessment District but does not pay taxes and assessments levied on the parcel (including Assessments), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the City wishes to foreclose on the parcel as a result of delinquent Assessments, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Assessments and preserve the federal government's mortgage interest. In Rust v. Johnson (9th Circuit; 1979) 597 F.2d 174, the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association ("FNMA") is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

The City has not undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels with unpaid Assessments within the Assessment District, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the Bonds are outstanding

The City's remedies may also be limited in the case of delinquent Assessment Installments with respect to parcels in which other federal agencies (such as the Internal Revenue Service and the Drug Enforcement Administration) have or obtain an interest.

The City is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to a portion of the parcels in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale would prevent or delay the foreclosure sale.

### **No Acceleration Provision**

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 Bonds or the Fiscal Agent Agreement or in the event interest on the Bonds becomes included in gross income for federal income tax purposes. See “— Limitations on Remedies” below.

### **Limitation on Remedies**

Remedies available to the owners of the Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and of the Fiscal Agent Agreement to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditors' rights, by equitable principles and by the exercise of judicial discretion. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the owners of the Bonds.

### **Natural Disasters**

The Assessment District, like many California communities, may be subject to unpredictable seismic activity, fires, flood, or other natural disasters. Southern California is a seismically active area. Seismic activity represents a potential risk for damage to buildings, roads and property within the Assessment District. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such event. The City is located in an area of high fire risk. Significant wildfires have burned portions of the City in recent years including property adjacent to the Assessment District. Risk of wildfire is significant for all property within the Assessment District.

In the event of a severe earthquake, fire, flood or other natural disaster, there may be significant damage to both property and infrastructure in the Assessment District. As a result, a substantial portion of the property owners may be unable or unwilling to pay the Assessment Installments when due. In addition, the value of land in the Assessment District could be diminished in the aftermath of such a natural disaster, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Assessment Installments.

### **Hazardous Substances**

While government taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may also be relevant. The value of a parcel may be reduced as a result of a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions 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 “Super Fund Act”, is the most well-known and widely applicable of these laws, but

California laws with regard to hazardous substances are also stringent and similar in effect. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of a parcel whether or not the owner (or operator) had anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels within the Assessment District be affected by a hazardous substance, is to reduce the marketability and value by the costs of remedying the condition because the prospective purchaser of such a parcel will, upon becoming the owner of such parcel, become obligated to remedy the condition just as the seller of such a parcel is.

### **Limited Secondary Market**

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Although the City has committed to provide certain statutorily-required financial and operating information, there can be no assurance that such information will be available to Bondowners on a timely basis. The failure to provide the required annual financial information does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, the absence of a credit rating for the Bonds or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

### **Future Debt Issuance**

The ability of an owner of land within the Assessment District to pay the Assessment Installments could be affected by the existence of other taxes and assessments imposed upon parcels in the Assessment District with unpaid Assessments. In addition, the City and other public agencies whose boundaries overlap those of the Assessment District could impose additional taxes or assessment liens on the property within the Assessment District in order to finance public improvements or services to be located or provided inside of or outside of such area. The lien created on the property within the Assessment District through the levy of such additional taxes may be on a parity with the lien of the assessments levied by the City. See “THE ASSESSMENT DISTRICT—Direct and Overlapping Indebtedness” herein.

The imposition of additional liens on a parity with the Assessment Installments may reduce the ability or willingness of the landowners to pay the Assessment Installments and increase the possibility that foreclosure proceeds will not be adequate to pay delinquent Assessment Installments.

**The City does not have control over the ability of other entities and districts to issue indebtedness secured by special taxes, *ad valorem* taxes or assessments payable from all or a portion of the property within the Assessment District. In addition, the landowners within the Assessment District may, without the consent or knowledge of the City, petition other public agencies to issue public indebtedness secured by special taxes, *ad valorem* taxes or assessments. Any such special taxes, *ad valorem* taxes or assessments could reduce the estimated value-to-lien ratios for property within the Assessment District described herein.**

### **Ballot Initiatives**

From time to time constitutional initiatives or other initiative measures may be adopted by California voters. The adoption of any such initiative might place limitations on the ability of the State, the County or local districts to increase revenues or to increase appropriations, or on the ability of the landowners to complete their developments.

## **Constitutional Amendment – Articles XIIC and XIID**

An initiative measure commonly referred to as the “Right to Vote on Taxes Act” (the “Initiative”) was approved by the voters of the State of California at the November 5, 1996 general election. The Initiative added Article XIIC (“Article XIIC”) and Article XIID (“Article XIID”) to the California Constitution. According to the “Title and Summary” of the Initiative prepared by the California Attorney General, the Initiative limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.”

Article XIID requires that, beginning July 1, 1997, the proceedings for the levy of any assessment by the City under the Act (including, if applicable, any increase in such assessment or any supplemental assessment under the Act) must be conducted in conformity with the provisions of Section 4 of Article XIID. The City completed its proceedings for the levy of assessments in the Assessment District on April 12, 2010 after complying with the procedural requirements of Section 4 of Article XIID. Under Section 10400 of the Act, any challenge to the proceedings or the Assessment must be brought within 30 days after the date the assessment was levied.

Article XIIC removes limitations on the initiative power in matters of local taxes, assessments, fees and charges. Article XIIC does not define the term “assessment”, and it is unclear whether this term is intended to include assessments levied under the Act. In the case of the unpaid Assessments which are pledged as security for payment of the Bonds, the 1915 Act provides a mandatory, statutory duty of the City and the County Auditor to post Assessment Installments on account of the unpaid Assessments to the property tax roll of the County each year while any of the Bonds are outstanding, commencing with property tax year 2015-16, in amounts equal to the principal of and interest on the Bonds coming due in the succeeding calendar year plus certain administrative costs. It is unlikely that the initiative power can be used to reduce or repeal the unpaid Assessments which are pledged as security for payment of the Bonds or to otherwise interfere with performance of the mandatory, statutory duty of the City and the County Auditor with respect to the unpaid Assessments which are pledged as security for payment of the Bonds.

The interpretation and application of the Initiative has been and will continue to be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of any future determination.

## **CONCLUDING INFORMATION**

### **Continuing Disclosure**

The City has agreed to execute a Continuing Disclosure Agreement (the “Disclosure Agreement”) in connection with the delivery of the Bonds for the benefit of the Underwriter, holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the City by the April 1 following the end of the City’s fiscal year (the “Annual Report”) and to provide notices of the occurrence of certain enumerated events (the “Listed Events”). The Annual Reports will be filed on behalf of the City by U.S. Bank National Association (the “Dissemination Agent”) with the Municipal Securities Rulemaking Board (the “Repository”). Notices of Listed Events will be filed by the Dissemination Agent with the Repository. The specific nature of the information to be included in the Annual Report and the notices of Listed Events is set forth in APPENDIX F—“FORM OF CITY CONTINUING DISCLOSURE AGREEMENT.” The City has agreed to execute the Disclosure Agreement in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”). See APPENDIX F—“FORM OF CONTINUING DISCLOSURE AGREEMENT.”

It should be noted that the City is required to file certain financial statements with the Annual Report. This requirement has been included in the Disclosure Agreement solely to satisfy the provisions of the Rule. The inclusion of this information does not mean that the Bonds are secured by any resources or property of the

City other than the Assessments and amounts pledged under the Fiscal Agent Agreement. See “BONDOWNERS’ RISKS—Limited City Obligation Upon Delinquency.” It should also be noted that the list of significant events which the City has agreed to report includes items related to credit enhancements and ratings. These items have been included in the list solely to satisfy the requirements of the Rule. The Bonds have not been assigned a credit rating and have no credit enhancement.

Within the past five years, the City has not failed to comply in all material respects with any previous undertaking with regard to the Rule to provide annual reports or notices of Listed Events. Notwithstanding the foregoing, certain of the City’s filings were missing certain tabular financial information which was subsequently filed with the Repository in April 2015. The full text of the Disclosure Agreement is set forth in Appendix F.

### **Legal Opinion**

Certain proceedings in connection with the issuance of the Bonds are subject to the approval of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel (“Bond Counsel”). The opinion of Bond Counsel attesting to the validity of the Bonds will be delivered with each Bond. A form of the opinion to be delivered by Bond Counsel is set forth in Appendix D hereto.

Certain legal matters will be passed upon for the City by the City Attorney and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Jones Hall, A Professional Law Corporation, San Francisco, California.

### **Tax Matters**

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is exempt from State of California personal income tax.

With certain exceptions, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by the Beneficial Owner of a Bond will increase the Beneficial Owner’s basis in the Bond. Beneficial Owners of the Bonds should consult their own tax advisors with respect to taking into account any original issue discount on the Bonds.

The tax discussion set forth above is included for general information only and may not be applicable depending upon a Bond Owner’s particular situation. The ownership and disposal of the Bonds and the accrual or receipt of interest on the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR INDEPENDENT TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES RELATING TO THE BONDS AND THE TAXPAYER’S PARTICULAR CIRCUMSTANCES.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix D.

### **Litigation**

There is no action, suit, or proceeding known by the City to be pending at the present time restraining or enjoining the delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the execution or delivery thereof. A no litigation certificate

executed by the City will be required to be delivered to the Underwriter with respect to these matters simultaneously with the delivery of the Bonds.

### **Financial Interests**

The fees being paid to the Underwriter, Bond Counsel, Disclosure Counsel and Underwriter's Counsel are contingent upon the issuance and delivery of the Bonds. From time to time, Bond Counsel represents the Underwriter on matters unrelated to the Bonds.

### **No Rating**

The City has not applied to and does not contemplate applying to any bond rating agency for the assignment of a rating on the Bonds.

### **Underwriting**

The Bonds are being purchased by the Underwriter. The Underwriter has agreed to purchase the Bonds at a price of \$\_\_\_\_\_ (\$\_\_\_\_\_ par value, [plus/less] original issue [premium/discount] in the amount of \$\_\_\_\_\_ and less an Underwriter's discount of \$\_\_\_\_\_). The Bond Purchase Agreement relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the cover page hereof. The offering prices may be changed from time to time by the Underwriter.

### **Miscellaneous**

All quotations from, and summaries and explanations of, the Fiscal Agent Agreement, the Continuing Disclosure Agreement and 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 have been authorized by the City.

**CITY OF MALIBU**

By: \_\_\_\_\_  
City Manager

**APPENDIX A**  
**ASSESSMENT DIAGRAM**

**APPENDIX B**  
**ENGINEER'S REPORT**

**APPENDIX C**  
**SUMMARY OF THE FISCAL AGENT AGREEMENT**

**[TO COME]**

## APPENDIX D

## OPINION OF BOND COUNSEL

*Upon issuance of the Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion in substantially the following form:*

\_\_\_\_\_, 2016

City Council  
City of Malibu  
Malibu, California

Re:     \$\_\_\_\_\_ *City of Malibu Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facility – Phase I) Taxable Limited Obligation Improvement Bonds, 2016 Series A*

Ladies and Gentlemen:

We have examined certified copies of proceedings taken by the City of Malibu (the “City”) for the issuance of bonds designated “City of Malibu Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facility – Phase I) Taxable Limited Obligation Improvement Bonds, 2016 Series A” (the “Bonds”) pursuant to the Municipal Improvement Act of 1913, Division 12 of the Streets and Highways Code of the State of California (the “1913 Act”) and under and by virtue of the Improvement Bond Act of 1915, Division 10 of said Code (the “1915 Act”). The Bonds are issued for the purpose of providing the means for paying for the work and improvements described in the City’s Resolution No. 15-27 and are issued pursuant to the City’s Resolution No. \_\_\_\_\_ (the “Resolution of Issuance”) and a fiscal agent agreement (the “Fiscal Agent Agreement”) dated as of \_\_\_\_\_ 1, 2016, by and between the City and U.S. Bank National Association as fiscal agent. This examination covers said proceedings down to and including the issuance of the Bonds; however, we have made no examination of the ownership or use of the property assessed. In rendering this opinion, we have relied upon certain representations of fact and certifications made by or on behalf of the City, the initial purchasers of the Bonds and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us.

The Bonds are dated their date of delivery and mature on the dates and in the amounts set forth in the Fiscal Agent Agreement. The Bonds bear interest payable semiannually on each March 2 and September 2, commencing on September 2, 2016, at the rates per annum set forth in the Fiscal Agent Agreement.

Based upon our examination of all of the foregoing, and in reliance thereon and on all matters of fact as we deem relevant under the circumstances, and upon consideration of applicable laws, we are of the opinion that:

1.       The Fiscal Agent Agreement has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the Trustee, constitutes the valid and binding obligation of the City enforceable in accordance with its terms.

2.       The Bonds have been duly authorized and issued by the City and are valid and binding obligations of the City enforceable in accordance with their terms. The Bonds do not constitute a debt of the City, the State of California or any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction, and do not constitute an obligation for which the City, the State of California or any political subdivision thereof is obligated to levy or pledge any form of taxation or for which the City, the State of California or any political subdivision thereof has levied or pledged any form of taxation.

3. Upon delivery and authentication of the Bonds in accordance with the Fiscal Agent Agreement, the Bonds will be entitled to the benefits of the Fiscal Agent Agreement.

4. Interest on the Bonds is exempt from State of California personal income tax.

The opinions expressed in paragraphs (1), (2) and (3) above are limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws affecting the enforcement of creditors rights generally, by equitable principles, by the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against cities in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the Trust Agreement.

Except as expressly set forth in paragraph (4) above, we express no opinion regarding any tax consequences with respect to the Bonds.

We are admitted to the practice of law only in the State of California and our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the Bonds or other offering material relating to the Bonds and expressly disclaim any duty to advise the owners of the Bonds with respect to matters contained in the Official Statement.

Respectfully submitted,

**APPENDIX E****BOOK-ENTRY ONLY SYSTEM**

*The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests 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 to the City which the City believes to be reliable, but the City and the Underwriter do not and cannot make any independent representations concerning these matters and do not take responsibility for the accuracy or completeness thereof. Neither the DTC, Direct Participants, Indirect 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.*

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited through the facilities of DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

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

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

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

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

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

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, 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, the Trustee, or the City, 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 the City or the Trustee, 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.

A Bond Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

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

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

## APPENDIX F

### FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by the City of Malibu (the “Issuer”) and U.S. Bank National Association, as Dissemination Agent (the “Dissemination Agent”) in connection with the issuance of City of Malibu Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facility – Phase I) Taxable Limited Obligation Improvement Bonds 2016 Series A in the aggregate principal amount of \$\_\_\_\_\_ (the “Bonds”). The Bonds are being issued pursuant to a Resolution adopted by the City Council of the Issuer on \_\_\_\_\_, 2016 and a Fiscal Agent Agreement dated as of \_\_\_\_\_, 2016 (the “Fiscal Agent Agreement”) by and between the Issuer and U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”). The Issuer and Dissemination Agent hereby covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with SEC Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution of Issuance 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 Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Dissemination Agent” shall mean U.S. Bank National Association or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“Participating Underwriter” shall mean Stifel, Nicolaus & Company, Incorporated.

“Repository” shall mean the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, by April 1 of each year, commencing April 1, 2017, provide to the Repository, in an electronic format as prescribed by the Municipal Securities Rulemaking Board, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). 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 Issuer may be submitted separately from the balance of the Annual Report, and later than the

date required above for the filing of the Annual Report. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If the Issuer is unable to provide to the Repository or the Dissemination Agent an Annual Report by the date required in subsection (a), the Issuer shall in a timely manner send a notice to the Municipal Securities Rulemaking Board, in an electronic format as prescribed by the Municipal Securities Rulemaking Board, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) confirm the electronic filing requirements of the Municipal Securities Rulemaking Board for the Annual Report; and

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

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) Audited Financial Statements of the Issuer 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, together with the following statement: THE ISSUER'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 FO THE ISSUER ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS, AND THE ISSUER IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE ISSUER IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

(b) The following information regarding the Bonds:

- (i) Principal amount of Bonds outstanding;
- (ii) Balance in the Prepayment Account of Redemption Fund;
- (iii) A description of status of construction of the improvements being constructed until complete;
- (iv) Balance in the Redemption Fund;
- (v) Balance in the Reserve Fund and a statement of the Reserve Requirement;
- (vi) Information regarding the annual special assessment installments, amount collected, delinquent amount and percent delinquent for the most recent fiscal year and the amount and percent remaining delinquent for any prior fiscal year; and
- (vii) Status of foreclosure proceedings and summary of results of foreclosure sales, if available.

(c) An update to Table 2 of the Official Statement for the most recently completed fiscal year.

(d) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the Issuer shall provide such further 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.

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 Issuer or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so included by reference.

Section 5.        Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause the Dissemination Agent to give, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) business days after the event:

1. principal and interest payment delinquencies;
2. unscheduled draws on debt service reserves reflecting financial difficulties;
3. unscheduled draws on credit enhancements reflecting financial difficulties;
4. substitution of credit or liquidity providers, or their failure to perform;
5. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701-TEB);
6. tender offers;
7. defeasances;
8. ratings changes; and
9. bankruptcy, insolvency, receivership or similar proceedings.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, trustee or similar officer for an obligated person 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 obligated person, or if such jurisdiction has been assumed by leaving the existing governmental 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 obligated person.

(b) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. unless described in paragraph 5(a)(5) above, notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

2. the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
3. appointment of a successor or additional trustee or the change of the name of a trustee;
4. nonpayment related defaults;
5. modifications to the rights of Owners of the Bonds;
6. notices of redemption; and
7. release, substitution or sale of property securing repayment of the Bonds.

(c) Upon the occurrence of a Listed Event under Section 5(b) above, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Issuer determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the Issuer shall file a notice of such occurrence with MSRB in a timely manner not more than 10 business days after the event.

(e) The Issuer hereby agrees that the undertaking set forth in this Disclosure Agreement is the responsibility of the Issuer and that the Dissemination Agent shall not be responsible for determining whether the Issuer's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

Section 6. Termination of Reporting Obligation. The Issuer's and the Dissemination Agent's obligations 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 Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(d).

Section 7. Dissemination Agent. The Issuer 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 Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be U.S. Bank National Association.

Section 8. Amendment Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity nature or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Fiscal Agent Agreement, or (ii) does not, in the opinion of the Fiscal Agent or nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the Repository in the same manner as for a Listed Event under Section 5(c).

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer 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 Issuer 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 Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Agreement any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Fiscal Agent Agreement or any Supplemental Fiscal Agent Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only duties as are specifically set forth in this Disclosure Agreement, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, 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 13. Notices. Any notice or communication required or permitted hereunder shall be given in writing, sent by (a) personal delivery delivered by a representative of the party giving such notice, or (b) overnight delivery by recognized overnight courier, or (c) United States mail, postage prepaid, registered or certified mail, or (d) facsimile, addressed as follows:

If to the Issuer:

City of Malibu  
23815 Stuart Ranch Road  
Malibu, California 90265-4861

If to the Dissemination Agent:

U.S. Bank National Association  
633 West Fifth Street, 24th Floor  
Los Angeles, California 90071  
Attention: Global Corporate Trust Services

or to such other address or to the attention of such other person as hereinafter shall be designated in writing by the applicable party sent in accordance herewith. Any such notice or communication shall be deemed to have been delivered either at the time of personal delivery actually received by the addressee or a representative of the addressee at the address provided above or, if delivered on a business day in the case of delivery service or certified or registered mail, as of the earlier of the date delivered or the date 72 hours following the date deposited in the United States mail at the address provided herein, or if by telecopier, upon electronic confirmation of good receipt by the receiving telecopier.

Section 14. Future Determination of Obligated Persons. In the event that the Securities Exchange Commission amends, clarifies or supplements the Rule in such a manner that requires any landowner within the City to be an obligated person as defined in the Rule, nothing contained herein shall be construed to require the Issuer to meet the continuing disclosure requirements of the Rule with respect to such obligated person and nothing in this Disclosure Agreement shall be deemed to obligate the Issuer to disclose information concerning any owner of land within the City except as required as part of the information required to be disclosed by the Issuer pursuant to Section 4 and Section 5 hereof.

Dated: \_\_\_\_\_, 2016

CITY OF MALIBU

By: \_\_\_\_\_  
City Manager

U.S. BANK NATIONAL ASSOCIATION,  
as Dissemination Agent

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

**EXHIBIT A****NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD  
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City of Malibu

Name of Bond Issue: \$\_\_\_\_\_ CITY OF MALIBU ASSESSMENT DISTRICT NO. 2015-1  
(CIVIC CENTER WASTEWATER TREATMENT FACILITIES –  
PHASE I) TAXABLE LIMITED OBLIGATION IMPROVEMENT  
BONDS, 2016 SERIES A

Date of Issuance: \_\_\_\_\_, 2016

NOTICE IS HERBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Fiscal Agent Agreement dated as of \_\_\_\_\_, 2016, by and between the Issuer and U.S. Bank National Association, as Fiscal Agent. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

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

U.S. BANK NATIONAL ASSOCIATION,  
as Dissemination Agent on behalf of Issuer

**BOND COUNSEL AGREEMENT**

**CITY OF MALIBU**

(Civic Center Wastewater Treatment Facility – Phase 1)

THIS AGREEMENT, made as of this 26<sup>th</sup> day of May, 2015, by and between the CITY OF MALIBU, a municipal corporation organized and existing under the laws of the State of California (herein “City”) and STRADLING YOCCA CARLSON & RAUTH, a Professional Corporation (herein “Bond Counsel”):

***RECITALS:***

A. The City desires to consider the formation of an assessment district (the “Assessment District”) pursuant to the Municipal Improvement Act of 1913 (Division 12 of the Streets & Highways Code of the State of California) (the “1913 Act”) in order to finance the design, engineering and construction of the City’s Civic Center Wastewater Treatment Facility – Phase 1 (the “Project”); and

B. The City desires to retain Bond Counsel to do the necessary legal work hereinafter outlined, upon the terms and conditions hereinafter set forth, to assist in financing the Project through the issuance of bonds (“Bonds”) and one or more loans (the “State Loans”) from the State Water Resources Control Board (the “State”); and

C. Bond Counsel represents that it is ready, willing and able to perform said legal work;

NOW, THEREFORE, in consideration of the premises, and the mutual covenants, terms and conditions herein contained, the parties agree as follows:

1. SCOPE OF SERVICES

A. Services Related to Financing the Project

Bond Counsel agrees to provide legal services in connection with financing the Project. Such services shall include the rendering of legal opinions (hereinafter called the “opinions”) pertaining to the formation of the Assessment District pursuant to the Municipal Improvement Act of 1913 (Division 12 of the Streets & Highways Code of the State of California) (the “1913 Act”) in order to finance the design, engineering and construction of the Trancas Utilities Improvement Project (the “Project”) to the effect that:

1. The Assessment District has been properly authorized and issued and is a valid and binding obligations; and
2. The essential sources of security for the Bonds and Sate Loans have been legally provided; and
3. To the extent applicable, the interest component of the Bonds is exempt from California personal income taxation and is excluded from gross income for purposes of federal income taxes.

Bond Counsel's services will also include:

- i. Researching applicable laws and ordinances relating to the proposed structure of the financing and the Assessment District;
- ii. Attending conferences and consulting with City staff, the City Attorney and lawyers for the State regarding such laws, and the need for amendments thereto, or additional legislation;
- iii. Participating in meetings, conferences or discussions with any financial advisors, underwriters or other experts retained by the City or the State with respect to the proposed structure of the formation and financing of the Assessment District;
- iv. Supervising and preparing documentation of the steps to be taken with respect to the proposed structure of the financing and the formation of the Assessment District, including:
  - a. Drafting all resolutions, notices, rules and regulations, agreements and other legal documents required for the proposed structure of the financing and formation of the Assessment District, and all other documents relating to the Assessment District, in consultation with the City, the City Attorney, financial advisor, underwriter and other experts;
  - b. Preparing the record of proceedings for the authorization and formation of the Assessment District;
  - c. Assisting in the drafting and preparation of the official statement or placement memorandum in connection with the proposed financing;
  - d. Reviewing the purchase contracts or the bidding documents in connection with the proposed financing and participating in the related negotiations;
  - e. Participating in meetings and other conferences scheduled by the City, the State, the City's financial advisor or the underwriter;
  - f. Consulting with prospective purchasers, their legal counsel and rating agencies;
  - g. Consulting with the City Attorney concerning any legislation or litigation which may affect the Assessment District, the Bonds or the State Loans, the security for the Bonds or State Loans, or any other matter related to the proposed structure of the financing and the formation of the Assessment District;

- h. Consulting with any trustee or fiscal agent for the Bonds and their counsel;
- i. Preparing the documentation of the Bonds and State Loans and supervising their production or printing, signing, authentication and delivery;
- j. Rendering the final approving opinion as to the validity of the Bonds; and
- k. Rendering a legal opinion to the underwriter as to the applicability of the registration requirements of federal securities laws and the fair and accurate nature of those portions of the Official Statement described in (c) above.

B. Disclosure Counsel Services

Bond Counsel shall prepare, with the assistance of City staff and other professionals in the financing, the preliminary official statement and final official statement (collectively, the "Official Statement") relating to the Bonds, and, if necessary, a continuing disclosure certificate or agreement of the City to comply with Rule 15c2-12. In connection with the preparation of the Official Statement, Bond Counsel's services will also include rendering a 10b-5 letter regarding the Official Statement to the general effect that Bond Counsel is not aware of any misstatement of a material fact or omission of a material fact in those portions of the Official Statement referenced in the letter.

C. Special Services

"Special Services" are defined for purposes of this Agreement as services in addition to the services outlined in Section 1.A and 1.B above. Special Services will include, but not be limited to, any work after a closing of the financing related to the amendment of the Bonds or State Loans or agreements and special studies or analyses. Special Services must be authorized in writing by the City Manager or the City Attorney.

2. COMPENSATION

The City agrees to pay Bond Counsel the following amounts as compensation for services rendered by Bond Counsel under this Agreement:

A. For the services to be rendered under Section 1.A of this Agreement relating to the formation of the Assessment District and the entering into of the State Loans, Bond Counsel will be paid fees at the hourly rates set forth in Exhibit A hereto. Such fees shall be payable monthly or in such other manner as is mutually acceptable to the City and Bond Counsel.

B. For the services rendered under Section 1.A and 1.B of this Agreement relating to the issuance of Bonds, Bond Counsel shall be paid a fee of \$75,000, and the fee is contingent and payable from the Assessment District proceeds.

C. In the event Bond Counsel is requested to perform special services as set forth in Section 1.C above, Bond Counsel will be paid fees at the hourly rates set forth in Exhibit A, or in such other manner as is mutually acceptable to the City and Bond Counsel. Such fees will be billed monthly and shall be payable by the City within thirty (30) days following the receipt of each invoice. Bond Counsel shall be reimbursed for the actual costs of any out-of-pocket expenses reasonably incurred in connection with any requested special services.

### 3. PERSONNEL AND CONTRACT ADMINISTRATION

City agrees to accept and Bond Counsel agrees to provide the aforementioned services primarily through Brian Forbath, Reed Glycer and Carol L. Lew. It is agreed that Mr. Forbath shall be the attorney who will provide the primary services under this Agreement. If any one of the above attorneys is unable to provide such services due to death, disability or similar event, Bond Counsel reserves the right to substitute another of its attorneys, upon approval by the City Attorney, or his designee, to provide such services; and such substitution shall not alter or affect in any way Bond Counsel's or the City's other obligations under this Agreement.

This Agreement will be administered by the City Manager, or his designee.

### 4. TERMINATION

A. This Agreement may be terminated without cause by the City or Bond Counsel upon thirty (30) days' advance written notice to the other party. Such notification shall state the effective date of the termination of this Agreement.

B. Bond Counsel reserves the absolute right to withdraw from representing the City if, among other things, the City fails to honor the terms of this Agreement, the City fails to cooperate fully or follow Bond Counsel's advice on a material matter, or any fact or circumstance occurs that would, in Bond Counsel's view, render its continuing representation unlawful or unethical. If Bond Counsel elects to withdraw, the City will take all steps necessary to free Bond Counsel of any obligation to perform further services, including the execution of any documents necessary to complete such withdrawal, and Bond Counsel will be entitled to be paid at the time of withdrawal for all services rendered and costs and expenses paid or incurred on the City's behalf in accordance with the payment terms set forth in Section 2 above. If necessary in connection with litigation, Bond Counsel would request leave of court to withdraw.

C. Bond Counsel's representation of the City will be considered terminated at the earlier of (i) the City's termination of its representation, (ii) Bond Counsel's withdrawal from its representation of the City, or (iii) the substantial completion by Bond Counsel of its substantive work for the City. Unless Bond Counsel has been specifically engaged to perform Special Services related to the financing of the Project after the financing of the Project, Bond Counsel's representation of City with respect to the Project shall terminate upon the issuance of the Bonds and/or the execution of the State Loans.

### 5. ARBITRATION

IN THE EVENT OF A DISPUTE REGARDING FEES, COSTS, OR ANY OTHER MATTER ARISING OUT OF OR RELATED IN ANY WAY WHATSOEVER TO BOND COUNSEL'S RELATIONSHIP WITH THE CITY, OR BOND COUNSEL'S OR THE CITY'S

PERFORMANCE OF THIS AGREEMENT, INCLUDING THE QUALITY OF THE SERVICES WHICH BOND COUNSEL RENDERS, THE DISPUTE SHALL BE DETERMINED, SETTLED AND RESOLVED BY CONFIDENTIAL ARBITRATION IN THE COUNTY OF ORANGE, CALIFORNIA. ANY AWARD SHALL BE FINAL, BINDING AND CONCLUSIVE UPON THE PARTIES, AND A JUDGMENT RENDERED THEREON MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. SHOULD YOU ELECT TO HAVE ANY FEE DISPUTE ARBITRATED PURSUANT TO NONBINDING ARBITRATION UNDER STATUTORY OR CASE LAW, THEN SUCH NONBINDING ARBITRATION SHALL DETERMINE ONLY THE ISSUE OF THE AMOUNT OF FEES PROPERLY CHARGEABLE TO YOU. ANY OTHER CLAIMS OR DISPUTES BETWEEN US, INCLUDING CLAIMS FOR PROFESSIONAL NEGLIGENCE, SHALL REMAIN SUBJECT TO BINDING ARBITRATION PURSUANT TO THIS AGREEMENT.

Arbitration may be demanded by the sending of written notice to the other party. If arbitration is demanded, within 20 days of the demand the City shall present a list of five qualified individuals who would be willing to serve that the City would find acceptable to act as arbitrator. To serve as arbitrator, the individual must be a retired judge having served on any federal court or the California Superior Court or higher court in the State of California. Within 20 days of receiving the City's list, Bond Counsel may at its sole discretion (i) select any individual from that list and that individual shall serve as the arbitrator, or (ii) propose its own list of five individuals for arbitrator. If Bond Counsel chooses to present a separate list, the City may within 20 days select any individual from that list and that person shall serve as arbitrator. If no arbitrator can be agreed upon at the end of this process, the City and Bond Counsel each shall select one individual from its own list and those two persons shall jointly select the arbitrator. The arbitration shall be conducted pursuant to the procedures set forth in the California Code of Civil Procedure §§ 1280 *et seq.*, and in that connection you and we agree that § 1283.05 thereof is applicable to any such arbitration. Nothing herein shall limit the right of the parties to stipulate and agree to conduct the arbitration pursuant to the then-current rules of the American Arbitration Association, the Judicial Arbitration & Mediation Services, or any other agreed-upon arbitration services provider.

Notwithstanding any of the foregoing, the City shall be entitled to opt out of the arbitration provisions contained in this Section.

## 6. MISCELLANEOUS

A. Bond Counsel and the employees of Bond Counsel, in performance of the Agreement, shall act in an independent capacity and not as officers or agents of the City.

B. Without the written consent of the City, this Agreement is not assignable by Bond Counsel in whole or in part.

C. No alteration or variation of the terms of this Agreement shall be valid unless in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.

D. In accordance with the requirements of California Business and Professions Code § 6148, Bond Counsel advises the City that the firm maintains professional errors and omissions insurance coverage applicable to the services to be rendered to the City.

This Agreement is executed on this 26<sup>th</sup> day of May, 2015, at Malibu, California.

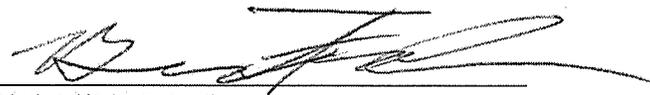
CITY OF MALIBU:

\_\_\_\_\_  
JIM THORSEN, City Manager

ATTEST:

\_\_\_\_\_  
LISA POPE, City Clerk  
(seal)

STRADLING YOCCA CARLSON & RAUTH

By:   
BRIAN FORBATH  
Title: Shareholder/Vice President

APPROVED AS TO FORM:

\_\_\_\_\_  
CHRISTI HOGIN, City Attorney

**EXHIBIT A**

Shareholders	\$495
Associates	\$285
Paralegals	\$135

**AGREEMENT FOR PROFESSIONAL SERVICES**

This Agreement is made and entered into as of April 25, 2016, by and between the City of Malibu (hereinafter referred to as the "City"), and Stifel Nicolaus & Company, Incorporated (hereinafter referred to as the "Underwriter").

The City and the Underwriter agree as follows:

**RECITALS**

***RECITALS:***

A. The City Council of the City (the "City Council") has taken proceedings under the Municipal Improvement Act of 1913, Division 12 of the California Streets and Highways Code (the "1913 Act"), for the formation of Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facility – Phase 1) and has confirmed an assessment for such district.

B. The City desires to execute and deliver Assessment District No. 2015-1 (Civic Center Wastewater Treatment Facility – Phase 1) Taxable Limited Obligation Improvement Bonds, 2016 Series A (the "Bonds").

C. The City desires to contract with the Underwriter to perform the services as described in Exhibit A of this Agreement.

NOW, THEREFORE, the City and the Underwriter agree as follows:

**1.0 SCOPE OF THE UNDERWRITER'S SERVICES.** The Underwriter agrees to provide the services and perform the tasks set forth in the Scope of Services, attached to and made part of this Agreement. The Scope of Services may be amended from time to time by way of a written directive from the City.

**2.0 TERM OF AGREEMENT.** This agreement will become effective on April 25, 2016 and will remain in effect for a period of 1 year from said date unless otherwise expressly extended and agreed to by both parties or terminated by either party as provided herein.

**3.0 CITY AGENT.** The City Manager, or his/her designee, for the purposes of this Agreement, is the agent for the City; whenever approval or authorization is required, Underwriter understands that the City Manager, or his/her designee, has the authority to provide that approval or authorization.

**4.0 COMPENSATION FOR SERVICES.** The Underwriter shall be paid for its professional services rendered and costs incurred pursuant to this Agreement in accordance with the attached Scope of Services.

4.1 Except for certain third party costs pre-approved by the City, the Underwriter's fees are fully contingent on, and fully payable at, the successful delivery of the Bonds.

**5.0 CONFLICT OF INTEREST.** The Underwriter represents that it presently has no interest and shall not acquire any interest, direct or indirect, in any real property located in the City which may be affected by the services to be performed by the Underwriter under this Agreement. The Underwriter further represents that in performance of this Agreement, no person having any such interest shall knowingly be employed by it.

5.1 The Underwriter represents that to the best of its knowledge no City employee or official has a material financial interest in the Underwriter's business. During the term of this Agreement and/or as a result of being awarded this contract, the Underwriter shall not offer, encourage or accept any financial interest in the Underwriter's business by any City employee or official.

5.2 If a portion of the Underwriter's services called for under this Agreement shall ultimately be paid for by reimbursement from and through an agreement with a developer of any land within the City or with a City franchisee, the Underwriter warrants that it has not performed any work for such developer/franchisee within the last 12 months, and shall not negotiate, offer or accept any contract or request to perform services for that identified developer/franchisee during the term of this Agreement.

## **6.0 GENERAL TERMS AND CONDITIONS.**

**6.1 Termination.** Either the City Manager or the Underwriter may terminate this Agreement, without cause, by giving the other party thirty (30) days written notice of such termination and the effective date thereof.

6.1.1 In the event of such termination, all finished or unfinished documents, reports, photographs, films, charts, data, studies, surveys, drawings, models, maps, or other documentation prepared by or in the possession of the Underwriter under this Agreement shall be returned to the City. If the City terminates this Agreement without cause, the Underwriter shall prepare and shall be entitled to receive compensation pursuant to a close-out bill for services rendered and fees incurred pursuant to this Agreement through the notice of termination. If the Underwriter terminates this Agreement without cause, the Underwriter shall be paid only for those services completed in a manner satisfactory to the City.

6.1.2 If the Underwriter or the City fail to fulfill in a timely and proper manner its obligations under this Agreement, or if the Underwriter or the City violate any of the covenants, agreements, or stipulations of this Agreement, the Underwriter or the City shall have the right to terminate this Agreement by giving written notice to the other party of such termination and specifying the effective date of such termination. The Underwriter shall be entitled to receive compensation in accordance with the terms of this Agreement for any work satisfactorily completed hereunder. Notwithstanding the foregoing, the Underwriter shall not be relieved of liability for damage sustained by virtue of any breach of this Agreement and any payments due under this Agreement may be withheld to off-set anticipated damages.

**6.2 Non-Assignability.** The Underwriter shall not assign or transfer any interest in this Agreement without the express prior written consent of the City.

**6.3 Non-Discrimination.** The Underwriter shall not discriminate as to race, creed, gender, color, national origin or sexual orientation in the performance of its services and duties pursuant to this Agreement, and will comply with all applicable laws, ordinances and codes of the Federal, State, County and City governments.

**6.4 Insurance.** The Underwriter shall submit to the City certificates indicating compliance with the following minimum insurance requirements no less than one (1) day prior to beginning of performance under this Agreement:

(a) Workers Compensation Insurance as required by law. The Underwriter shall require all subcontractors similarly to provide such compensation insurance for their respective employees.

(b) Comprehensive general and automobile liability insurance protecting the Underwriter in amounts not less than \$1,000,000 for personal injury to any one person, \$1,000,000 for injuries arising out of one occurrence, and \$500,000 for property damages or a combined single limit of \$1,000,000. Each such policy of insurance shall:

1) Be issued by a financially responsible insurance company or companies admitted and authorized to do business in the State of California or which is approved in writing by City.

2) Name and list as additional insured the City, its officers and employees.

3) Specify it acts as primary insurance.

4) Contain a clause substantially in the following words: "It is hereby understood and agreed that this policy shall not be canceled nor materially changed except upon thirty (30) days prior written notice to the City of such cancellation or material change."

5) Cover the operations of the Underwriter pursuant to the terms of this Agreement.

**6.5 Indemnification & Mediation.** Underwriter agrees to hold harmless, indemnify and defend the City, its employees, agents and affiliates, for any and all loss or liability of any nature whatsoever arising out of or in any way connected with Underwriter's errors or omission in performance of this Agreement due to gross negligence or willful misconduct. Notwithstanding the foregoing, prior to the commencement of any litigation concerning this Agreement, the City and the Underwriter agree to first submit any disagreements

to mediation. This mediation requirement is intended to reduce the costs of dispute resolution for both parties.

**6.6 Compliance With Applicable Law.** The Underwriter and the City shall comply with all applicable laws, ordinances and codes of the Federal, State, County and City governments.

**6.7 Independent Contractor.** This Agreement is by and between the City and the Underwriter and is not intended, and shall not be construed, to create the relationship of agency, servant, employee, partnership, joint venture or association, as between the City and the Underwriter.

**6.7.1.** The Underwriter shall be an independent contractor, and shall have no power to incur any debt or obligation for or on behalf of the City. Neither the City nor any of its officers or employees shall have any control over the conduct of the Underwriter, or any of the Underwriter's employees, except as herein set forth, and the Underwriter expressly warrants not to, at any time or in any manner, represent that it, or any of its agents, servants or employees are in any manner employees of the City, it being distinctly understood that the Underwriter is and shall at all times remain to the City a wholly independent contractor and the Underwriter's obligations to the City are solely such as are prescribed by this Agreement.

**6.8 Copyright.** No reports, maps or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of the Underwriter.

**6.9 Legal Construction.**

(a) This Agreement is made and entered into in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California.

(b) This Agreement shall be construed without regard to the identity of the persons who drafted its various provisions. Each and every provision of this Agreement shall be construed as though each of the parties participated equally in the drafting of same, and any rule of construction that a document is to be construed against the drafting party shall not be applicable to this Agreement.

(c) The article and section, captions and headings herein have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

(d) Whenever in this Agreement the context may so require, the masculine gender shall be deemed to refer to and include the feminine and neuter, and the singular shall refer to and include the plural.

**6.10 Counterparts.** This Agreement may be executed in counterparts and as so executed shall constitute an Agreement which shall be binding upon all parties hereto.

**6.11 Final Payment Acceptance Constitutes Release.** The acceptance by the Underwriter of the final payment made under this Agreement shall operate as and be a release of the City from all claims and liabilities for compensation to the Underwriter for anything done, furnished or relating to the Underwriter's work or services. Acceptance of payment shall be any negotiation of the City's check, the failure to make a written extra compensation claim within ten (10) calendar days of the receipt of that check or the Underwriter's payment for the Certificates at a purchase price that includes the withholding of the Underwriter's Discount. However, approval or payment by the City shall not constitute, nor be deemed, a release of the responsibility and liability of the Underwriter, its employees, sub-Underwriters and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by the City for any defect or error in the work prepared by the Underwriter, its employees, sub-Underwriters and agents.

**6.12 Corrections.** In addition to the above indemnification obligations, the Underwriter shall correct, at its expense, all errors in the work which may be disclosed during the City's review of the Underwriter's report or plans. Should the Underwriter fail to make such correction in a reasonably timely manner, such correction shall be made by the City, and the cost thereof shall be charged to the Underwriter.

**6.13 Files.** All files of the Underwriter pertaining to the City shall be and remain the property of the City. The Underwriter will control the physical location of such files during the term of this Agreement and shall be entitled to retain copies of such files upon termination of this Agreement.

**6.14 Waiver; Remedies Cumulative.** Failure by a party to insist upon the performance of any of the provisions of this Agreement by the other party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such party's right to demand compliance by such other party in the future. No waiver by a party of a default or breach of the other party shall be effective or binding upon such party unless made in writing by such party, and no such waiver shall be implied from any omissions by a party to take any action with respect to such default or breach. No express written waiver of a specified default or breach shall affect any other default or breach, or cover any other period of time, other than any default or breach and/or period of time specified. All of the remedies permitted or available to a party under this Agreement, or at law or in equity, shall be cumulative and alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right of remedy.

**6.15 Mitigation of Damages.** In all such situations arising out of this Agreement, the parties shall attempt to avoid and minimize the damages resulting from the conduct of the other party.

**6.16 Partial Invalidity.** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

**6.17 Attorneys' Fees.** The parties hereto acknowledge and agree that each will bear his or its own costs, expenses and attorneys' fees arising out of and/or connected with the negotiation, drafting and execution of the Agreement, and all matters arising out of or connected therewith except that, in the event any action is brought by any party hereto to enforce this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees and costs in addition to all other relief to which that party or those parties may be entitled.

**6.18 Entire Agreement.** This Agreement constitutes the whole agreement between the City and the Underwriter, and neither party has made any representations to the other except as expressly contained herein. Neither party, in executing or performing this Agreement, is relying upon any statement or information not contained in this Agreement. Any changes or modifications to this Agreement must be made in writing appropriately executed by both the City and the Underwriter.

**6.19 Notices.** Any notice required to be given hereunder shall be deemed to have been given by depositing said notice in the United States mail, postage prepaid, and addressed as follows:

**TO CITY:** James Thorsen

City Manager  
 City of Malibu  
 23815 Stuart Ranch Road  
 Malibu, CA 90265-4804  
 TEL (310) 456-2489 x 226  
 FAX (310) 456-3356

**TO  
 UNDERWRITER:**

Sara Oberlies Brown  
 Managing Director  
 Stifel Nicolaus & Co., Inc.  
 One Montgomery St, 35<sup>th</sup> Fl  
 San Francisco, CA 94104  
 TEL (415) 364-6872

**6.20 Warranty Of Authorized Signatories.** Each of the signatories hereto warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the party for whom he or she purports to sign.

**7.0 GENERAL TERMS AND CONDITIONS. (City and Underwriter initials required at either 7.1 or 7.2)**

**7.1 Disclosure Required.** By their respective initials next to this paragraph, City and Underwriter hereby acknowledge that Underwriter is a "Consultant" for the purposes of the California Political Reform Act because Underwriter's duties would require him or her to make one or more of the governmental decisions set forth in Fair Political Practices Commission Regulation 18701(a)(2) or otherwise serves in a staff capacity for which disclosure would otherwise be required were Underwriter employed by the City. Underwriter hereby acknowledges his or her assuming-office, annual, and leaving-office financial reporting.

Agreement for Professional Services  
Stifel Nicolaus & Company, Incorporated  
Page 7 of 7

obligations under the California Political Reform Act and the City's Conflict of Interest Code and agrees to comply with those obligations at his or her expense. Prior to Underwriter commencing services hereunder, the City's Manager shall prepare and deliver to Underwriter a memorandum detailing the extent of Underwriter's disclosure obligations in accordance with the City's Conflict of Interest Code.

City Initials \_\_\_\_\_  
Underwriter Initials \_\_\_\_\_

**7.2 Disclosure not Required.** By their initials next to this paragraph, City and Underwriter hereby acknowledge that Underwriter is not a "Consultant" for the purpose of the California Political Reform Act because Underwriter's duties and responsibilities are not within the scope of the definition of Consultant in Fair Political Practice Commission Regulation 18701(a)(2)(A) and is otherwise not serving in staff capacity in accordance with the City's Conflict of Interest Code.

City Initials \_\_\_\_\_  
Underwriter Initials SOB

This Agreement is executed on this \_\_\_\_\_ day of \_\_\_\_\_, 2016, at Malibu, California, and effective as of April 25, 2016.

CITY OF MALIBU:

\_\_\_\_\_  
JAMES THORSEN, City Manager

ATTEST:

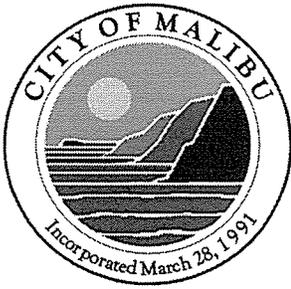
\_\_\_\_\_  
LISA POPE, City Clerk  
(seal)

UNDERWRITER:

Sara Oberlies Brown  
By: SARA OBERLIES BROWN  
Title: Managing Director

APPROVED AS TO FORM:

\_\_\_\_\_  
CHRISTI HOGIN, City Attorney



# Council Agenda Report

To: Mayor Rosenthal and the Honorable Members of the City Council

Prepared by: Reva Feldman, Assistant City Manager 

Reviewed by: Jim Thorsen, City Manager 

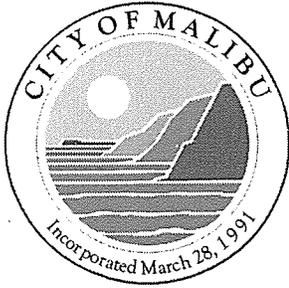
Date prepared: April 13, 2016 Meeting date: April 25, 2016

Subject: Approval of Issuance of Bonds for City of Malibu Assessment District (AD) No. 2015-1 (Civic Center Wastewater Treatment Facility – Phase 1)

---

**RECOMMENDED ACTION:** 1) Adopt Resolution No. 16-15 authorizing and providing for the issuance of bonds pursuant to the provisions of the Improvement Bond Act of 1915 in the principal amount not to exceed \$5,500,000 for City of Malibu AD No. 2015-1 (Civic Center Wastewater Treatment Facility – Phase 1) and approving certain documents and authorizing certain actions in connection therewith; 2) Approve Bond Counsel Agreement with Stradling, Yocca, Carlson & Rauth for bond counsel services; and 3) Approve Professional Services Agreement with Stifel Nicolaus for Bond Underwriting Services.

**DISCUSSION:** This item will distributed under separate cover.



# Council Agenda Report

To: Mayor Rosenthal and the Honorable Members of the City Council

Approved by: Jim Thorsen, City Manager 

Date prepared: April 11, 2016 Meeting date: April 25, 2016

Subject: Malibu Historic District (Surfing Area for Surfrider) Nomination to the National Register of Historic Places (Councilmember Peak)

---

**RECOMMENDED ACTION:** At the request of Councilmember Peak, authorize the Mayor to send letters of support for the nomination of the surfing area from Malibu Pier through Malibu Lagoon State Beach, designated as the Malibu Historic District: 1) to the National Register of Historic Places; 2) as a State Marine Cultural Preservation Area; and 3) as a State Marine Recreational Management Area.

**FISCAL IMPACT:** None.

**DISCUSSION:** From 1945 to 1959, Malibu played a seminal role in the development of surfboard design and production, in addition to surfing style. The long rides offered by Malibu's "perfect waves" placed it at the center of the evolution of surfing style and technology, as well as a cultural evolution of what surfers looked like, both in and out of the water. Many of the world's best surfers came from or regularly surfed at Malibu. Their accomplishments brought surfing into a modern age, and earned Malibu an international reputation as the destination for high-performance surfing. Since that time, Malibu has always been associated with the broader history of surfing and as a California locale which represents the evolution of modern surfing, both in the minds of surfers and the general public. In 2010, Surfrider Beach was recognized as the first World Surfing Reserve by Save the Waves Coalition, an international organization dedicated to protecting the world's coastal heritage.

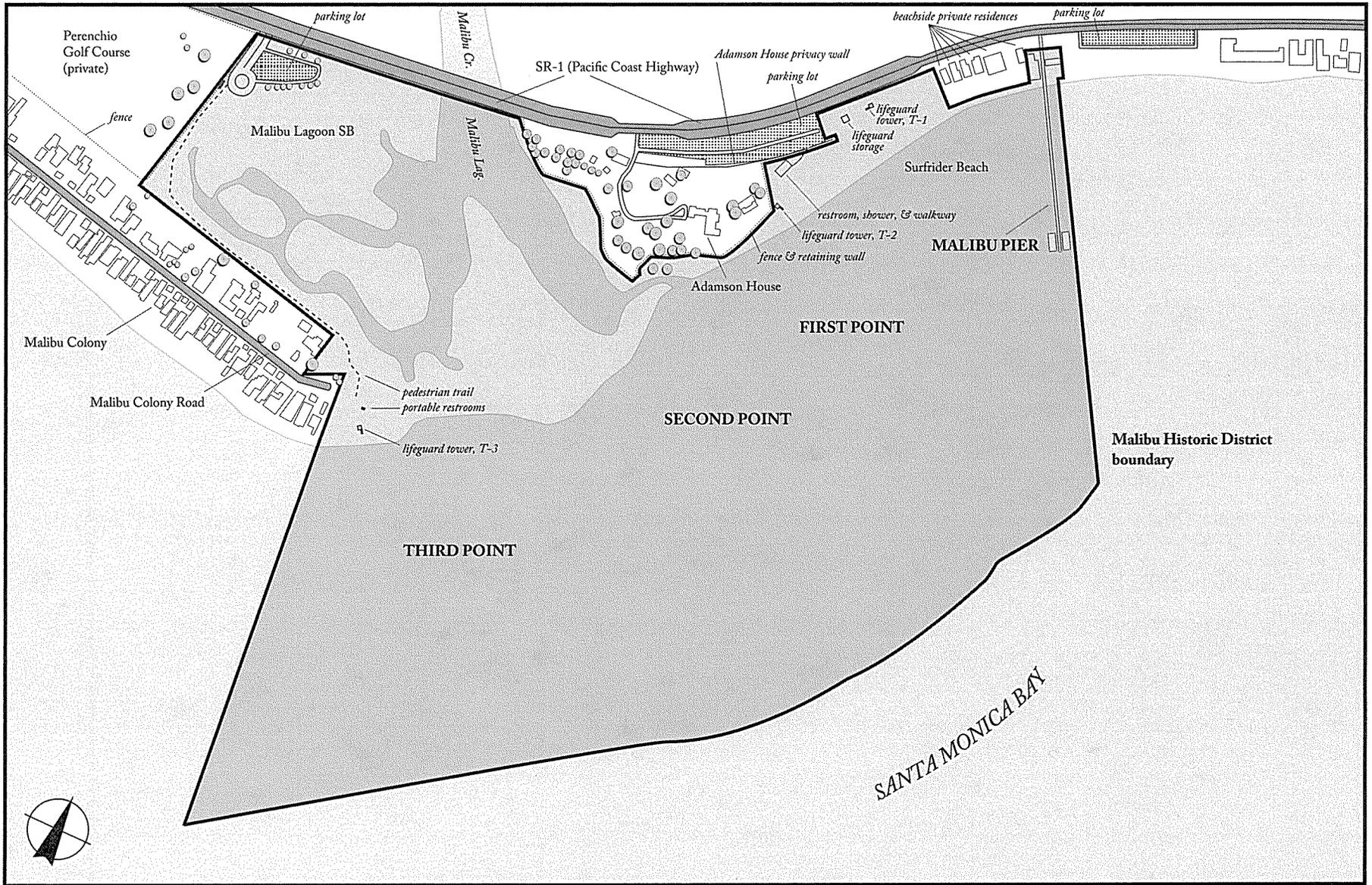
In December 2015, Sea of Clouds, a non-profit organization dedicated to protecting important coastal places, submitted a nomination to the California Office of Historic Preservation for the area from the Malibu Pier through Malibu Lagoon State Beach (Attachment 1), designated as the Malibu Historic District, to be included in the National Register of Historic Places. Sea of Clouds provided a Position Summary (Attachment 2) that details the qualifications of the nomination, as well as the process for approval.

In addition, Sea of Clouds recommends the same area be submitted to the California State Parks and Recreation Commission for designation as a State Marine Cultural Preservation Area and as a State Marine Recreational Management Area. The nomination process and supporting information about the protections that would be provided to the area are included in the Policy Memorandum from Sea of Clouds (Attachment 2).

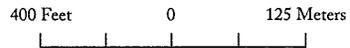
Councilmember Peak is requesting the Council's support for these nominations in order to further protect and preserve this area in recognition of its historical and cultural heritage, as well as its continued recreational value for Malibu residents and visitors today and in the future.

ATTACHMENTS:

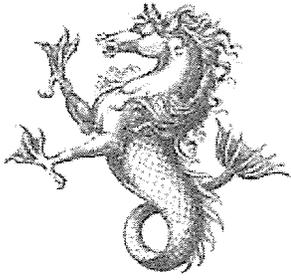
1. Map of Malibu Historic District
2. Position Summary from Michael Blum, Sea of Clouds, dated April 8, 2016
3. Policy Memorandum from Michael Blum, Sea of Clouds, dated April 8, 2016



**Malibu Historic District**  
 Los Angeles County, California



Nominated to the National Register of Historic Places  
 December, 2015



## Position Summary

TO: Jim Thorsen, Malibu City Manager  
FROM: Michael Blum, Sea of Clouds  
DATE: April 8, 2016  
RE: **Malibu Historic District Nomination to the National Register of Historic Places**

### **INTRODUCTION**

*Surfing continues to ride a wave of worldwide popularity and importance. From its roots in the traditional cultures of Polynesia, Hawai'i, and Peru, surfing since the 1920s, and in particular since the 1950s, has grown to support multi-billion dollar apparel and hardgoods industries, surf-based travel destinations, media coverage, organizing associations for professional and amateur competition, and recognizable expressions throughout the performing and visual arts as a youthful, and sometimes rebellious, pursuit. Millions of participants consider surfing their form of "serious leisure" and create local, social fabrics linking multiple generations in appreciation of surfing and resident surf breaks. Surfing is an important economic, as well as recreational, coastal activity: in 2000, Californians spent more days surfing (22.6 million) than either fishing or diving. Opportunities exist to recognize and protect these important coastal places using existing policy frameworks.*

### **MALIBU HISTORIC DISTRICT NOMINATION**

In December, 2015 a nomination of the Malibu Historic District to the National Register of Historic Places was submitted to the California Office of Historic Preservation (OHP) for its worldwide contribution to the history and culture of surfing. The nomination was made under National Register Criterion "A": a property associated with events that have made a significant contribution to the broad patterns of our history. The District area is entirely on public property and contains both landside and nearshore resources. In California, National Register Nominations are first made to OHP, a revised version is presented before the State Historic Resources Commission (CA State Parks) and, if approved, forwarded to the Keeper of the National Register (National Park Service) for final consideration. Nomination cycles typically take up to one year. If successful, this would represent the first mainland surfing area protected under a legal mandate.

### **SUMMARY OF MALIBU'S IMPORTANCE**

From 1945 through 1959, Malibu played an integral role in the development of surfboard design and production, in addition to surfing style. The years that define the era represent an exceptional period of significance: a "Golden Age" of surfing. The long rides offered by Malibu's smaller, well-shaped

**RE: Malibu Historic District Nomination to the National Register of Historic Places**

waves (one of the world's original “perfect waves”) placed it at the center of the evolution of surfing style and technology, as well as a cultural evolution of what surfers looked like; both in and out of the water. Malibu surfers perfected a relaxed, but aggressive, “cool” style of surfing and many of the era’s best came from, or regularly surfed at, Malibu. Their accomplishments brought surfing into a modern age, and earned Malibu an international reputation as the destination for high-performance surfing.

Although new ideas of surfing were developing worldwide, Malibu served as a cultural, technological, and intellectual arena for its expert surfers and surfboard shapers. It was a focusing point for surfboard design theory, the deconstruction of surfing style, and the development of a bohemian lifestyle that defined this era of surfing while serving as a template for the next. Malibu, then, is associated with the broader history of surfing; it is a California locale which represents the evolution of modern surfing both in the minds of surfers and the general public.

**QUOTES ABOUT SURFING AT MALIBU**

“Every surfer dreams of finding a place as good as Malibu.”

— Bruce Brown, *The Endless Summer* (1966)

“What they did, as far as I’m concerned, busted the whole surfing thing right open. When other surfers saw what Matt (Kivlin) and Leslie (Williams) were doing, it was the beginning of the end for old-fashioned and crude surfing.”

— Joe Quigg, surfboard shaper and pioneering big-wave surfer

**MALIBU FIRSTS**

- In surfing, longboards are referred to as “Mals”—short for “Malibu board”—by Australian and UK surfers. Similarly, longboard-based surfing clubs in Australia and the UK are named “Malibu Clubs,” *e.g.*, Noosa Malibu Club (Queensland, AU).
- Malibu Surfrider Beach, contained within the Malibu Historic District, is the only beach in Los Angeles County to be designated “no swimming,” *i.e.*, surfing only.
- Malibu has been featured in over 100 surfing films, including: *The Endless Summer* (1964), *Cosmic Children* (1970), *Legends of Malibu* (1987), *The Seedling* (1999), *One California Day* (2007), and *Mind Over Malibu* (2012).
- Over 300 products, services, and businesses with “Malibu” in their name are trademarked in the United States.

**Page 3**

**RE: Malibu Historic District Nomination to the National Register of Historic Places**

**CONTACT**

Michael Blum

Sea of Clouds

[michael@seaofclouds.org](mailto:michael@seaofclouds.org)



The National Register of Historic Places is the official list of the Nation's historic places worthy of preservation. Authorized under the National Historic Preservation Act of 1966, it is part of a national program to coordinate and support public and private efforts to identify, evaluate, and protect our historic and archeological resources.

## Who We Are

Properties listed in the National Register include districts, sites, buildings, structures, and objects that are significant in American history, architecture, archeology, engineering, and culture.

Listing properties in the National Register of Historic Places often changes the way communities perceive their historic places and strengthens the credibility of efforts by private citizens and public officials to

preserve these resources as living parts of our communities.

Nomination to the National Register plays an important role in preservation activities of federal agencies; state, tribal, and local governments; and private organizations.

All National Historic Landmarks and all historic areas in the National Park System are included in the National Register of Historic Places.

## What We Do

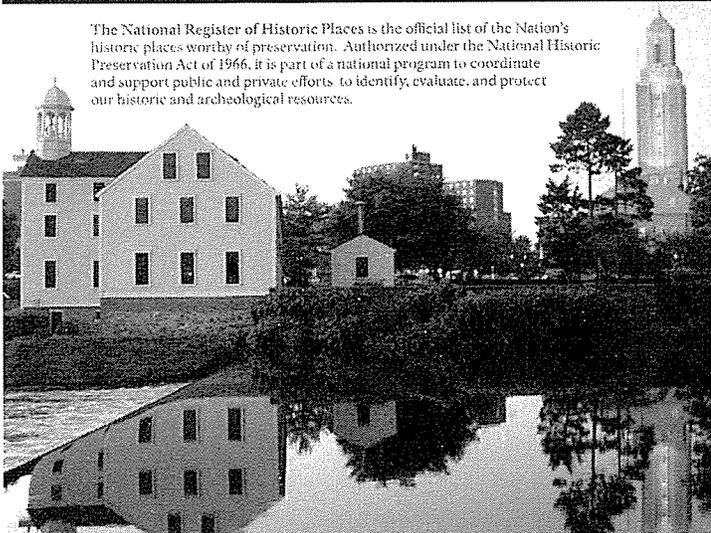
The National Register of Historic Places program reviews nominations submitted by States, tribes, and Federal agencies, and lists eligible properties in the National Register.

We offer guidance on evaluating, documenting, and listing different types of historic and archeological places through the National Register Bulletin series and other publications.

The National Park Service and National Register can

provide information on the National Register program, including lists of properties, nomination documentation, and information on preparing nominations.

Contact information for State Historic Preservation Officers, Federal Preservation Officers, and Tribal Historic Preservation Officers can be found on our website ([www.nps.gov/history/hr](http://www.nps.gov/history/hr)) or on reverse side.



Old Slater Mill, Providence County, RI  
Litch Franquemont



McDougal-Sullivan Gardens  
Historic District  
New York County, NY  
Michael DeGroot

Angels Flight Railway  
Los Angeles County, CA  
Corey Miller

Cragwood,  
St. Louis County, MO  
Doug Moss

Lindholm Oil Company  
Service Station  
Carlton County, MN  
Michael Barton

## How Properties are Listed in the National Register

The National Register nomination process usually starts with your State historic preservation office. If the property is on Federal or tribal land, then the process starts with the Federal preservation office or Tribal historic preservation office. See reverse side for contact information.

Nominations can be submitted to your State historic preservation office from property owners, historical societies, preservation organizations, governmental agencies, and other individuals or groups.

The State historic preservation office notifies affected property owners and local governments and solicits public comment. If the owner (or a majority of owners for a district nomination) objects, the property cannot be listed but may be forwarded to the National Park Service for a Determination of Eligibility (DOE).

Proposed nominations are reviewed by your State's historic preservation office and the State's National Register Review Board. The length of the state process varies but generally will take a minimum of 90 days.

Complete nominations, with certifying recommendations, are submitted by the State Historic Preservation Office, Federal Preservation Office, or Tribal Historic Preservation Office to the National Park Service in Washington, DC for final review and listing by the Keeper of the National Register of Historic Places. The National Park Service makes a listing decision within 45 days.

\*Contact your SHPO or THPO or check their website for National Register information, research materials, and necessary forms to begin the nomination process.

## How Properties Are Evaluated

To be considered eligible, a property must meet the National Register Criteria for Evaluation. This involves examining the property's significance, age, and integrity.

**Significance:** Is the property associated with events, activities, or developments that were important in the past? With the lives of people who were important in the past? With significant architectural history, landscape history, or engineering achievements? Does it have the potential to yield information about our past through archeological investigation?

**Age and Integrity:** Is the property old enough to be considered historic (generally at least 50 years old) and does it still look much the way it did in the past?

## Criteria for Evaluation

The quality of significance in American history, architecture, archeology, engineering, and culture is present in districts, sites, buildings, structures, and objects that possess integrity of location, design, setting, materials, workmanship, feeling, and association, and:

- A. that are associated with events that have made a significant contribution to the broad patterns of our history; or
- B. that are associated with the lives of persons significant in our past; or
- C. that embody the distinctive characteristics of a type, period, or method of

construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or

D. that have yielded or may be likely to yield, information important in history or prehistory.

## The National Register & Your Community

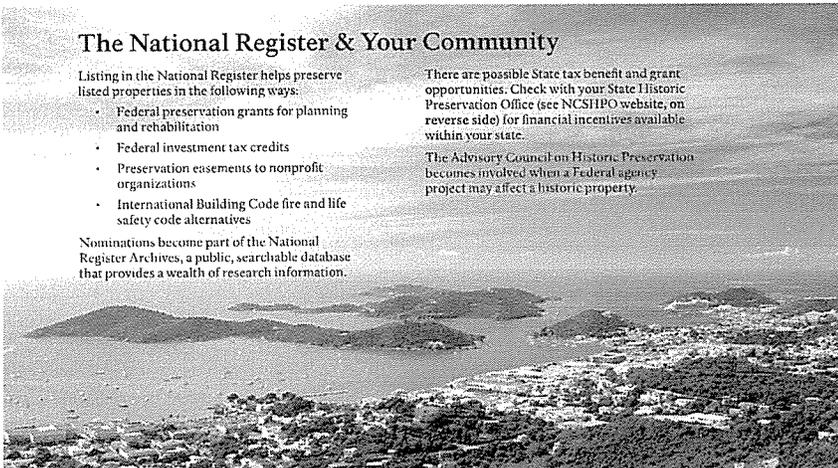
Listing in the National Register helps preserve listed properties in the following ways:

- Federal preservation grants for planning and rehabilitation
- Federal investment tax credits
- Preservation easements to nonprofit organizations
- International Building Code fire and life safety code alternatives

Nominations become part of the National Register Archives, a public, searchable database that provides a wealth of research information.

There are possible State tax benefit and grant opportunities. Check with your State Historic Preservation Office (see NCSHPO website, on reverse side) for financial incentives available within your state.

The Advisory Council on Historic Preservation becomes involved when a Federal agency project may affect a historic property.



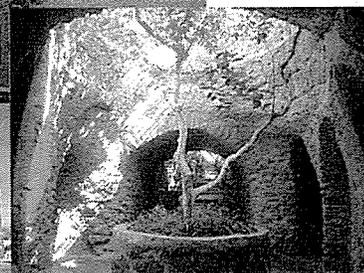
Charlotte Amalia Historic District (foreground) and Hassel Island Historic District (background), St. Thomas, US Virgin Islands  
Sergey Khechov

*"I don't think without the National Register designation of the Warehouse district we could have gotten the investor interest and the interest of public officials in taking a bunch of old buildings ... and turning them into a vibrant retail, residential, and office district."*  
-Hunter Morrison, City of Cleveland Planning Office

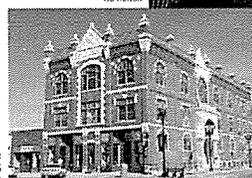
Cape Creek Bridge No. 01113  
Lane County, OR  
Bruce Fingelhood



Foresters Underground  
Gardens, Fresno County, CA  
Matthew G. Cohen



Moffatt-Ladd House  
Rockingham County, NH  
Ed Histon



McPherson Opera House  
McPherson County, KS  
Kelli A. Wood



## Criteria Considerations

Ordinarily cemeteries, birthplaces, graves of historical figures, properties owned by religious institutions or used for religious purposes, structures that have been moved from their original locations, reconstructed historic buildings, properties primarily commemorative in nature, and properties that have achieved significance within the past 50 years shall not be considered eligible for the National Register. However, such properties will qualify if they are integral parts of districts that do meet the criteria or if they fall within the following categories:

- A. a religious property deriving primary significance from architectural or artistic distinction or historical importance; or
- B. a building or structure removed from its original location but which is primarily significant for

architectural value, or which is the surviving structure most importantly associated with a historic person or event; or

C. a birthplace or grave of an outstanding importance if there is no appropriate site or building associated with his or her productive life; or

D. a cemetery that derives its primary importance from graves of persons of transcendent importance, from age, from distinctive design features, or from association with historic events; or

E. a reconstructed building when accurately executed in a suitable environment and presented in a dignified manner as part of a restoration master plan,

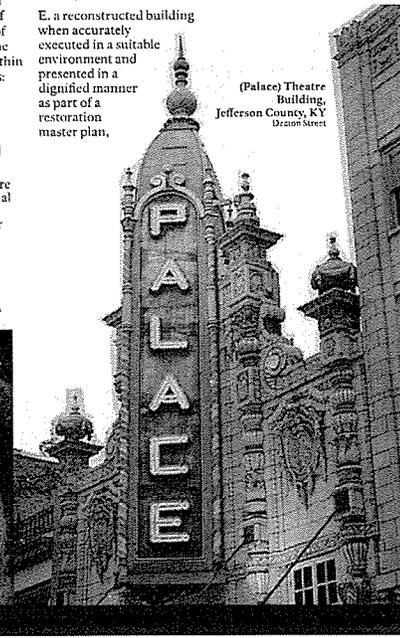
and when no other building or structure with the same association has survived; or

F. a property primarily commemorative in intent if design, age, tradition, or symbolic value has invested it with its own exceptional significance; or

G. a property achieving significance within the past 50 years if it is of exceptional importance.

A. a religious property deriving primary significance from architectural or artistic distinction or historical importance; or

B. a building or structure removed from its original location but which is primarily significant for



(Palace) Theatre  
Building,  
Jefferson County, KY  
Drazen Serec

## Listing & Ownership

Owners of private property listed in the National Register have no obligation to open their properties to the public, to restore them, or even to maintain them, if they choose not to do so. Owners can do anything they wish with their property provided that no Federal license, permit, or funding is involved.

National Register listing does not lead to public acquisition or require public access.

An individually owned property will not be listed if the owner objects. For historic districts, a district will not be listed if a majority of private property owners object.

National Register listing does not automatically invoke local historic district zoning or local landmark designation.

# National Register of Historic Places

Cultural Resources  
Washington, D.C.

National Park Service  
U.S. Department of the Interior



Bryou Apartment Hotel, Los Angeles County, CA  
Corey Miller



Brokaw-McDougall House, Leon County, FL  
Amanda Rain



Argo Tunnel and Mill, Clear Creek County, CO  
Thad Reun



Old Deerfield Village Historic District, Franklin County, MA  
Corey P. Naxman



Carl's, Fredericksburg Independent City, VA  
Jennifer Glass

## Economic Growth & Revitalization Opportunities

Web addresses and phone numbers of State, Tribal, and Federal historic preservation offices can be found on the National Register website.

**Federal Tax Incentives for Rehabilitation**  
Since 1976, the Federal Internal Revenue Code has contained a variety of incentives to encourage capital investment in historic buildings and to spur revitalization of historic properties. These incentives encourage the preservation of historic commercial, industrial, and rental residential buildings listed in the National Register

by allowing favorable tax treatments for rehabilitation. More information can be obtained by contacting the Federal Historic Preservation Tax Act Program at the web address listed in the Quick Reference section of this brochure or by contacting your State Historic Preservation Office.

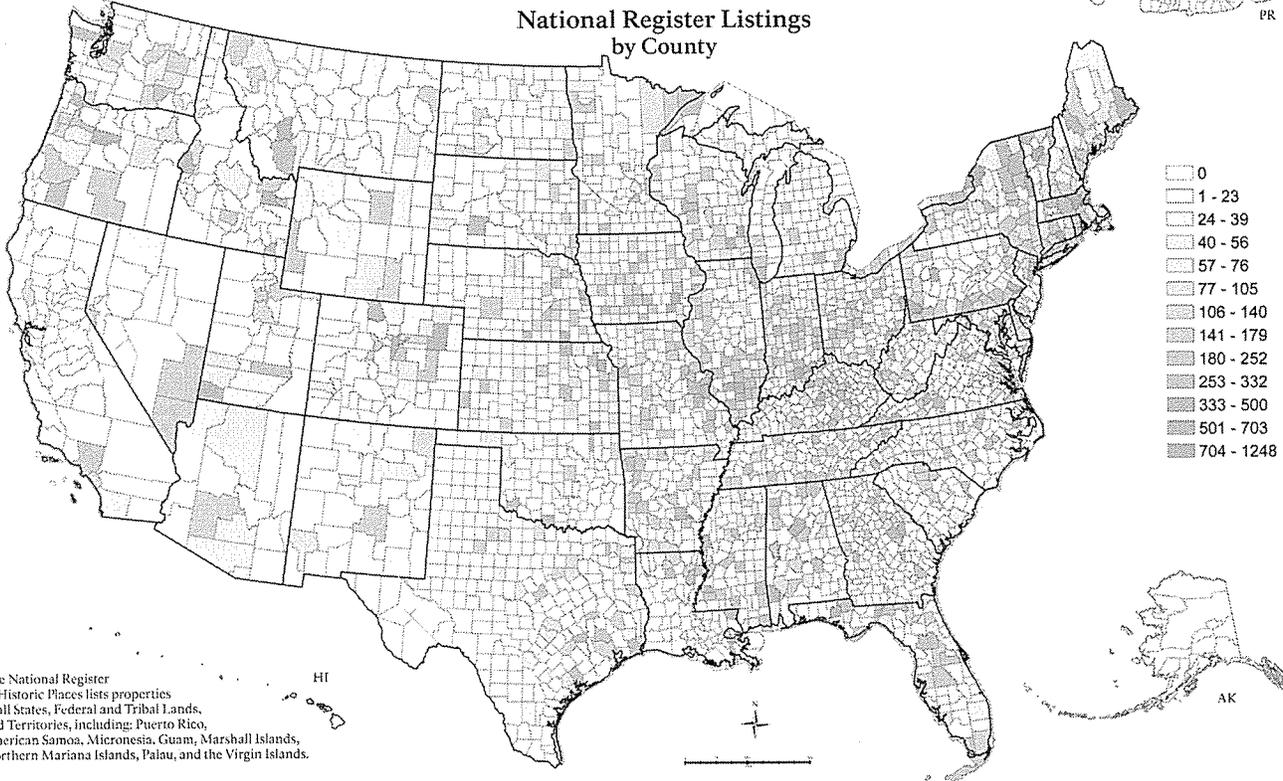
**Easement Donations**  
The Federal Internal Revenue Code also provides for Federal income, estate, and gift tax deductions for charitable contributions of partial interests in real

property (easements on land and buildings). Further information on easements may be obtained from the sources listed above in the tax incentives section.

**Federal Historic Preservation Grants**  
Owners of National Register listed properties may be able to obtain Federal historic preservation funding, when funds are available. Information about Federal historic preservation grant assistance is available on the Heritage Preservation Services website (see Quick Reference

below) or by contacting your State Historic Preservation Office.

**State Historic Grant and Tax Programs**  
States also administer State grant assistance programs and many of them allow for property tax abatements and State income tax credits for rehabilitated historic properties. See NCSHPO website contact information listed below.



The National Register of Historic Places lists properties in all States, Federal and Tribal Lands, and Territories, including: Puerto Rico, American Samoa, Micronesia, Guam, Marshall Islands, Northern Mariana Islands, Palau, and the Virgin Islands.

### Quick Reference

- National Park Service  
[www.nps.gov](http://www.nps.gov)
- National Historic Landmarks  
[www.nps.gov/history/nhl](http://www.nps.gov/history/nhl)
- Archeology Program  
[www.nps.gov/history/archeology](http://www.nps.gov/history/archeology)
- Teaching with Historic Places  
[www.nps.gov/history/nr/twip](http://www.nps.gov/history/nr/twip)
- Travel Itineraries  
[www.nps.gov/history/nr/travel](http://www.nps.gov/history/nr/travel)
- Heritage Preservation Services  
[www.nps.gov/history/nps](http://www.nps.gov/history/nps)
- Cultural Resources Diversity Internship Program  
[www.nps.gov/history/crdi](http://www.nps.gov/history/crdi)
- NPS Park History  
[www.nps.gov/history/history](http://www.nps.gov/history/history)
- Maritime Heritage Program  
[www.nps.gov/history/maritime](http://www.nps.gov/history/maritime)
- Adoptive Cultural and Historic Preservation  
[www.nps.gov](http://www.nps.gov)

### Preservation Officers

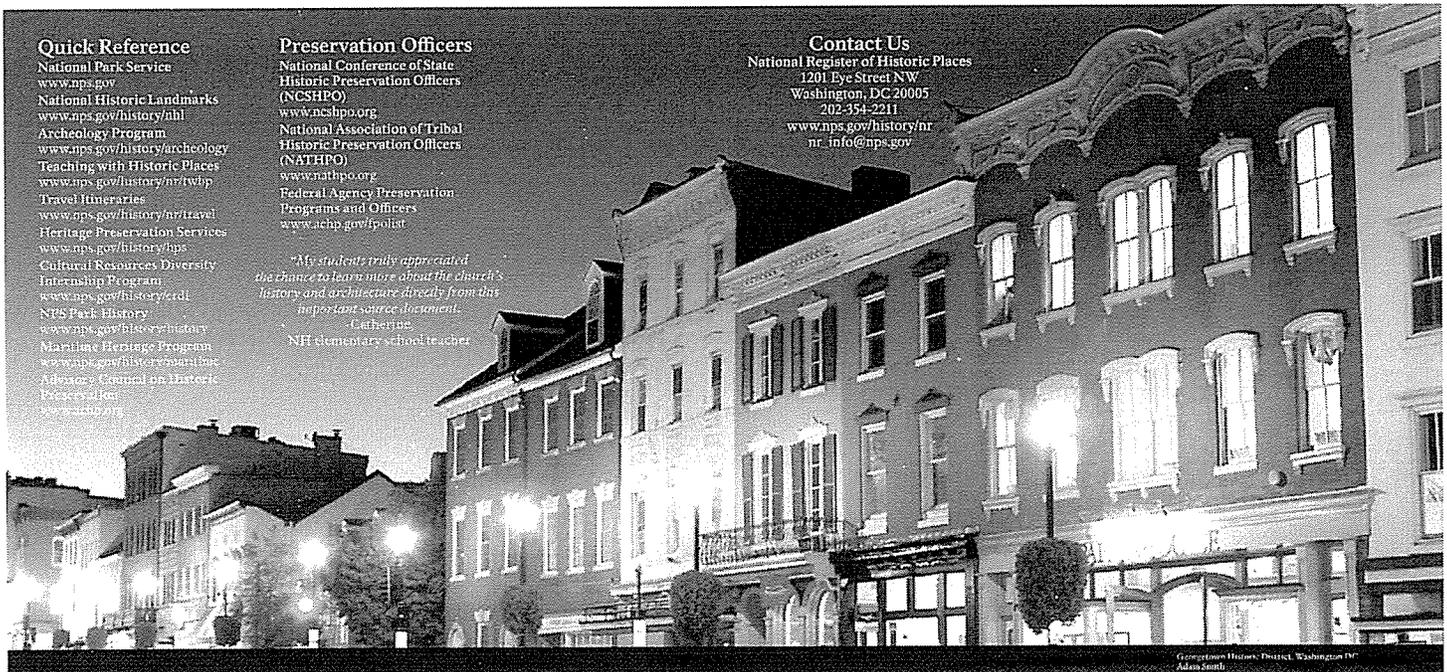
- National Conference of State Historic Preservation Officers (NCSHPO)  
[www.ncshpo.org](http://www.ncshpo.org)
- National Association of Tribal Historic Preservation Officers (NATHPO)  
[www.nathpo.org](http://www.nathpo.org)
- Federal Agency Preservation Programs and Officers  
[www.achp.gov/polist](http://www.achp.gov/polist)

*"My students truly appreciated the chance to learn more about the church's history and architecture directly from this important source document."*

—Lorraine  
NH elementary school teacher

### Contact Us

National Register of Historic Places  
1201 Eye Street NW  
Washington, DC 20005  
202-354-2211  
[www.nps.gov/history/nr](http://www.nps.gov/history/nr)  
[nr\\_info@nps.gov](mailto:nr_info@nps.gov)



Georgetown Historic District, Washington DC  
Adam Smith



## Policy Memorandum

TO: Jim Thorsen, Malibu City Manager

FROM: Michael Blum, Sea of Clouds

DATE: April 8, 2016

RE: **Protecting important coastal places: California's next-generation MPA network**

### INTRODUCTION AND SUMMARY RECOMMENDATIONS

*In California, surfing is part of a multi-billion dollar coastal economy and positively identified with the state's broad history and culture. Where surfing occurs there exist recreational opportunities, history and culture, and economic impact. Yet, surfing's value is often not recognized or is ignored altogether in coastal management and development decisions. Consequently, the surfing experience may be diminished by a variety of threats. These threats may have broad impacts on coastal environments, but they are particularly acute for surfing, which depend on surf breaks, good water quality, and public access – both as a site-specific biophysical amenity and a cultural focusing point. When fully developed, these threats have resulted in the permanent loss of surf breaks and attendant amenities. Important surf breaks are an example of coastal places with exceptional, non-consumptive value yet lack similar protections developed for marine natural resources. Utilizing existing state and federal frameworks which recognize cultural, historical, or recreational value are recommended to protect these places.*

### SUMMARY OF FACTS

As part of the National System of Marine Protected Areas (MPA), the State of California manages over 175 sites with more than 1.1 million acres under conservation. Nearly all of these sites focus on marine species and habitat protections and most were designated during the 2007–2012 implementation of the Marine Life Protection Act (MLPA). Within this current portfolio of protected areas, only five sites recognize places of exceptional recreational value; each of them manages coastal waterfowl hunting. No State Marine Recreational Management Area (SMRMA) protects sites of exceptional, non-consumptive recreational value. Additionally, while a framework exists for State Marine Cultural Preservation Areas (SMCPA), California has yet to designate protections for a coastal site of exceptional cultural, historical, archaeological, or scientific significance. The next generation of marine managed areas will likely be of these types, which recognize and protect human dimensions of coastal ecosystems.

### LEGAL AND REGULATORY FRAMEWORKS

The **California Coastal Act** protects low-cost recreational facilities and recreational areas which can't be easily reproduced at inland areas (Cal. Pub. Res. Code §§ 30213; 30220). The Coastal Act also defines

**RE: Protecting important coastal places: California's second-generation MPA network**

Local Coastal Programs, master plans describing how municipalities lead their coastal planning efforts and interact with the California Coastal Commission.

The **Marine Managed Areas Improvement Act** and **Marine Life Protection Act** are companion frameworks used to expand California's Marine Protected Area network. The MMAIA established the protected area frameworks while the MLPA established the process for creating the network. The MMAIA includes less-used frameworks for cultural heritage and recreational value.

The **National Historic Preservation Act** (NHPA) is the primary law protecting the United States' historic and cultural resources and, through it, established both the National Register of Historic Places within the Department of Interior and 50 statewide Offices of Historic Preservation, mostly through state Departments of Parks and Recreation. Importantly, National Register listing is often a threshold determination for other cultural- or historical-based protections.

**RECOMMENDATIONS USING EXISTING FRAMEWORKS**

1. Develop a nomination of the Malibu Historic District to the National Register of Historic Places recognizing its contributions to the history and culture of surfing (*submitted to the California Office of Historic Preservation, December, 2015*).
2. Develop a National Register Multiple Property Submission to recognize a network of exceptional California surf breaks and surfing areas which sharing a similar historical context.
3. Develop a nomination of the Malibu Historic District to the State Parks and Recreation Commission as a State Marine Cultural Preservation Area. Require in the SMCPA designating documents an amendment that the SMCA be incorporated into the City of Malibu Local Coastal Program.
4. Develop a nomination of a Los Angeles area surfing area with significant recreational value to the State Parks and Recreation Commission as a State Marine Recreational Management Area. Require in the SMRMA designating documents an amendment that the SMRMA be incorporated into the appropriate Local Coastal Program.
5. Identify other area "Next Generation MPAs" and other important coastal places with exceptional historical, cultural, economic, or recreational value — and pathways for their recognition and protection.

**RE: Protecting important coastal places: California's second-generation MPA network**

**CONTACT**

Michael Blum  
Sea of Clouds  
michael@seaofclouds.org

**APPENDIX A: DEFINITIONS**

A “**state marine cultural preservation area**” is a nonterrestrial marine or estuarine area designated so the managing agency may preserve cultural objects or sites of historical, archaeological, or scientific interest in marine areas (Cal. Pub. Res. Code § 36700(d)).

A “**state marine recreational management area**” is a nonterrestrial marine or estuarine area designated so the managing agency may provide, limit, or restrict recreational opportunities to meet other than exclusively local needs while preserving basic resource values for present and future generations (Cal. Pub. Res. Code § 36700(e)).

A “**state water quality protection area**” is a nonterrestrial marine or estuarine area designated to protect marine species or biological communities from an undesirable alteration in natural water quality, including, but not limited to, areas of special biological significance that have been designated by the State Water Resources Control Board through its water quality control planning process (Cal. Pub. Res. Code § 36700(f)).

**APPENDIX B: CITED FRAMEWORKS**

*California Coastal Act*

[http://leginfo.legislature.ca.gov/faces/codes\\_displayexpandedbranch.xhtml?tocCode=PRC&division=20.&title=&part=&chapter=&article=](http://leginfo.legislature.ca.gov/faces/codes_displayexpandedbranch.xhtml?tocCode=PRC&division=20.&title=&part=&chapter=&article=)

*California Marine Life Protection Act*

[http://leginfo.legislature.ca.gov/faces/codes\\_displayText.xhtml?lawCode=FGC&division=3.&title=&part=&chapter=10.5.&article=](http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=FGC&division=3.&title=&part=&chapter=10.5.&article=)

*California Marine Managed Areas Improvement Act*

[http://leginfo.legislature.ca.gov/faces/codes\\_displayexpandedbranch.xhtml?tocCode=PRC&division=27.&title=&part=&chapter=7.&article=](http://leginfo.legislature.ca.gov/faces/codes_displayexpandedbranch.xhtml?tocCode=PRC&division=27.&title=&part=&chapter=7.&article=)

*National Historic Preservation Act*

<http://www.achp.gov/docs/hr-1068.pdf>