**AGENDA**
**MCFARLAND CITY COUNCIL**
**MCFARLAND SUCCESSOR AGENCY**
**MCFARLAND PUBLIC FINANCE AUTHORITY**
**MCFARLAND IMPROVEMENT AUTHORITY**
**MCFARLAND PARKING AUTHORITY**

**REGULAR MEETING**
**CITY COUNCIL CHAMBERS** — **June 08, 2023**
**103 W. SHERWOOD AVE, MCFARLAND, CA** — **6:00 PM**

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**In Person Meeting**

**How to submit public comments:**
The meetings of the City Council and all municipal entities, commissions, and boards ("the City") are open to the public. At regularly scheduled meetings, members of the public may address the city on any item listed on the agenda, or on any non-listed matter over which the city has jurisdiction. At special or emergency meetings, members of the public may only address the city on items listed on the agenda. There is a time limitation of two minutes per person. For any item that is not on the agenda and within the jurisdiction or interest of the city, please come to the podium at this time. The Brown Act does not permit any action or discussion on items not listed on the agenda. If you wish to speak regarding a scheduled agenda item, please come to the podium when the item number and subject matter are announced, and the mayor opens Public Comment on the item. When recognized, please begin by providing your name and address for the record (optional). Anyone wishing to submit written information at the meeting needs to furnish ten (10) copies to the City Clerk in advance to allow for distribution to City Council, staff, and the media. Willful disruption of the meeting shall not be permitted. If the Mayor finds that there is in fact willful disruption of any City Council Meeting, he/she may order the disrupting parties out of the room and subsequently conduct the City's business without them present.

**Americans with Disabilities Act:**
In compliance with the ADA, if you need special assistance to participate in a city meeting or other services offered by the City, please contact the City Clerk's office, at (661) 792-3091 ext. 2135. Notification of at least 48 hours prior to the meeting, or time when services are needed, will assist the city staff in assuring those reasonable arrangements can be made to provide accessibility to the meeting or services.

**CALL TO ORDER**: Mayor Saul Ayon

**ROLL CALL:**
Mayor, Saul Ayon
Vice Mayor, Ricardo Cano
Council Member/Board Member, Amador Ayon
Council Member/ Board Member, Anita Gonzalez
Council Member/Board Member, Maria T. Pérez

**INVOCATION:**

**PLEDGE OF ALLEGIANCE**

**FEATURED PET**
Is a feature that highlights a pet available for adoption from the McFarland Animal Shelter.

- Presented by: Chief of Police Knox

**PRESENTATIONS, INTRODUCTIONS AND AWARDS**

1. Certificate of Recognition – McFarland Police Department Cadet E. Gomez

**PUBLIC COMMENT**: At regularly scheduled meetings, members of the public may address the city on any item listed on the agenda, or on any non-listed matter over which the city has jurisdiction Council/Board Members may respond briefly to statements made or questions posed. They may ask a question for clarification; may refer the item to staff for further study or for placement on a future agenda. Speakers are limited to two minutes for each person. Please state your name and address for the record prior to making a presentation. Fifteen minutes total will be allowed for any one subject.

**DEPARTMENTAL REPORTS**

2. McFarland Police Department, Chief Brian Knox- Flock Cameras

**CONSENT AGENDA:** The Consent Agenda consists of items that in staff's opinion are routine and non-controversial. These items are approved in one motion unless a Council Member/ Board Member or Member from the Public requests to remove a particular item.

3. Approval of Expense Report in the Amount of $149,639.79 from May 17, 2023 to May 30, 2023.

4. Approval of Payroll Report for the Month of April 2023 in the Amount of $374,380.51.

5. Approval of May 24, 2023, Special Meeting Minutes.

6. Approval of May 25, 2023 Special Meeting Minutes.

7. Approval of June 01, 2023 Special Meeting Minutes.

**PUBLIC HEARINGS**

None

**ADMINISTRATIVE AGENDA**

8. Report, Discuss, and Possible Approval of resolution No.2023-0070 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND APPROVING FUNDS FROM THE CITYS COMMUNITY GRANTS PROGRAM TO THE MCFARLAND FESTIVAL COMMIITTEE

9. Report, Discuss, and Possible Approval of resolution No.2023-0073 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND APPROVING AN ADDITIONAL

ALLOCATION OF FUNDS FROM THE GENERAL FUND FOR PROFESSIONAL SERVICES FOR DEVELOPMENTS SHERWOOD APARTMENT, ELMO HWY MEDICAL OFFICE, AND TRACT 7393

**10.** Report, Discussion, and Approval of Resolution No. 2023-0074 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND, CALIFORNIA, AUTHORIZING REALLOCATION OF FUNDS FOR ANIMAL CONTROL GRANT

**11.** Report, Discussion, and Approval of Resolution No. 2023-0071 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF AN INDENTURE OF TRUST, A BOND PURCHASE CONTRACT AND AN ESCROW AGREEMENT IN CONNECTION WITH THE ISSUANCE OF WATER AND WASTEWATER REVENUE REFUNDING BONDS, SERIES 2023, APPROVING THE ISSUANCE OF SUCH BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $6,000,000 AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS.

- **Staff report**
- **Q & A – Reed T.C. Glyer, Stradling Law**

**MCFARLAND PUBLIC FINANCE AUTHORITY-** Mayor to Close the Regular City Council Meeting and Open the McFarland Public Finance Authority Meeting**.**

**12.** Report, Discussion, and Approval of Resolution No. PFA-2023-0072 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MCFARLAND PUBLIC FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF AN ESCROW AGREEMENT IN CONNECTION WITH THE REFUNDING OF THE AUTHORITY'S REVENUE BONDS, 2010 SERIES A (WATER AND WASTEWATER FINANCING PROJECTS) AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

**Mayor to Close the McFarland Public Finance Authority Meeting and Reconvene to the Regular City Council Meeting.**

**REPORTS FROM CITY COUNCIL ON COMMITTEE/SPECIAL DISTRICT MEETINGS**

a. Kern Council of Governments (KCOG)
b. Kern Economic Development Corp. (KEDC)
c. Kern Local Agency Formation Commission (LAFCO)
d. Delano Mosquito Abatement District (DMAD)
e. Poso Creek (IRWMP)
f. San Joaquin Valley Air Pollution Control District (SJV)
g. Public Policy and Finance Committee
h. Public Safety Committee
i. Quality of Life Committee
j. Cannabis Committee

**COUNCIL STATEMENTS AND REPORTS**

On their own initiative, Council Members may make a brief announcement or a brief report on their own activities. In addition, Council Members may ask a question of staff or the public for clarification on any matter, provide a reference to staff or other resources for information. Alternatively, request staff to report to the City Council at a later meeting concerning any matter. Furthermore, the City Council, or any member thereof, may take action to direct staff to place a matter of business on a future agenda.

**CLOSED SESSION**

None

**ADJOURNMENT**

This is to certify this agenda was posted at McFarland City Hall on June 5, 2023.

Francisca Alvarado

Francisca Alvarado, City Clerk

Kenneth Williams

Kenneth Williams, City Manager

**Next Meeting: Regular City Council June 22, 2023.**

The City of McFarland does not discriminate based on disability and complies with the provisions of the Americans with Disabilities Act (ADA). If you need special assistance to participate in this meeting, please contact the City Clerk's Office at (661) 792-3091 at least 48 hours prior to the meeting to make reasonable arrangements to ensure accessibility to this meeting.

All agenda item and/or supporting documentation is available for public review on the city website at www.mcfarlandcity.org and the office of the City Clerk of the City of McFarland, at 401 W, Kern Ave. McFarland, CA 93250 during regular business hours of 8:00 am – 5:00 pm Monday through Friday, following the posting of the agenda. Any supporting documentation related to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location and available at the meeting.

# Expense Approval Report
By Vendor Name

City of McFarland, CA

Payment Dates 5/17/2023 - 5/30/2023

| Vendor Name | Payable Number | Post Date | Description (Item) | Account Number | Amount |
|---|---|---|---|---|---|
| **Vendor: American Fidelity - American Fidelity** | | | | | |
| American Fidelity | INV0023880 | 05/18/2023 | American Fidelity Accident 1 | 01-22800-0000-1 | 19.34 |
| American Fidelity | INV0023881 | 05/18/2023 | Life 1 | 01-22900-0000-1 | 9.81 |
| American Fidelity | INV0023882 | 05/18/2023 | American Fidelity - Disability I… | 01-22700-0000-1 | 227.63 |
| American Fidelity | INV0023883 | 05/18/2023 | Life 1 | 01-22900-0000-1 | 97.83 |
| American Fidelity | INV0023884 | 05/18/2023 | Life 2 | 01-22900-0000-1 | 24.00 |
| American Fidelity | INV0023896 | 05/18/2023 | Cancer 1 American Fidelity | 01-22950-0000-1 | 13.53 |
| American Fidelity | INV0023909 | 05/18/2023 | American Fidelity Accident 2* … | 30-22800-0000-1 | 27.45 |
| American Fidelity | INV0023909 | 05/18/2023 | American Fidelity Accident 2* … | 34-22800-0000-1 | 15.41 |
| American Fidelity | INV0023910 | 05/18/2023 | Life 1 | 30-22900-0000-1 | 15.43 |
| American Fidelity | INV0023910 | 05/18/2023 | Life 1 | 34-22900-0000-1 | 9.81 |
| American Fidelity | INV0023911 | 05/18/2023 | American Fidelity - Disability I… | 01-22700-0000-1 | 25.29 |
| American Fidelity | INV0023911 | 05/18/2023 | American Fidelity - Disability I… | 30-22700-0000-1 | 87.64 |
| American Fidelity | INV0023911 | 05/18/2023 | American Fidelity - Disability I… | 31-22700-0000-1 | 9.91 |
| American Fidelity | INV0023911 | 05/18/2023 | American Fidelity - Disability I… | 32-22700-0000-1 | 44.76 |
| American Fidelity | INV0023911 | 05/18/2023 | American Fidelity - Disability I… | 34-22700-0000-1 | 30.76 |
| American Fidelity | INV0023912 | 05/18/2023 | Health FSA | 01-22600-0000-1 | 60.57 |
| American Fidelity | INV0023912 | 05/18/2023 | Health FSA | 30-22600-0000-1 | 83.09 |
| American Fidelity | INV0023912 | 05/18/2023 | Health FSA | 31-22600-0000-1 | 50.20 |
| American Fidelity | INV0023912 | 05/18/2023 | Health FSA | 32-22600-0000-1 | 108.05 |
| American Fidelity | INV0023913 | 05/18/2023 | Life 1 | 01-22900-0000-1 | 26.11 |
| American Fidelity | INV0023913 | 05/18/2023 | Life 1 | 30-22900-0000-1 | 54.92 |
| American Fidelity | INV0023913 | 05/18/2023 | Life 1 | 31-22900-0000-1 | 10.40 |
| American Fidelity | INV0023913 | 05/18/2023 | Life 1 | 32-22900-0000-1 | 24.24 |
| American Fidelity | INV0023913 | 05/18/2023 | Life 1 | 34-22900-0000-1 | 34.33 |
| American Fidelity | INV0023914 | 05/18/2023 | Life 2 | 30-22900-0000-1 | 20.54 |
| American Fidelity | INV0023914 | 05/18/2023 | Life 2 | 34-22900-0000-1 | 13.85 |
| American Fidelity | INV0023931 | 05/18/2023 | Cancer 1 American Fidelity | 30-22950-0000-1 | 5.54 |
| American Fidelity | INV0023932 | 05/18/2023 | Cancer 1 American Fidelity | 34-22950-0000-1 | 8.12 |
| American Fidelity | INV0023933 | 05/18/2023 | Cancer 1 American Fidelity | 01-22950-0000-1 | 0.88 |
| American Fidelity | INV0023933 | 05/18/2023 | Cancer 1 American Fidelity | 30-22950-0000-1 | 2.61 |
| American Fidelity | INV0023933 | 05/18/2023 | Cancer 1 American Fidelity | 31-22950-0000-1 | 2.61 |
| American Fidelity | INV0023933 | 05/18/2023 | Cancer 1 American Fidelity | 32-22950-0000-1 | 2.61 |
| American Fidelity | INV0023934 | 05/18/2023 | Cancer 2* - American Fidelity … | 30-22950-0000-1 | 16.50 |
| American Fidelity | INV0023935 | 05/18/2023 | Cancer 2* - American Fidelity … | 34-22950-0000-1 | 16.65 |
| American Fidelity | INV0023969 | 05/30/2023 | American Fidelity Accident 2* … | 30-22800-0000-1 | 27.45 |
| American Fidelity | INV0023969 | 05/30/2023 | American Fidelity Accident 2* … | 34-22800-0000-1 | 15.41 |
| American Fidelity | INV0023970 | 05/30/2023 | Life 1 | 30-22900-0000-1 | 15.43 |
| American Fidelity | INV0023970 | 05/30/2023 | Life 1 | 34-22900-0000-1 | 9.81 |
| American Fidelity | INV0023971 | 05/30/2023 | American Fidelity - Disability I… | 01-22700-0000-1 | 25.30 |
| American Fidelity | INV0023971 | 05/30/2023 | American Fidelity - Disability I… | 30-22700-0000-1 | 87.64 |
| American Fidelity | INV0023971 | 05/30/2023 | American Fidelity - Disability I… | 31-22700-0000-1 | 9.91 |
| American Fidelity | INV0023971 | 05/30/2023 | American Fidelity - Disability I… | 32-22700-0000-1 | 44.75 |
| American Fidelity | INV0023971 | 05/30/2023 | American Fidelity - Disability I… | 34-22700-0000-1 | 30.76 |
| American Fidelity | INV0023972 | 05/30/2023 | Health FSA | 01-22600-0000-1 | 60.56 |
| American Fidelity | INV0023972 | 05/30/2023 | Health FSA | 30-22600-0000-1 | 83.07 |
| American Fidelity | INV0023972 | 05/30/2023 | Health FSA | 31-22600-0000-1 | 50.19 |
| American Fidelity | INV0023972 | 05/30/2023 | Health FSA | 32-22600-0000-1 | 108.09 |
| American Fidelity | INV0023973 | 05/30/2023 | Life 1 | 01-22900-0000-1 | 26.12 |
| American Fidelity | INV0023973 | 05/30/2023 | Life 1 | 30-22900-0000-1 | 54.91 |
| American Fidelity | INV0023973 | 05/30/2023 | Life 1 | 31-22900-0000-1 | 10.39 |
| American Fidelity | INV0023973 | 05/30/2023 | Life 1 | 32-22900-0000-1 | 24.25 |
| American Fidelity | INV0023973 | 05/30/2023 | Life 1 | 34-22900-0000-1 | 34.33 |
| American Fidelity | INV0023974 | 05/30/2023 | Life 2 | 30-22900-0000-1 | 20.54 |

| Vendor Name | Payable Number | Post Date | Description (Item) | Account Number | Amount |
|---|---|---|---|---|---|
| American Fidelity | INV0023974 | 05/30/2023 | Life 2 | 34-22900-0000-1 | 13.85 |
| American Fidelity | INV0023991 | 05/30/2023 | Cancer 1 American Fidelity | 30-22950-0000-1 | 5.54 |
| American Fidelity | INV0023992 | 05/30/2023 | Cancer 1 American Fidelity | 34-22950-0000-1 | 8.12 |
| American Fidelity | INV0023993 | 05/30/2023 | Cancer 1 American Fidelity | 01-22950-0000-1 | 0.87 |
| American Fidelity | INV0023993 | 05/30/2023 | Cancer 1 American Fidelity | 30-22950-0000-1 | 2.62 |
| American Fidelity | INV0023993 | 05/30/2023 | Cancer 1 American Fidelity | 31-22950-0000-1 | 2.62 |
| American Fidelity | INV0023993 | 05/30/2023 | Cancer 1 American Fidelity | 32-22950-0000-1 | 2.60 |
| American Fidelity | INV0023994 | 05/30/2023 | Cancer 2* - American Fidelity … | 30-22950-0000-1 | 16.50 |
| American Fidelity | INV0023995 | 05/30/2023 | Cancer 2* - American Fidelity … | 34-22950-0000-1 | 16.65 |
| | | | **Vendor American Fidelity - American Fidelity Total:** | | **2,008.70** |
| **Vendor: American Office Solu - American Office Solutions, LLC** | | | | | |
| American Office Solutions, LLC | INV 20809 | 05/24/2023 | INV 20809 | 01-310-52200-0000-1 | 268.21 |
| | | | **Vendor American Office Solu - American Office Solutions, LLC Total:** | | **268.21** |
| **Vendor: BHT Engineering, Inc - BHT Engineering, Inc.** | | | | | |
| BHT Engineering, Inc. | Inv No 23-141 - Clean Ca Grant | 05/24/2023 | Inv No 23-141 - Clean Ca Grant | 01-140-56000-0000-1 | 8,935.00 |
| BHT Engineering, Inc. | INV 23-137 | 05/25/2023 | INV 23-137 Transit Station@ I… | 34-520-52910-8410-1 | 4,710.00 |
| | | | **Vendor BHT Engineering, Inc - BHT Engineering, Inc. Total:** | | **13,645.00** |
| **Vendor: CA DCSS - California Dept of Child Support Services** | | | | | |
| California Dept of Child Suppo… | INV0023895 | 05/18/2023 | CA Dept Child Support Services | 01-22350-0000-1 | 369.23 |
| | | | **Vendor CA DCSS - California Dept of Child Support Services Total:** | | **369.23** |
| **Vendor: Cintas - Cintas Corporation No.3** | | | | | |
| Cintas Corporation No.3 | INV 4156054875 | 05/25/2023 | INV 4156054875 Garment Re… | 01-180-51800-0000-1 | 72.68 |
| Cintas Corporation No.3 | INV 4156054875 | 05/25/2023 | INV 4156054875 Garment Re… | 20-200-51800-0000-1 | 13.44 |
| Cintas Corporation No.3 | INV 4156054875 | 05/25/2023 | INV 4156054875 Garment Re… | 30-500-51800-0000-1 | 50.41 |
| Cintas Corporation No.3 | INV 4156054875 | 05/25/2023 | INV 4156054875 Garment Re… | 32-510-51800-0000-1 | 16.14 |
| | | | **Vendor Cintas - Cintas Corporation No.3 Total:** | | **152.67** |
| **Vendor: Continental Labor Re - Continental Labor Resources, Inc.** | | | | | |
| Continental Labor Resources, … | INV 3004038 | 05/25/2023 | INV 3004038 Lopez, Bernardi… | 20-200-52200-0000-1 | 902.28 |
| | | | **Vendor Continental Labor Re - Continental Labor Resources, Inc. Total:** | | **902.28** |
| **Vendor: DACO FARM SUPPLY INC - DACO FARM SUPPLY INC** | | | | | |
| DACO FARM SUPPLY INC | INV 362343 | 05/25/2023 | INV 362343 Key Stoc, Bastard … | 30-500-57400-0000-1 | 20.55 |
| | | | **Vendor DACO FARM SUPPLY INC - DACO FARM SUPPLY INC Total:** | | **20.55** |
| **Vendor: dynamic planning - Dynamic Planning LLC** | | | | | |
| Dynamic Planning LLC | Inv No 2023067-002 - HMP | 05/24/2023 | Inv No 2023067-002 - HMP | 01-140-56000-2317-1 | 5,543.13 |
| | | | **Vendor dynamic planning - Dynamic Planning LLC Total:** | | **5,543.13** |
| **Vendor: EDD - EDD** | | | | | |
| EDD | INV0023900 | 05/18/2023 | State Income Tax Withholding | 01-22200-0000-1 | 1,795.38 |
| EDD | INV0023900 | 05/18/2023 | State Income Tax Withholding | 30-22200-0000-1 | 4.40 |
| EDD | INV0023900 | 05/18/2023 | State Income Tax Withholding | 32-22200-0000-1 | 4.39 |
| EDD | INV0023901 | 05/18/2023 | SDI - State Disability Insurance | 01-22200-0000-1 | 594.53 |
| EDD | INV0023901 | 05/18/2023 | SDI - State Disability Insurance | 30-22200-0000-1 | 1.84 |
| EDD | INV0023901 | 05/18/2023 | SDI - State Disability Insurance | 32-22200-0000-1 | 1.86 |
| EDD | INV0023902 | 05/18/2023 | State Unemployment Insuran… | 01-22250-0000-1 | 231.53 |
| EDD | INV0023903 | 05/18/2023 | Employment Training Tax | 01-22275-0000-1 | 5.79 |
| EDD | INV0023938 | 05/18/2023 | State Income Tax Withholding | 01-22200-0000-1 | 729.54 |
| EDD | INV0023938 | 05/18/2023 | State Income Tax Withholding | 20-22200-0000-1 | -3.33 |
| EDD | INV0023938 | 05/18/2023 | State Income Tax Withholding | 30-22200-0000-1 | 459.41 |
| EDD | INV0023938 | 05/18/2023 | State Income Tax Withholding | 31-22200-0000-1 | 218.29 |
| EDD | INV0023938 | 05/18/2023 | State Income Tax Withholding | 32-22200-0000-1 | 291.48 |
| EDD | INV0023938 | 05/18/2023 | State Income Tax Withholding | 34-22200-0000-1 | 41.34 |
| EDD | INV0023939 | 05/18/2023 | SDI - State Disability Insurance | 01-22200-0000-1 | 185.13 |
| EDD | INV0023939 | 05/18/2023 | SDI - State Disability Insurance | 20-22200-0000-1 | 11.13 |
| EDD | INV0023939 | 05/18/2023 | SDI - State Disability Insurance | 30-22200-0000-1 | 147.60 |
| EDD | INV0023939 | 05/18/2023 | SDI - State Disability Insurance | 31-22200-0000-1 | 61.99 |
| EDD | INV0023939 | 05/18/2023 | SDI - State Disability Insurance | 32-22200-0000-1 | 125.34 |
| EDD | INV0023939 | 05/18/2023 | SDI - State Disability Insurance | 34-22200-0000-1 | 17.03 |
| EDD | INV0023940 | 05/18/2023 | State Unemployment Insuran… | 30-22250-0000-1 | 18.73 |
| EDD | INV0023940 | 05/18/2023 | State Unemployment Insuran… | 31-22250-0000-1 | 19.31 |

| Vendor Name | Payable Number | Post Date | Description (Item) | Account Number | Amount |
|---|---|---|---|---|---|
| EDD | INV0023940 | 05/18/2023 | State Unemployment Insuran… | 32-22250-0000-1 | 18.73 |
| EDD | INV0023941 | 05/18/2023 | Employment Training Tax | 30-22275-0000-1 | 0.47 |
| EDD | INV0023941 | 05/18/2023 | Employment Training Tax | 31-22275-0000-1 | 0.48 |
| EDD | INV0023941 | 05/18/2023 | Employment Training Tax | 32-22275-0000-1 | 0.47 |
| EDD | INV0023945 | 05/19/2023 | State Income Tax Withholding | 01-22200-0000-1 | 9.73 |
| EDD | INV0023945 | 05/19/2023 | State Income Tax Withholding | 31-22200-0000-1 | 1.22 |
| EDD | INV0023945 | 05/19/2023 | State Income Tax Withholding | 34-22200-0000-1 | 1.20 |
| EDD | INV0023946 | 05/19/2023 | SDI - State Disability Insurance | 01-22200-0000-1 | 10.35 |
| EDD | INV0023946 | 05/19/2023 | SDI - State Disability Insurance | 31-22200-0000-1 | 1.29 |
| EDD | INV0023946 | 05/19/2023 | SDI - State Disability Insurance | 34-22200-0000-1 | 1.30 |
| EDD | INV0023955 | 05/25/2023 | SDI - State Disability Insurance | 01-22200-0000-1 | 0.90 |
| EDD | INV0023998 | 05/30/2023 | State Income Tax Withholding | 01-22200-0000-1 | 661.82 |
| EDD | INV0023998 | 05/30/2023 | State Income Tax Withholding | 30-22200-0000-1 | 494.01 |
| EDD | INV0023998 | 05/30/2023 | State Income Tax Withholding | 31-22200-0000-1 | 157.77 |
| EDD | INV0023998 | 05/30/2023 | State Income Tax Withholding | 32-22200-0000-1 | 285.68 |
| EDD | INV0023998 | 05/30/2023 | State Income Tax Withholding | 34-22200-0000-1 | 27.17 |
| EDD | INV0023999 | 05/30/2023 | SDI - State Disability Insurance | 01-22200-0000-1 | 184.80 |
| EDD | INV0023999 | 05/30/2023 | SDI - State Disability Insurance | 20-22200-0000-1 | 11.79 |
| EDD | INV0023999 | 05/30/2023 | SDI - State Disability Insurance | 30-22200-0000-1 | 163.12 |
| EDD | INV0023999 | 05/30/2023 | SDI - State Disability Insurance | 31-22200-0000-1 | 50.28 |
| EDD | INV0023999 | 05/30/2023 | SDI - State Disability Insurance | 32-22200-0000-1 | 133.24 |
| EDD | INV0023999 | 05/30/2023 | SDI - State Disability Insurance | 34-22200-0000-1 | 14.97 |
| EDD | INV0024000 | 05/30/2023 | State Unemployment Insuran… | 01-22250-0000-1 | 54.23 |
| EDD | INV0024000 | 05/30/2023 | State Unemployment Insuran… | 30-22250-0000-1 | 79.84 |
| EDD | INV0024000 | 05/30/2023 | State Unemployment Insuran… | 31-22250-0000-1 | 15.68 |
| EDD | INV0024000 | 05/30/2023 | State Unemployment Insuran… | 32-22250-0000-1 | 79.83 |
| EDD | INV0024001 | 05/30/2023 | Employment Training Tax | 01-22275-0000-1 | 1.36 |
| EDD | INV0024001 | 05/30/2023 | Employment Training Tax | 30-22275-0000-1 | 2.00 |
| EDD | INV0024001 | 05/30/2023 | Employment Training Tax | 31-22275-0000-1 | 0.39 |
| EDD | INV0024001 | 05/30/2023 | Employment Training Tax | 32-22275-0000-1 | 1.99 |
| | | | | **Vendor EDD - EDD Total:** | **7,428.82** |

**Vendor: EFTPS - Electronic Federal Tax Payment System**

| Vendor Name | Payable Number | Post Date | Description (Item) | Account Number | Amount |
|---|---|---|---|---|---|
| Electronic Federal Tax Paymen… | INV0023898 | 05/18/2023 | Federal Income Tax Withholdi… | 01-22050-0000-1 | 4,752.96 |
| Electronic Federal Tax Paymen… | INV0023898 | 05/18/2023 | Federal Income Tax Withholdi… | 30-22050-0000-1 | 14.49 |
| Electronic Federal Tax Paymen… | INV0023898 | 05/18/2023 | Federal Income Tax Withholdi… | 32-22050-0000-1 | 14.48 |
| Electronic Federal Tax Paymen… | INV0023899 | 05/18/2023 | Social Security | 01-22100-0000-1 | 8,191.26 |
| Electronic Federal Tax Paymen… | INV0023899 | 05/18/2023 | Social Security | 30-22100-0000-1 | 25.46 |
| Electronic Federal Tax Paymen… | INV0023899 | 05/18/2023 | Social Security | 32-22100-0000-1 | 25.46 |
| Electronic Federal Tax Paymen… | INV0023904 | 05/18/2023 | Medicare | 01-22150-0000-1 | 1,915.66 |
| Electronic Federal Tax Paymen… | INV0023904 | 05/18/2023 | Medicare | 30-22150-0000-1 | 5.94 |
| Electronic Federal Tax Paymen… | INV0023904 | 05/18/2023 | Medicare | 32-22150-0000-1 | 5.98 |
| Electronic Federal Tax Paymen… | INV0023936 | 05/18/2023 | Federal Income Tax Withholdi… | 01-22050-0000-1 | 1,776.12 |
| Electronic Federal Tax Paymen… | INV0023936 | 05/18/2023 | Federal Income Tax Withholdi… | 20-22050-0000-1 | -9.73 |
| Electronic Federal Tax Paymen… | INV0023936 | 05/18/2023 | Federal Income Tax Withholdi… | 30-22050-0000-1 | 1,324.98 |
| Electronic Federal Tax Paymen… | INV0023936 | 05/18/2023 | Federal Income Tax Withholdi… | 31-22050-0000-1 | 515.30 |
| Electronic Federal Tax Paymen… | INV0023936 | 05/18/2023 | Federal Income Tax Withholdi… | 32-22050-0000-1 | 609.12 |
| Electronic Federal Tax Paymen… | INV0023936 | 05/18/2023 | Federal Income Tax Withholdi… | 34-22050-0000-1 | 138.26 |
| Electronic Federal Tax Paymen… | INV0023937 | 05/18/2023 | Social Security | 01-22100-0000-1 | 2,549.98 |
| Electronic Federal Tax Paymen… | INV0023937 | 05/18/2023 | Social Security | 20-22100-0000-1 | 153.38 |
| Electronic Federal Tax Paymen… | INV0023937 | 05/18/2023 | Social Security | 30-22100-0000-1 | 2,033.14 |
| Electronic Federal Tax Paymen… | INV0023937 | 05/18/2023 | Social Security | 31-22100-0000-1 | 853.92 |
| Electronic Federal Tax Paymen… | INV0023937 | 05/18/2023 | Social Security | 32-22100-0000-1 | 1,728.20 |
| Electronic Federal Tax Paymen… | INV0023937 | 05/18/2023 | Social Security | 34-22100-0000-1 | 234.74 |
| Electronic Federal Tax Paymen… | INV0023942 | 05/18/2023 | Medicare | 01-22150-0000-1 | 596.40 |
| Electronic Federal Tax Paymen… | INV0023942 | 05/18/2023 | Medicare | 20-22150-0000-1 | 35.86 |
| Electronic Federal Tax Paymen… | INV0023942 | 05/18/2023 | Medicare | 30-22150-0000-1 | 475.56 |
| Electronic Federal Tax Paymen… | INV0023942 | 05/18/2023 | Medicare | 31-22150-0000-1 | 199.70 |
| Electronic Federal Tax Paymen… | INV0023942 | 05/18/2023 | Medicare | 32-22150-0000-1 | 404.08 |
| Electronic Federal Tax Paymen… | INV0023942 | 05/18/2023 | Medicare | 34-22150-0000-1 | 54.90 |
| Electronic Federal Tax Paymen… | INV0023943 | 05/19/2023 | Federal Income Tax Withholdi… | 01-22050-0000-1 | 95.98 |

| Vendor Name | Payable Number | Post Date | Description (Item) | Account Number | Amount |
|---|---|---|---|---|---|
| Electronic Federal Tax Paymen.. | INV0023943 | 05/19/2023 | Federal Income Tax Withholdi... | 31-22050-0000-1 | 12.00 |
| Electronic Federal Tax Paymen.. | INV0023943 | 05/19/2023 | Federal Income Tax Withholdi... | 34-22050-0000-1 | 12.00 |
| Electronic Federal Tax Paymen.. | INV0023944 | 05/19/2023 | Social Security | 01-22100-0000-1 | 142.62 |
| Electronic Federal Tax Paymen.. | INV0023944 | 05/19/2023 | Social Security | 31-22100-0000-1 | 17.82 |
| Electronic Federal Tax Paymen.. | INV0023944 | 05/19/2023 | Social Security | 34-22100-0000-1 | 17.82 |
| Electronic Federal Tax Paymen.. | INV0023947 | 05/19/2023 | Medicare | 01-22150-0000-1 | 33.38 |
| Electronic Federal Tax Paymen.. | INV0023947 | 05/19/2023 | Medicare | 31-22150-0000-1 | 4.18 |
| Electronic Federal Tax Paymen.. | INV0023947 | 05/19/2023 | Medicare | 34-22150-0000-1 | 4.14 |
| Electronic Federal Tax Paymen.. | INV0023954 | 05/25/2023 | Social Security | 01-22100-0000-1 | 12.40 |
| Electronic Federal Tax Paymen.. | INV0023956 | 05/25/2023 | Medicare | 01-22150-0000-1 | 2.90 |
| Electronic Federal Tax Paymen.. | INV0023996 | 05/30/2023 | Federal Income Tax Withholdi... | 01-22050-0000-1 | 1,627.02 |
| Electronic Federal Tax Paymen.. | INV0023996 | 05/30/2023 | Federal Income Tax Withholdi... | 30-22050-0000-1 | 1,394.29 |
| Electronic Federal Tax Paymen.. | INV0023996 | 05/30/2023 | Federal Income Tax Withholdi... | 31-22050-0000-1 | 368.07 |
| Electronic Federal Tax Paymen.. | INV0023996 | 05/30/2023 | Federal Income Tax Withholdi... | 32-22050-0000-1 | 611.62 |
| Electronic Federal Tax Paymen.. | INV0023996 | 05/30/2023 | Federal Income Tax Withholdi... | 34-22050-0000-1 | 103.32 |
| Electronic Federal Tax Paymen.. | INV0023997 | 05/30/2023 | Social Security | 01-22100-0000-1 | 2,545.90 |
| Electronic Federal Tax Paymen.. | INV0023997 | 05/30/2023 | Social Security | 20-22100-0000-1 | 162.48 |
| Electronic Federal Tax Paymen.. | INV0023997 | 05/30/2023 | Social Security | 30-22100-0000-1 | 2,247.02 |
| Electronic Federal Tax Paymen.. | INV0023997 | 05/30/2023 | Social Security | 31-22100-0000-1 | 692.50 |
| Electronic Federal Tax Paymen.. | INV0023997 | 05/30/2023 | Social Security | 32-22100-0000-1 | 1,836.54 |
| Electronic Federal Tax Paymen.. | INV0023997 | 05/30/2023 | Social Security | 34-22100-0000-1 | 206.22 |
| Electronic Federal Tax Paymen.. | INV0024002 | 05/30/2023 | Medicare | 01-22150-0000-1 | 595.46 |
| Electronic Federal Tax Paymen.. | INV0024002 | 05/30/2023 | Medicare | 20-22150-0000-1 | 38.00 |
| Electronic Federal Tax Paymen.. | INV0024002 | 05/30/2023 | Medicare | 30-22150-0000-1 | 525.58 |
| Electronic Federal Tax Paymen.. | INV0024002 | 05/30/2023 | Medicare | 31-22150-0000-1 | 161.98 |
| Electronic Federal Tax Paymen.. | INV0024002 | 05/30/2023 | Medicare | 32-22150-0000-1 | 429.36 |
| Electronic Federal Tax Paymen.. | INV0024002 | 05/30/2023 | Medicare | 34-22150-0000-1 | 48.22 |
| | | | **Vendor EFTPS - Electronic Federal Tax Payment System Total:** | | **42,574.42** |
| **Vendor: empowertrust - Empower Trust Company LLC** | | | | | |
| Empower Trust Company LLC | INV0023908 | 05/18/2023 | 457 Employee Contribution | 01-20800-0000-1 | 45.00 |
| Empower Trust Company LLC | INV0023908 | 05/18/2023 | 457 Employee Contribution | 30-20800-0000-1 | 135.00 |
| Empower Trust Company LLC | INV0023908 | 05/18/2023 | 457 Employee Contribution | 31-20800-0000-1 | 135.00 |
| Empower Trust Company LLC | INV0023908 | 05/18/2023 | 457 Employee Contribution | 32-20800-0000-1 | 135.00 |
| Empower Trust Company LLC | INV0023968 | 05/30/2023 | 457 Employee Contribution | 01-20800-0000-1 | 45.00 |
| Empower Trust Company LLC | INV0023968 | 05/30/2023 | 457 Employee Contribution | 30-20800-0000-1 | 135.00 |
| Empower Trust Company LLC | INV0023968 | 05/30/2023 | 457 Employee Contribution | 31-20800-0000-1 | 135.00 |
| Empower Trust Company LLC | INV0023968 | 05/30/2023 | 457 Employee Contribution | 32-20800-0000-1 | 135.00 |
| | | | **Vendor empowertrust - Empower Trust Company LLC Total:** | | **900.00** |
| **Vendor: Franchise Tax - Franchise Tax** | | | | | |
| Franchise Tax | INV0023897 | 05/18/2023 | Case#609265321 | 01-22350-0000-1 | 75.00 |
| | | | **Vendor Franchise Tax - Franchise Tax Total:** | | **75.00** |
| **Vendor: Gregs Petroleum - Gregs Petroleum** | | | | | |
| Gregs Petroleum | INV 384308 | 05/24/2023 | INV 384308 | 01-105-54000-0000-1 | 2.18 |
| Gregs Petroleum | INV 384308 | 05/24/2023 | INV 384308 | 01-110-54000-0000-1 | 14.61 |
| Gregs Petroleum | INV 384308 | 05/24/2023 | INV 384308 | 01-115-54000-0000-1 | 13.46 |
| Gregs Petroleum | INV 384308 | 05/24/2023 | INV 384308 | 01-140-54000-0000-1 | 2.18 |
| Gregs Petroleum | INV 384308 | 05/24/2023 | INV 384308 | 01-150-54000-0000-1 | 839.69 |
| Gregs Petroleum | INV 384308 | 05/24/2023 | INV 384308 | 01-155-54000-0000-1 | 33.58 |
| Gregs Petroleum | INV 384308 | 05/24/2023 | INV 384308 | 01-160-54000-0000-1 | 11.15 |
| Gregs Petroleum | INV 384308 | 05/24/2023 | INV 384308 | 01-175-54000-0000-1 | 1.15 |
| Gregs Petroleum | INV 384308 | 05/24/2023 | INV 384308 | 01-180-54000-0000-1 | 134.33 |
| Gregs Petroleum | INV 384308 | 05/24/2023 | INV 384308 | 20-200-54000-0000-1 | 44.73 |
| Gregs Petroleum | INV 384308 | 05/24/2023 | INV 384308 | 30-500-54000-0000-1 | 83.96 |
| Gregs Petroleum | INV 384308 | 05/24/2023 | INV 384308 | 32-510-54000-0000-1 | 33.58 |
| Gregs Petroleum | INV 384308 | 05/24/2023 | INV 384308 | 34-520-54000-0000-1 | 67.16 |
| | | | **Vendor Gregs Petroleum - Gregs Petroleum Total:** | | **1,281.76** |
| **Vendor: Home Depot - Home Depot** | | | | | |
| Home Depot | INV0023949 | 05/25/2023 | Auth Code 022084/0104058 ... | 30-500-56800-0000-1 | 203.47 |

| Vendor Name | Payable Number | Post Date | Description (Item) | Account Number | Amount |
|---|---|---|---|---|---|
| Home Depot | INV0023950 | 05/25/2023 | Auth Code 017910/5103657 T… | 20-200-57400-0000-1 | 189.30 |
| | | | **Vendor Home Depot - Home Depot Total:** | | **392.77** |
| **Vendor: John Hancock - John Hancock** | | | | | |
| John Hancock | INV0023878 | 05/18/2023 | 401K - Employer | 01-20800-0000-1 | 3,823.99 |
| John Hancock | INV0023878 | 05/18/2023 | 401K - Employer | 30-20800-0000-1 | 20.50 |
| John Hancock | INV0023878 | 05/18/2023 | 401K - Employer | 32-20800-0000-1 | 20.49 |
| John Hancock | INV0023879 | 05/18/2023 | 401K - Employee | 01-20800-0000-1 | 2,427.99 |
| John Hancock | INV0023885 | 05/18/2023 | 401K Loan 1 | 01-20800-0000-1 | 89.29 |
| John Hancock | INV0023886 | 05/18/2023 | 401K Loan 1 | 01-20800-0000-1 | 138.52 |
| John Hancock | INV0023887 | 05/18/2023 | 401k Contribution | 01-20800-0000-1 | 298.89 |
| John Hancock | INV0023888 | 05/18/2023 | 401k Contribution | 01-20800-0000-1 | 171.92 |
| John Hancock | INV0023889 | 05/18/2023 | 401k Contribution | 01-20800-0000-1 | 311.41 |
| John Hancock | INV0023890 | 05/18/2023 | 401k Contribution | 01-20800-0000-1 | 303.24 |
| John Hancock | INV0023891 | 05/18/2023 | 401k Contribution | 01-20800-0000-1 | 235.12 |
| John Hancock | INV0023892 | 05/18/2023 | 401k Contribution | 01-20800-0000-1 | 267.96 |
| John Hancock | INV0023893 | 05/18/2023 | 401k Contribution | 01-20800-0000-1 | 387.44 |
| John Hancock | INV0023894 | 05/18/2023 | 401k Contribution | 01-20800-0000-1 | 251.92 |
| John Hancock | INV0023905 | 05/18/2023 | 401K - Employer | 01-20800-0000-1 | 1,105.72 |
| John Hancock | INV0023905 | 05/18/2023 | 401K - Employer | 30-20800-0000-1 | 1,120.89 |
| John Hancock | INV0023905 | 05/18/2023 | 401K - Employer | 31-20800-0000-1 | 508.31 |
| John Hancock | INV0023905 | 05/18/2023 | 401K - Employer | 32-20800-0000-1 | 951.36 |
| John Hancock | INV0023906 | 05/18/2023 | 401K - Employee | 01-20800-0000-1 | 405.68 |
| John Hancock | INV0023906 | 05/18/2023 | 401K - Employee | 20-20800-0000-1 | 78.62 |
| John Hancock | INV0023906 | 05/18/2023 | 401K - Employee | 30-20800-0000-1 | 305.78 |
| John Hancock | INV0023906 | 05/18/2023 | 401K - Employee | 31-20800-0000-1 | 213.44 |
| John Hancock | INV0023906 | 05/18/2023 | 401K - Employee | 32-20800-0000-1 | 385.13 |
| John Hancock | INV0023907 | 05/18/2023 | 401K - Employer | 20-20800-0000-1 | 131.04 |
| John Hancock | INV0023915 | 05/18/2023 | 401K Loan 1 | 32-20800-0000-1 | 32.25 |
| John Hancock | INV0023916 | 05/18/2023 | 401K Loan 1 | 01-20800-0000-1 | 160.26 |
| John Hancock | INV0023917 | 05/18/2023 | 401K Loan 2 | 01-20800-0000-1 | 21.14 |
| John Hancock | INV0023917 | 05/18/2023 | 401K Loan 2 | 30-20800-0000-1 | 15.86 |
| John Hancock | INV0023917 | 05/18/2023 | 401K Loan 2 | 32-20800-0000-1 | 15.85 |
| John Hancock | INV0023918 | 05/18/2023 | 401K Loan 2 | 01-20800-0000-1 | 182.65 |
| John Hancock | INV0023919 | 05/18/2023 | 401K Loan 3 | 01-20800-0000-1 | 35.73 |
| John Hancock | INV0023919 | 05/18/2023 | 401K Loan 3 | 30-20800-0000-1 | 26.81 |
| John Hancock | INV0023919 | 05/18/2023 | 401K Loan 3 | 32-20800-0000-1 | 26.79 |
| John Hancock | INV0023920 | 05/18/2023 | 401K Loan 3 | 32-20800-0000-1 | 25.60 |
| John Hancock | INV0023921 | 05/18/2023 | 401K Loan 3 | 34-20800-0000-1 | 100.00 |
| John Hancock | INV0023922 | 05/18/2023 | 401K Loan 4 | 34-20800-0000-1 | 75.00 |
| John Hancock | INV0023923 | 05/18/2023 | 401K Loan 4 | 01-20800-0000-1 | 101.11 |
| John Hancock | INV0023923 | 05/18/2023 | 401K Loan 4 | 20-20800-0000-1 | -3.34 |
| John Hancock | INV0023923 | 05/18/2023 | 401K Loan 4 | 31-20800-0000-1 | 26.12 |
| John Hancock | INV0023923 | 05/18/2023 | 401K Loan 4 | 34-20800-0000-1 | 26.11 |
| John Hancock | INV0023924 | 05/18/2023 | 401K Loan 4 | 01-20800-0000-1 | 35.49 |
| John Hancock | INV0023924 | 05/18/2023 | 401K Loan 4 | 20-20800-0000-1 | -1.17 |
| John Hancock | INV0023924 | 05/18/2023 | 401K Loan 4 | 31-20800-0000-1 | 9.16 |
| John Hancock | INV0023924 | 05/18/2023 | 401K Loan 4 | 34-20800-0000-1 | 9.17 |
| John Hancock | INV0023925 | 05/18/2023 | 401k Contribution | 01-20800-0000-1 | 1,147.82 |
| John Hancock | INV0023926 | 05/18/2023 | 401k Contribution | 32-20800-0000-1 | 141.04 |
| John Hancock | INV0023927 | 05/18/2023 | 401k Contribution | 30-20800-0000-1 | 255.20 |
| John Hancock | INV0023928 | 05/18/2023 | 401k Contribution | 01-20800-0000-1 | 239.38 |
| John Hancock | INV0023928 | 05/18/2023 | 401k Contribution | 20-20800-0000-1 | -7.90 |
| John Hancock | INV0023928 | 05/18/2023 | 401k Contribution | 31-20800-0000-1 | 61.84 |
| John Hancock | INV0023928 | 05/18/2023 | 401k Contribution | 34-20800-0000-1 | 61.80 |
| John Hancock | INV0023929 | 05/18/2023 | 401k Contribution | 34-20800-0000-1 | 131.79 |
| John Hancock | INV0023930 | 05/18/2023 | 401k Contribution | 01-20800-0000-1 | 446.16 |
| John Hancock | INV0023930 | 05/18/2023 | 401k Contribution | 30-20800-0000-1 | 178.46 |
| John Hancock | INV0023930 | 05/18/2023 | 401k Contribution | 31-20800-0000-1 | 89.23 |
| John Hancock | INV0023930 | 05/18/2023 | 401k Contribution | 32-20800-0000-1 | 178.46 |
| John Hancock | INV0023965 | 05/30/2023 | 401K - Employer | 01-20800-0000-1 | 1,104.30 |

| Vendor Name | Payable Number | Post Date | Description (Item) | Account Number | Amount |
|---|---|---|---|---|---|
| John Hancock | INV0023965 | 05/30/2023 | 401K - Employer | 30-20800-0000-1 | 1,266.05 |
| John Hancock | INV0023965 | 05/30/2023 | 401K - Employer | 31-20800-0000-1 | 445.48 |
| John Hancock | INV0023965 | 05/30/2023 | 401K - Employer | 32-20800-0000-1 | 1,098.40 |
| John Hancock | INV0023966 | 05/30/2023 | 401K - Employee | 01-20800-0000-1 | 349.99 |
| John Hancock | INV0023966 | 05/30/2023 | 401K - Employee | 20-20800-0000-1 | 78.62 |
| John Hancock | INV0023966 | 05/30/2023 | 401K - Employee | 30-20800-0000-1 | 307.96 |
| John Hancock | INV0023966 | 05/30/2023 | 401K - Employee | 31-20800-0000-1 | 213.39 |
| John Hancock | INV0023966 | 05/30/2023 | 401K - Employee | 32-20800-0000-1 | 375.59 |
| John Hancock | INV0023967 | 05/30/2023 | 401K - Employer | 20-20800-0000-1 | 131.04 |
| John Hancock | INV0023975 | 05/30/2023 | 401K Loan 1 | 32-20800-0000-1 | 32.25 |
| John Hancock | INV0023976 | 05/30/2023 | 401K Loan 1 | 01-20800-0000-1 | 160.26 |
| John Hancock | INV0023977 | 05/30/2023 | 401K Loan 2 | 01-20800-0000-1 | 6.27 |
| John Hancock | INV0023977 | 05/30/2023 | 401K Loan 2 | 30-20800-0000-1 | 4.70 |
| John Hancock | INV0023977 | 05/30/2023 | 401K Loan 2 | 32-20800-0000-1 | 4.69 |
| John Hancock | INV0023978 | 05/30/2023 | 401K Loan 2 | 01-20800-0000-1 | 182.65 |
| John Hancock | INV0023979 | 05/30/2023 | 401K Loan 3 | 01-20800-0000-1 | 35.73 |
| John Hancock | INV0023979 | 05/30/2023 | 401K Loan 3 | 30-20800-0000-1 | 26.79 |
| John Hancock | INV0023979 | 05/30/2023 | 401K Loan 3 | 32-20800-0000-1 | 26.81 |
| John Hancock | INV0023980 | 05/30/2023 | 401K Loan 3 | 32-20800-0000-1 | 25.60 |
| John Hancock | INV0023981 | 05/30/2023 | 401K Loan 3 | 34-20800-0000-1 | 10.55 |
| John Hancock | INV0023982 | 05/30/2023 | 401K Loan 4 | 34-20800-0000-1 | 75.00 |
| John Hancock | INV0023983 | 05/30/2023 | 401K Loan 4 | 01-20800-0000-1 | 120.00 |
| John Hancock | INV0023983 | 05/30/2023 | 401K Loan 4 | 31-20800-0000-1 | 15.00 |
| John Hancock | INV0023983 | 05/30/2023 | 401K Loan 4 | 34-20800-0000-1 | 15.00 |
| John Hancock | INV0023984 | 05/30/2023 | 401K Loan 4 | 01-20800-0000-1 | 42.13 |
| John Hancock | INV0023984 | 05/30/2023 | 401K Loan 4 | 31-20800-0000-1 | 5.27 |
| John Hancock | INV0023984 | 05/30/2023 | 401K Loan 4 | 34-20800-0000-1 | 5.25 |
| John Hancock | INV0023985 | 05/30/2023 | 401k Contribution | 01-20800-0000-1 | 1,236.71 |
| John Hancock | INV0023986 | 05/30/2023 | 401k Contribution | 32-20800-0000-1 | 141.04 |
| John Hancock | INV0023987 | 05/30/2023 | 401k Contribution | 30-20800-0000-1 | 255.20 |
| John Hancock | INV0023988 | 05/30/2023 | 401k Contribution | 01-20800-0000-1 | 230.08 |
| John Hancock | INV0023988 | 05/30/2023 | 401k Contribution | 31-20800-0000-1 | 28.76 |
| John Hancock | INV0023988 | 05/30/2023 | 401k Contribution | 34-20800-0000-1 | 28.76 |
| John Hancock | INV0023989 | 05/30/2023 | 401k Contribution | 34-20800-0000-1 | 137.55 |
| John Hancock | INV0023990 | 05/30/2023 | 401k Contribution | 01-20800-0000-1 | 446.16 |
| John Hancock | INV0023990 | 05/30/2023 | 401k Contribution | 30-20800-0000-1 | 178.46 |
| John Hancock | INV0023990 | 05/30/2023 | 401k Contribution | 31-20800-0000-1 | 89.23 |
| John Hancock | INV0023990 | 05/30/2023 | 401k Contribution | 32-20800-0000-1 | 178.46 |
| | | | **Vendor John Hancock - John Hancock Total:** | | **26,913.70** |
| **Vendor: Munguia - Munguia Heating & Air Conditioning** | | | | | |
| Munguia Heating & Air Condit… | INV 012326 | 05/25/2023 | INV 012326 New Install at 129… | 30-500-52910-0000-1 | 10,500.00 |
| | | | **Vendor Munguia - Munguia Heating & Air Conditioning Total:** | | **10,500.00** |
| **Vendor: Office Depot - Office Depot** | | | | | |
| Office Depot | INV0023948 | 05/22/2023 | Inv. 285617338001 - Office Su… | 01-110-57200-0000-1 | 45.04 |
| Office Depot | INV0023948 | 05/22/2023 | Inv. 285617338001 Office Sup… | 01-150-57200-0000-1 | 11.16 |
| | | | **Vendor Office Depot - Office Depot Total:** | | **56.20** |
| **Vendor: Pace Analytical Serv - Pace Analytical Services, LLC** | | | | | |
| Pace Analytical Services, LLC | INV B474946 | 05/25/2023 | INV B474946 Drinking Water-… | 32-510-58200-0000-1 | 177.00 |
| Pace Analytical Services, LLC | INV B474997 | 05/25/2023 | INV B474997 Bacteriological-… | 32-510-58200-0000-1 | 142.20 |
| Pace Analytical Services, LLC | INV B475075 | 05/25/2023 | INV B475075 Effluent/Influent… | 30-500-58200-0000-1 | 170.88 |
| Pace Analytical Services, LLC | INV B475111 | 05/25/2023 | INV B475111 Drinking Water-… | 32-510-58200-0000-1 | 14.60 |
| | | | **Vendor Pace Analytical Serv - Pace Analytical Services, LLC Total:** | | **504.68** |
| **Vendor: Arrowhead - Ready Refresh** | | | | | |
| Ready Refresh | McFarland Police 03E0033594… | 05/24/2023 | McFarland Police 03E0033594… | 01-150-57200-0000-1 | 10.67 |
| | | | **Vendor Arrowhead - Ready Refresh Total:** | | **10.67** |
| **Vendor: SPD - SPD** | | | | | |
| SPD | INV 19161 | 05/24/2023 | INV 19161 Notice of Violation… | 01-165-57400-0000-1 | 97.43 |
| | | | **Vendor SPD - SPD Total:** | | **97.43** |

| Vendor Name | Payable Number | Post Date | Description (Item) | Account Number | Amount |
|---|---|---|---|---|---|
| **Vendor: Stinson Stationers, - Stinson Stationers, Inc.** | | | | | |
| Stinson Stationers, Inc. | Inv. 227590-0 | 05/24/2023 | Inv. 227590-0 Office Supplies | 01-110-57200-0000-1 | 152.32 |
| | | | **Vendor Stinson Stationers, - Stinson Stationers, Inc. Total:** | | **152.32** |
| **Vendor: ADT - The ADT Security Corportation** | | | | | |
| The ADT Security Corportation | INV 150351575 | 05/25/2023 | INV 150351575 | 30-500-58050-0000-1 | 225.88 |
| | | | **Vendor ADT - The ADT Security Corportation Total:** | | **225.88** |
| **Vendor: Criscom Public Relat - The Criscom Company** | | | | | |
| The Criscom Company | INV 271125 | 05/25/2023 | INV 271125 Grant Research Ju… | 01-175-52200-0000-1 | 4,500.00 |
| | | | **Vendor Criscom Public Relat - The Criscom Company Total:** | | **4,500.00** |
| **Vendor: Torpedo - Torpedo Pest Control** | | | | | |
| Torpedo Pest Control | INV 1337 | 05/25/2023 | INV 1337 General Pest Service.. | 01-185-52200-0000-1 | 100.00 |
| Torpedo Pest Control | INV 1337 | 05/25/2023 | INV 1337 General Pest Service.. | 01-190-52200-0000-1 | 100.00 |
| | | | **Vendor Torpedo - Torpedo Pest Control Total:** | | **200.00** |
| **Vendor: Verizon - Police Dep - Verizon - Police Dep** | | | | | |
| Verizon - Police Dep | INV 9934791381 | 05/24/2023 | INV 9934791381 772387786-… | 01-150-57800-0000-1 | 1,621.08 |
| Verizon - Police Dep | INV 9934791381 | 05/24/2023 | INV 9934791381 772387786-… | 01-155-57800-0000-1 | 74.00 |
| Verizon - Police Dep | INV 9934791381 | 05/24/2023 | INV 9934791381 772387786-… | 30-500-57800-0000-1 | 11.49 |
| Verizon - Police Dep | INV 9934791381 | 05/24/2023 | INV 9934791381 772387786-… | 32-510-57800-0000-1 | 11.27 |
| | | | **Vendor Verizon - Police Dep - Verizon - Police Dep Total:** | | **1,717.84** |
| **Vendor: Rain for Rent - Western Oilfields Supply Company** | | | | | |
| Western Oilfields Supply Com… | INV 1857819 | 05/25/2023 | INV 1857819 Pump Rental,Tra… | 01-130-57400-2321-1 | 28,498.53 |
| | | | **Vendor Rain for Rent - Western Oilfields Supply Company Total:** | | **28,498.53** |
| **Vendor: Witcher Electric - Witcher Electric** | | | | | |
| Witcher Electric | INV 39496AA | 05/24/2023 | INV 39496AA SCADA Program… | 32-510-52000-0000-1 | 700.00 |
| | | | **Vendor Witcher Electric - Witcher Electric Total:** | | **700.00** |
| | | | **Grand Total:** | | **149,639.79** |

# Report Summary

## Fund Summary

| Fund | Payment Amount |
|---|---|
| 01 - GENERAL FUND | 98,039.89 |
| 20 - LIGHTING & LANDSCAPING-DISTRICT 1 | 1,956.24 |
| 30 - SEWER | 25,544.60 |
| 31 - REFUSE/RECYCLING | 5,473.63 |
| 32 - WATER | 11,991.80 |
| 34 - PUBLIC TRANSPORTATION | 6,633.63 |
| **Grand Total:** | **149,639.79** |

## Account Summary

| Account Number | Account Name | Payment Amount |
|---|---|---|
| 01-105-54000-0000-1 | Fuel | 2.18 |
| 01-110-54000-0000-1 | Fuel | 14.61 |
| 01-110-57200-0000-1 | Supplies - Office | 197.36 |
| 01-115-54000-0000-1 | Fuel | 13.46 |
| 01-130-57400-2321-1 | Operating Supplies Emer… | 28,498.53 |
| 01-140-54000-0000-1 | Fuel | 2.18 |
| 01-140-56000-0000-1 | Professional Services - O… | 8,935.00 |
| 01-140-56000-2317-1 | Professional Services - H… | 5,543.13 |
| 01-150-54000-0000-1 | Fuel | 839.69 |
| 01-150-57200-0000-1 | Supplies - Office | 21.83 |
| 01-150-57800-0000-1 | Telephone & Communic… | 1,621.08 |
| 01-155-54000-0000-1 | Fuel | 33.58 |
| 01-155-57800-0000-1 | Telephone & Communic… | 74.00 |
| 01-160-54000-0000-1 | Fuel | 11.15 |
| 01-165-57400-0000-1 | Supplies - Operating | 97.43 |
| 01-175-52200-0000-1 | Contract Services | 4,500.00 |
| 01-175-54000-0000-1 | Fuel | 1.15 |
| 01-180-51800-0000-1 | Clothing Allowance | 72.68 |
| 01-180-54000-0000-1 | Fuel | 134.33 |
| 01-185-52200-0000-1 | Contract Services | 100.00 |
| 01-190-52200-0000-1 | Contract Services | 100.00 |
| 01-20800-0000-1 | Pension Payable | 16,593.11 |
| 01-22050-0000-1 | Federal Withholding Pay… | 8,252.08 |
| 01-22100-0000-1 | FICA Payable | 13,442.16 |
| 01-22150-0000-1 | Medicare Payable | 3,143.80 |
| 01-22200-0000-1 | State Withholding Payab… | 4,172.18 |
| 01-22250-0000-1 | SUTA Payable | 285.76 |
| 01-22275-0000-1 | ETT Payable | 7.15 |
| 01-22350-0000-1 | Garnishments | 444.23 |
| 01-22600-0000-1 | Health FSA | 121.13 |
| 01-22700-0000-1 | Disablity LTD | 278.22 |
| 01-22800-0000-1 | Accident | 19.34 |
| 01-22900-0000-1 | Life | 183.87 |
| 01-22950-0000-1 | Cancer-American Fidelity | 15.28 |
| 01-310-52200-0000-1 | Contract Services | 268.21 |
| 20-200-51800-0000-1 | Clothing Allowance | 13.44 |
| 20-200-52200-0000-1 | Contract Services | 902.28 |
| 20-200-54000-0000-1 | Fuel | 44.73 |
| 20-200-57400-0000-1 | Supplies - Operating | 189.30 |
| 20-20800-0000-1 | Pension Payable | 406.91 |
| 20-22050-0000-1 | Federal Withholding Pay… | -9.73 |
| 20-22100-0000-1 | FICA Payable | 315.86 |
| 20-22150-0000-1 | Medicare Payable | 73.86 |
| 20-22200-0000-1 | State Withholding Payab… | 19.59 |
| 30-20800-0000-1 | Pension Payable | 4,232.66 |
| 30-22050-0000-1 | Federal Withholding Pay… | 2,733.76 |
| 30-22100-0000-1 | FICA Payable | 4,305.62 |

## Account Summary

| Account Number | Account Name | Payment Amount |
|---|---|---|
| 30-22150-0000-1 | Medicare Payable | 1,007.08 |
| 30-22200-0000-1 | State Withholding Payab… | 1,270.38 |
| 30-22250-0000-1 | SUTA Payable | 98.57 |
| 30-22275-0000-1 | ETT Payable | 2.47 |
| 30-22600-0000-1 | Health FSA | 166.16 |
| 30-22700-0000-1 | Disablity LTD | 175.28 |
| 30-22800-0000-1 | Accident | 54.90 |
| 30-22900-0000-1 | Life | 181.77 |
| 30-22950-0000-1 | Cancer- American Fidelity | 49.31 |
| 30-500-51800-0000-1 | Clothing Allowance | 50.41 |
| 30-500-52910-0000-1 | Buildings & Improvemen… | 10,500.00 |
| 30-500-54000-0000-1 | Fuel | 83.96 |
| 30-500-56800-0000-1 | Safety Equipment | 203.47 |
| 30-500-57400-0000-1 | Supplies - Operating | 20.55 |
| 30-500-57800-0000-1 | Telephone & Communic… | 11.49 |
| 30-500-58050-0000-1 | Utilities Other | 225.88 |
| 30-500-58200-0000-1 | Water/Soil/Other Analys… | 170.88 |
| 31-20800-0000-1 | Pension Payable | 1,975.23 |
| 31-22050-0000-1 | Federal Withholding Pay… | 895.37 |
| 31-22100-0000-1 | FICA Payable | 1,564.24 |
| 31-22150-0000-1 | Medicare Payable | 365.86 |
| 31-22200-0000-1 | State Withholding Payab… | 490.84 |
| 31-22250-0000-1 | SUTA Payable | 34.99 |
| 31-22275-0000-1 | ETT Payable | 0.87 |
| 31-22600-0000-1 | Health FSA | 100.39 |
| 31-22700-0000-1 | Disablity LTD | 19.82 |
| 31-22900-0000-1 | Life | 20.79 |
| 31-22950-0000-1 | Cancer-American Fidelity | 5.23 |
| 32-20800-0000-1 | Pension Payable | 3,929.81 |
| 32-22050-0000-1 | Federal Withholding Pay… | 1,235.22 |
| 32-22100-0000-1 | FICA Payable | 3,590.20 |
| 32-22150-0000-1 | Medicare Payable | 839.42 |
| 32-22200-0000-1 | State Withholding Payab… | 841.99 |
| 32-22250-0000-1 | SUTA Payable | 98.56 |
| 32-22275-0000-1 | ETT Payable | 2.46 |
| 32-22600-0000-1 | Health FSA | 216.14 |
| 32-22700-0000-1 | Disablity LTD | 89.51 |
| 32-22900-0000-1 | Life | 48.49 |
| 32-22950-0000-1 | Cancer-American Fidelity | 5.21 |
| 32-510-51800-0000-1 | Clothing Allowance | 16.14 |
| 32-510-52000-0000-1 | Conferences/Meetings/T… | 700.00 |
| 32-510-54000-0000-1 | Fuel | 33.58 |
| 32-510-57800-0000-1 | Telephone & Communic… | 11.27 |
| 32-510-58200-0000-1 | Water/Soil/Other Analys… | 333.80 |
| 34-20800-0000-1 | Pension Payable | 675.98 |
| 34-22050-0000-1 | Federal Withholding Pay… | 253.58 |
| 34-22100-0000-1 | FICA Payable | 458.78 |
| 34-22150-0000-1 | Medicare Payable | 107.26 |
| 34-22200-0000-1 | State Withholding Payab… | 103.01 |
| 34-22700-0000-1 | Disablity LTD | 61.52 |
| 34-22800-0000-1 | Accident | 30.82 |
| 34-22900-0000-1 | Life | 115.98 |
| 34-22950-0000-1 | Cancer-American Fidelity | 49.54 |
| 34-520-52910-8410-1 | Buildings & Improvemen… | 4,710.00 |
| 34-520-54000-0000-1 | Fuel | 67.16 |
| | **Grand Total:** | **149,639.79** |

## Project Account Summary

| Project Account Key | | Payment Amount |
|---|---|---|
| **None** | | 149,639.79 |
| | **Grand Total:** | **149,639.79** |

City of McFarland, CA

# Pay Code Report

## Summary By Department

5/1/2023 - 5/31/2023

Payroll Set: City-City of McFarland

### Department: 105 - City Council

| Employee Number | Pay Code | # of Payments | Units | Pay Amount |
|---|---|---|---|---|
| AYO300 | Salary - Elected - Salary - Electec | 1 | 0 | 200 |
| | | **Gross Total:** | **0** | **200** |
| Ayo100 | Salary - Elected - Salary - Electec | 1 | 0 | 200 |
| | | **Gross Total:** | **0** | **200** |
| Cano100 | Salary - Elected - Salary - Electec | 1 | 0 | 200 |
| | | **Gross Total:** | **0** | **200** |
| GON610 | Salary - Elected - Salary - Electec | 1 | 0 | 200 |
| | | **Gross Total:** | **0** | **200** |
| PER100 | Salary - Elected - Salary - Electec | 1 | 0 | 200 |
| | | **Gross Total:** | **0** | **200** |
| | | **105 - City Council Total:** | **0** | **1000** |

### Department: 110 - City Administration

| Employee Number | Pay Code | # of Payments | Units | Pay Amount |
|---|---|---|---|---|
| ALV100 | Bilingual - Bilingual | 3 | 0 | 41.52 |
| | Hourly - Hourly | 3 | 156.03 | 3888.27 |
| | OT - Overtime | 2 | 22.13 | 827.22 |
| | Sick - Sick Pay | 1 | 18 | 448.56 |
| | Vacation - Vacation Pay | 2 | 61.97 | 1544.29 |
| | | **Gross Total:** | **258.13** | **6749.86** |
| MCC100 | Salary - Salary | 3 | 240 | 10153.86 |
| | | **Gross Total:** | **240** | **10153.86** |
| Nun100 | Bilingual - Bilingual | 3 | 0 | 41.55 |
| | Comp Time Earned - Compensat | 1 | 6 | 0 |
| | Comp Time Taken - Compensatc | 1 | 1 | 31.12 |
| | Hourly - Hourly | 3 | 227.98 | 7094.74 |
| | OT - Overtime | 3 | 4.29 | 200.26 |
| | Sick - Sick Pay | 2 | 13 | 404.56 |
| | | **Gross Total:** | **252.27** | **7772.23** |
| | | **110 - City Administration Total:** | **750.4** | **24675.95** |

**Department: 115 - Finance & Accounting**

| Employee Number | Pay Code | # of Payments | Units | Pay Amount |
|---|---|---|---|---|
| ARC100 | Emergency Response - Emergen | 1 | 4 | 211.32 |
| | Hourly - Hourly | 3 | 231.17 | 8141.81 |
| | OT - Overtime | 3 | 56.38 | 2978.55 |
| | Personal - Personal Day | 1 | 8 | 281.76 |
| | Sick - Sick Pay | 1 | 9 | 316.98 |
| | | **Gross Total:** | **308.55** | **11930.42** |
| ARR100 | Hourly - Hourly | 3 | 223.08 | 3564.82 |
| | OT - Overtime | 2 | 14.62 | 350.44 |
| | | **Gross Total:** | **237.7** | **3915.26** |
| AYO110 | Hourly - Hourly | 3 | 228.15 | 3645.84 |
| | OT - Overtime | 3 | 6.93 | 166.11 |
| | | **Gross Total:** | **235.08** | **3811.95** |
| ESP100 | Bachelor's Degree - Bachelor's D | 3 | 0 | 27.69 |
| | Bilingual - Bilingual | 3 | 0 | 41.55 |
| | Hourly - Hourly | 3 | 213.38 | 5061.37 |
| | OT - Overtime | 2 | 1.97 | 70.1 |
| | Personal - Personal Day | 1 | 9 | 213.48 |
| | Sick - Sick Pay | 1 | 18 | 426.96 |
| | | **Gross Total:** | **242.35** | **5841.15** |
| GON600 | Bilingual - Bilingual | 3 | 0 | 41.55 |
| | Hourly - Hourly | 3 | 228.72 | 5164.49 |
| | OT - Overtime | 2 | 0.93 | 31.5 |
| | Sick - Sick Pay | 3 | 12.84 | 289.93 |
| | | **Gross Total:** | **242.49** | **5527.47** |
| TOR100 | Hourly - Hourly | 3 | 220.61 | 4189.38 |
| | OT - Overtime | 3 | 7.6 | 216.49 |
| | | **Gross Total:** | **228.21** | **4405.87** |
| VEL100 | Bilingual - Bilingual | 3 | 0 | 41.55 |
| | Hourly - Hourly | 3 | 181.48 | 3622.34 |
| | OT - Overtime | 2 | 4.44 | 132.93 |
| | Personal - Personal Day | 1 | 9 | 179.64 |
| | Sick - Sick Pay | 2 | 9.38 | 187.22 |
| | Vacation - Vacation Pay | 1 | 35 | 698.6 |
| | | **Gross Total:** | **239.3** | **4862.28** |

| Employee Number | Pay Code | # of Payments | Units | Pay Amount |
|---|---|---|---|---|
| VIR100 | Hourly - Hourly | 1 | 72 | 4153.84 |
| | Personal - Personal Day | 1 | 8 | 461.54 |
| | Salary - Salary | 2 | 160 | 9230.76 |
| | | **Gross Total:** | **240** | **13846.14** |
| | | **115 - Finance & Accounting Total:** | **1973.68** | **54140.54** |

**Department: 140 - Planning**

| Employee Number | Pay Code | # of Payments | Units | Pay Amount |
|---|---|---|---|---|
| DEL100 | Bachelor's Degree - Bachelor's D | 3 | 0 | 27.69 |
| | Hourly - Hourly | 2 | 147.24 | 5271.85 |
| | OT - Overtime | 2 | 2.63 | 146.72 |
| | Salary - Salary | 1 | 82.07 | 3267.1 |
| | Vacation - Vacation Pay | 1 | 11.74 | 365.47 |
| | | **Gross Total:** | **243.68** | **9078.83** |
| | | **140 - Planning Total:** | **243.68** | **9078.83** |

**Department: 150 - Police**

| Employee Number | Pay Code | # of Payments | Units | Pay Amount |
|---|---|---|---|---|
| ALB100-142 | Hourly - Hourly | 2 | 138 | 4088.94 |
| | OT - Overtime | 2 | 24 | 1066.68 |
| | Personal - Personal Day | 1 | 12 | 355.56 |
| | Vacation - Vacation Pay | 1 | 18 | 533.34 |
| | | **Gross Total:** | **192** | **6044.52** |
| ALW100-145 | Cash Out - VAC - Cash Out - Vaca | 1 | 24 | 711.12 |
| | Hourly - Hourly | 2 | 156 | 4622.28 |
| | Intermediate POST - Intermedia | 2 | 0 | 27.7 |
| | OT - Overtime | 2 | 36.5 | 1622.24 |
| | Vacation - Vacation Pay | 1 | 12 | 355.56 |
| | | **Gross Total:** | **228.5** | **7338.9** |
| AYON100 | Hourly - Hourly | 2 | 148 | 2954.08 |
| | OT - Overtime | 2 | 15 | 449.1 |
| | Vacation - Vacation Pay | 1 | 12 | 239.52 |
| | | **Gross Total:** | **175** | **3642.7** |
| CAZ100-151 | Bilingual - Bilingual | 4 | 0 | 27.7 |
| | Correction - Correction | 1 | 0 | 186.84 |
| | Hourly - Hourly | 4 | 156 | 4622.28 |
| | OT - Overtime | 4 | 31.5 | 1400.02 |
| | Retention Bonus - Retention Bo | 1 | 0 | 10000 |
| | Vacation - Vacation Pay | 3 | 12 | 355.56 |
| | | **Gross Total:** | **199.5** | **16592.4** |

| | | | | |
|---|---|---|---|---|
| DEW100-147 | Correction - Correction | 1 | 0 | 283.9 |
| | Hourly - Hourly | 4 | 156 | 5631.6 |
| | OT - Overtime | 4 | 42 | 2274.31 |
| | Personal - Personal Day | 1 | 12 | 433.2 |
| | Retention Bonus - Retention Bo | 1 | 0 | 10000 |
| | | **Gross Total:** | **210** | **18623.01** |
| DON100 | Hourly - Hourly | 2 | 148 | 2810.52 |
| | OT - Overtime | 2 | 31 | 883.04 |
| | Sick - Sick Pay | 1 | 12 | 227.88 |
| | | **Gross Total:** | **191** | **3921.44** |
| DRA100 | Hourly - Hourly | 2 | 160 | 2686.4 |
| | OT - Overtime | 2 | 1.99 | 50.12 |
| | | **Gross Total:** | **161.99** | **2736.52** |
| EST150 | Hourly - Hourly | 1 | 84 | 2488.92 |
| | OT - Overtime | 1 | 44.5 | 1977.8 |
| | Retention Bonus - Retention Bo | 1 | 0 | 10000 |
| | Workers Comp - Workers Comp | 1 | 84 | 2488.92 |
| | | **Gross Total:** | **212.5** | **16955.64** |
| GAL100-149 | Hourly - Hourly | 2 | 156 | 4854.72 |
| | Intermediate POST - Intermedia | 2 | 0 | 27.68 |
| | OT - Overtime | 2 | 59 | 2754.12 |
| | Sick - Sick Pay | 1 | 12 | 373.44 |
| | | **Gross Total:** | **227** | **8009.96** |
| GAR100-114 | Bilingual - Bilingual | 1 | 0 | 13.84 |
| | Hourly - Temp - Hourly Tempora | 1 | 58 | 1101.42 |
| | | **Gross Total:** | **58** | **1115.26** |
| GAR150 | Hourly - Hourly | 1 | 55 | 1044.45 |
| | | **Gross Total:** | **55** | **1044.45** |
| HAN100-112 | Hourly - Hourly | 2 | 144 | 5198.4 |
| | OT - Overtime | 2 | 44 | 2382.6 |
| | Personal - Personal Day | 1 | 24 | 866.4 |
| | Sergeant - Sergeant | 2 | 0 | 41.54 |
| | | **Gross Total:** | **212** | **8488.94** |
| HAS100-143 | Hourly - Hourly | 2 | 160 | 3038.4 |
| | OT - Overtime | 2 | 81.5 | 2321.53 |
| | | **Gross Total:** | **241.5** | **5359.93** |
| HEL100-128 | Salary - Salary | 2 | 160 | 6864.98 |
| | | **Gross Total:** | **160** | **6864.98** |
| KNO100 | Salary - Salary | 2 | 160 | 7576.44 |
| | | **Gross Total:** | **160** | **7576.44** |

| | | | | |
|---|---|---|---|---|
| LOP125 | Bachelor's Degree - Bachelor's D | 2 | 0 | 18.46 |
| | Bilingual - Bilingual | 2 | 0 | 27.68 |
| | Hourly - Hourly | 2 | 150 | 3471 |
| | OT - Overtime | 1 | 22 | 763.62 |
| | Personal - Personal Day | 1 | 10 | 231.4 |
| | Standby - Standby | 2 | 0 | 385.71 |
| | | **Gross Total:** | **182** | **4897.87** |
| MUL100 | Hourly - Hourly | 2 | 168 | 5772.48 |
| | OT - Overtime | 2 | 12 | 618.48 |
| | | **Gross Total:** | **180** | **6390.96** |
| New100-148 | Hourly - Hourly | 2 | 156 | 5101.2 |
| | Intermediate POST - Intermedia | 2 | 0 | 27.7 |
| | OT - Overtime | 2 | 46 | 2256.3 |
| | Sick - Sick Pay | 1 | 12 | 392.4 |
| | | **Gross Total:** | **214** | **7777.6** |
| NIE100-34 | Military - Military Leave With Ou | 2 | 0 | 0 |
| | | **Gross Total:** | **0** | **0** |
| OLM100 | Hourly - Hourly | 1 | 40 | 1374.4 |
| | | **Gross Total:** | **40** | **1374.4** |
| PAD100 | Comp Time Earned - Compensat | 1 | 8.25 | 0 |
| | Hourly - Hourly | 2 | 154 | 2924.46 |
| | OT - Overtime | 1 | 12 | 341.82 |
| | Sick - Sick Pay | 1 | 6 | 113.94 |
| | | **Gross Total:** | **180.25** | **3380.22** |
| PES100-152 | Comp Time Earned - Compensat | 1 | 21 | 0 |
| | Hourly - Hourly | 2 | 132 | 4535.52 |
| | Personal - Personal Day | 1 | 8 | 274.88 |
| | Sick - Sick Pay | 1 | 20 | 687.2 |
| | | **Gross Total:** | **181** | **5497.6** |
| RIV100-120 | Retention Bonus  - Retention Bo | 1 | 0 | 10000 |
| | | **Gross Total:** | **0** | **10000** |
| SHA-100-152 | Advanced POST - Advanced POS | 2 | 0 | 32.3 |
| | Bachelor's Degree - Bachelor's D | 2 | 0 | 18.46 |
| | Comp Time Earned - Compensat | 1 | 12 | 0 |
| | Hourly - Hourly | 2 | 168 | 6064.8 |
| | OT - Overtime | 1 | 41.5 | 2247.23 |
| | | **Gross Total:** | **221.5** | **8362.79** |

| Employee Number | Pay Code | # of Payments | Units | Pay Amount |
|---|---|---|---|---|
| TAF200 | Comp Time Earned - Compensat | 1 | 20.25 | 0 |
| | Comp Time Taken - Compensatc | 1 | 8 | 242.96 |
| | Hourly - Hourly | 2 | 152 | 4616.24 |
| | OT - Overtime | 2 | 27.5 | 1252.76 |
| | | **Gross Total:** | **207.75** | **6111.96** |
| VEL200 | Comp Time Earned - Compensat | 2 | 15.75 | 0 |
| | Comp Time Taken - Compensatc | 1 | 12 | 227.88 |
| | Hourly - Hourly | 2 | 148 | 2810.52 |
| | OT - Overtime | 1 | 23.5 | 669.4 |
| | | **Gross Total:** | **199.25** | **3707.8** |
| WIL100-150 | Admin Time*Salary EE - Adminis | 1 | 24 | 2134.7 |
| | Cash Out - VAC - Cash Out - Vaca | 1 | 32 | 2846.27 |
| | Hourly - Hourly | 1 | 56 | 4942.48 |
| | Salary - Salary | 2 | 160 | 13846.16 |
| | | **Gross Total:** | **272** | **23769.61** |
| | | **150 - Police Total:** | **4561.74** | **195585.9** |

**Department: 155 - Animal Control**

| Employee Number | Pay Code | # of Payments | Units | Pay Amount |
|---|---|---|---|---|
| MUN100 | Hourly - Hourly | 2 | 160 | 2753.6 |
| | OT - Overtime | 2 | 32 | 826.08 |
| | Standby - Standby | 2 | 0 | 200 |
| | | **Gross Total:** | **192** | **3779.68** |
| RIV200 | Correction - Correction | 1 | 0 | 611.09 |
| | Hourly - Hourly | 2 | 76 | 1184.84 |
| | OT - Overtime | 1 | 0.35 | 8.18 |
| | Sick - Sick Pay | 1 | 9 | 140.31 |
| | Standby - Standby | 2 | 0 | 114.32 |
| | Vacation - Vacation Pay | 3 | 11.44 | 178.35 |
| | | **Gross Total:** | **96.79** | **2237.09** |
| | | **155 - Animal Control Total:** | **288.79** | **6016.77** |

## Department: 160 - Building Inspection

| Employee Number | Pay Code | # of Payments | Units | Pay Amount |
|---|---|---|---|---|
| RON100 | Admin Time*Salary EE - Adminis | 2 | 14 | 538.44 |
| | Bldg Insp - Building Inspector | 2 | 0 | 300 |
| | Hourly - Hourly | 3 | 171.5 | 5946.89 |
| | OT - Overtime | 1 | 2 | 88.89 |
| | Sick - Sick Pay | 3 | 54.5 | 2038.68 |
| | | **Gross Total:** | **242** | **8912.9** |
| | | **160 - Building Inspection Total:** | **242** | **8912.9** |

## Department: 165 - Code Enforcement

| Employee Number | Pay Code | # of Payments | Units | Pay Amount |
|---|---|---|---|---|
| PER200 | Hourly - Hourly | 2 | 159.95 | 3037.45 |
| | OT - Overtime | 2 | 0.23 | 6.55 |
| | | **Gross Total:** | **160.18** | **3044** |
| | | **165 - Code Enforcement Total:** | **160.18** | **3044** |

## Department: 180 - Public Works

| Employee Number | Pay Code | # of Payments | Units | Pay Amount |
|---|---|---|---|---|
| GUE100 | Cash Out - Comp - Cash Out - Co | 1 | 39.99 | 1437.64 |
| | Hourly - Hourly | 2 | 0 | 0 |
| | OT - Overtime | 2 | 0 | 0 |
| | Salary - Salary | 2 | 246 | 8628 |
| | | **Gross Total:** | **285.99** | **10065.64** |
| JAC200 | Hourly - Hourly | 3 | 144 | 10384.2 |
| | | **Gross Total:** | **144** | **10384.2** |
| MAR210 | Hourly - Hourly | 3 | 235.57 | 4297.47 |
| | OT - Overtime | 3 | 16.5 | 468.84 |
| | Personal - Personal Day | 1 | 4.5 | 85.46 |
| | | **Gross Total:** | **256.57** | **4851.77** |
| MAR100 | Hourly - Hourly | 1 | 41 | 671.58 |
| | Sick - Sick Pay | 1 | 3.69 | 60.44 |
| | | **Gross Total:** | **44.69** | **732.02** |
| PEN300 | Cash Out - VAC - Cash Out - Vaca | 1 | 4.61 | 79.29 |
| | Hourly - Hourly | 2 | 137 | 2356.4 |
| | OT - Overtime | 2 | 9.5 | 245.1 |
| | Sick - Sick Pay | 1 | 5 | 86 |
| | Vacation - Vacation Pay | 2 | 13.66 | 234.95 |
| | | **Gross Total:** | **169.77** | **3001.74** |

| | | | | |
|---|---|---|---|---|
| TEL100 | Hourly - Hourly | 1 | 37 | 606.06 |
| | | **Gross Total:** | **37** | **606.06** |
| | | **180 - Public Works Total:** | **938.02** | **29641.43** |

**Department: 200 - Lighting & Landscaping**

| Employee Number | Pay Code | # of Payments | Units | Pay Amount |
|---|---|---|---|---|
| Cruz100 | Hourly - Hourly | 3 | 213 | 3488.94 |
| | Personal - Personal Day | 1 | 9 | 147.42 |
| | Sick - Sick Pay | 1 | 18 | 294.84 |
| | | **Gross Total:** | **240** | **3931.2** |
| | | **200 - Lighting & Landscaping Total:** | **240** | **3931.2** |

**Department: 500 - Sewer**

| Employee Number | Pay Code | # of Payments | Units | Pay Amount |
|---|---|---|---|---|
| GON400 | Comp Time Earned - Compensat | 2 | 4.5 | 0 |
| | Comp Time Taken - Compensatc | 1 | 2 | 63.8 |
| | Hourly - Hourly | 3 | 229 | 7305.1 |
| | OT - Overtime | 1 | 0.33 | 15.79 |
| | PW Cert - Grade 3 - Public Work | 3 | 0 | 103.86 |
| | Vacation - Vacation Pay | 1 | 9 | 287.1 |
| | | **Gross Total:** | **244.83** | **7775.65** |
| MED100 | Hourly - Hourly | 3 | 227 | 4310.73 |
| | OT - Overtime | 3 | 32.25 | 918.64 |
| | PW Cert - Grade 1 - Public Work | 3 | 0 | 34.62 |
| | Sick - Sick Pay | 2 | 12 | 227.88 |
| | Standby - Standby | 3 | 0 | 314.29 |
| | | **Gross Total:** | **271.25** | **5806.16** |
| Pop100 | Hourly - Hourly | 3 | 201 | 3816.99 |
| | OT - Overtime | 3 | 33 | 940.01 |
| | PW Cert - Grade 1 - Public Work | 3 | 0 | 34.62 |
| | Sick - Sick Pay | 1 | 3 | 56.97 |
| | Standby - Standby | 3 | 0 | 285.74 |
| | Vacation - Vacation Pay | 2 | 36 | 683.64 |
| | | **Gross Total:** | **273** | **5817.97** |
| | | **500 - Sewer Total:** | **789.08** | **19399.78** |

**Department: 510 - Water**

| Employee Number | Pay Code | # of Payments | Units | Pay Amount |
|---|---|---|---|---|
| Brau100 | Hourly - Hourly | 3 | 232 | 3895.28 |
| | OT - Overtime | 3 | 57.5 | 1448.14 |
| | Personal - Personal Day | 1 | 8 | 134.32 |
| | Standby - Standby | 3 | 0 | 300 |
| | | **Gross Total:** | **297.5** | **5777.74** |
| GOM100 | Hourly - Hourly | 3 | 223.62 | 3942.42 |
| | OT - Overtime | 3 | 27 | 714.01 |
| | Personal - Personal Day | 1 | 9 | 158.67 |
| | Sick - Sick Pay | 1 | 2.2 | 38.79 |
| | Standby - Standby | 3 | 0 | 228.57 |
| | | **Gross Total:** | **261.82** | **5082.46** |
| ORT100 | Salary - Salary | 1 | 84.23 | 4038.46 |
| | | **Gross Total:** | **84.23** | **4038.46** |
| | | **510 - Water Total:** | **643.55** | **14898.66** |

**Department: 520 - Public Transit**

| Employee Number | Pay Code | # of Payments | Units | Pay Amount |
|---|---|---|---|---|
| MOR100 | Hourly - Hourly | 3 | 201.25 | 3461.5 |
| | Sick - Sick Pay | 3 | 18.53 | 318.71 |
| | Vacation - Vacation Pay | 3 | 15.95 | 274.34 |
| | | **Gross Total:** | **235.73** | **4054.55** |
| | | **520 - Public Transit Total:** | **235.73** | **4054.55** |
| | | **Report Total:** | **11066.85** | **374380.51** |

City of McFarland, CA

# Pay Code Report

## Account Summary

5/1/2023 - 5/31/2023

Payroll Set: City-City of McFarland

| Account | Account Description | Units | Pay Amount |
|---|---|---|---|
| | **BENEFIT AND NON GL TRANSACTIONS** | 87.75 | 1081.83 |
| | **- Total:** | **87.75** | **1081.83** |
| 01-105-50100-0000-1 | Salaries - Permanent Employees | 127.88 | 4477.18 |
| 01-110-50100-0000-1 | Salaries - Permanent Employees | 435.44 | 18495.57 |
| 01-115-50100-0000-1 | Salaries - Permanent Employees | 240.16 | 6565.62 |
| 01-115-50200-0000-1 | Overtime | 6.92 | 349.46 |
| 01-140-50100-0000-1 | Salaries - Permanent Employees | 306.68 | 10781.47 |
| 01-140-50200-0000-1 | Overtime | 2.7 | 148.48 |
| 01-150-50100-0000-1 | Salaries - Permanent Employees | 3518.49 | 149869.63 |
| 01-150-50150-0000-1 | Wages - Temporary Employees | 218 | 4153.66 |
| 01-150-50200-0000-1 | Overtime | 544 | 23264.67 |
| 01-155-50100-0000-1 | Salaries - Permanent Employees | 288.44 | 5802.15 |
| 01-155-50200-0000-1 | Overtime | 32.35 | 834.26 |
| 01-160-50100-0000-1 | Salaries - Permanent Employees | 112 | 3901.14 |
| 01-160-50200-0000-1 | Overtime | 2 | 88.89 |
| 01-165-50100-0000-1 | Salaries - Permanent Employees | 148.76 | 3448.07 |
| 01-165-50200-0000-1 | Overtime | 0.17 | 4.78 |
| 01-175-50100-0000-1 | Salaries - Permanent Employees | 120.12 | 2980.57 |
| 01-180-50100-0000-1 | Salaries - Permanent Employees | 442.66 | 11976.11 |
| 01-180-50200-0000-1 | Overtime | 9.5 | 245.1 |
| | **01 - GENERAL FUND Total:** | **6556.27** | **247386.81** |
| 20-200-50100-0000-1 | Salaries/Permanent Employees | 240 | 3931.2 |
| | **20 - LIGHTING & LANDSCAPING-DISTRICT 1 Total:** | **240** | **3931.2** |
| 30-500-50100-0000-1 | Salaries - Permanent Employees | 1681.97 | 49415.87 |
| 30-500-50200-0000-1 | Overtime | 84.61 | 3462.8 |
| | **30 - SEWER Total:** | **1766.58** | **52878.67** |
| 31-505-50100-0000-1 | Salaries - Permanent Employees | 592.28 | 18734.83 |
| 31-505-50200-0000-1 | Overtime | 18.42 | 967.12 |
| | **31 - REFUSE/RECYCLING Total:** | **610.7** | **19701.95** |
| 32-510-50100-0000-1 | Salaries - Permanent Employees | 1437.79 | 40660.76 |
| 32-510-50200-0000-1 | Overtime | 103.44 | 3678.17 |
| | **32 - WATER Total:** | **1541.23** | **44338.93** |
| 34-520-50100-0000-1 | Salaries - Permanent Employees | 264.32 | 5061.12 |
| | **34 - PUBLIC TRANSPORTATION Total:** | **264.32** | **5061.12** |
| | **Report Total:** | **11066.85** | **374380.51** |

City of McFarland, CA

# Pay Code Report

## Pay Code Summary

5/1/2023 - 5/31/2023

Payroll Set: City-City of McFarland

| Pay Code | Description | # of Payments | Units | Pay Amount |
|---|---|---|---|---|
| Admin Time*Salary EE - A | Administrative Time Salary EE | 3 | 38 | 2673.14 |
| Advanced POST - Advance | Advanced POST Certificate | 2 | 0 | 32.3 |
| Bachelor's Degree - Bache | Bachelor's Degree | 10 | 0 | 92.3 |
| Bilingual - Bilingual | Bilingual | 22 | 0 | 276.94 |
| Bldg Insp - Building Inspe | Building Inspector | 2 | 0 | 300 |
| Cash Out - Comp - Cash O | Cash Out - Comp Time | 1 | 39.99 | 1437.64 |
| Cash Out - VAC - Cash Ou | Cash Out - Vacation | 3 | 60.61 | 3636.68 |
| Comp Time Earned - Com | Compensatory Time Earned | 9 | 87.75 | 0 |
| Comp Time Taken - Comp | Compensatory Time Taken | 4 | 23 | 565.76 |
| Correction - Correction | Correction | 3 | 0 | 1081.83 |
| Emergency Response - En | Emergency Response | 1 | 4 | 211.32 |
| Hourly - Hourly | Hourly | 116 | 7803.73 | 200912.29 |
| Hourly - Temp - Hourly Te | Hourly Temporary Employees | 1 | 58 | 1101.42 |
| Intermediate POST - Inter | Intermediate POST Certificate | 6 | 0 | 83.08 |
| Military - Military Leave W | Military Leave With Out Pay | 2 | 0 | 0 |
| OT - Overtime | Overtime | 85 | 928.07 | 36131.72 |
| Personal - Personal Day | Personal Day | 13 | 130.5 | 3823.73 |
| PW Cert - Grade 1 - Public | Public Works Certification - Grade 1 | 6 | 0 | 69.24 |
| PW Cert - Grade 3 - Public | Public Works Certification - Grade 3 | 3 | 0 | 103.86 |
| Retention Bonus - Retent | Retention Bonus | 4 | 0 | 40000 |
| Salary - Salary | Salary | 15 | 1292.3 | 63605.76 |
| Salary - Elected - Salary - I | Salary - Elected Officials | 5 | 0 | 1000 |
| Sergeant - Sergeant | Sergeant | 2 | 0 | 41.54 |
| Sick - Sick Pay | Sick Pay | 29 | 268.14 | 7131.69 |
| Standby - Standby | Standby | 18 | 0 | 1828.63 |
| Vacation - Vacation Pay | Vacation Pay | 21 | 248.76 | 5750.72 |
| Workers Comp - Workers | Workers Comp Pay | 1 | 84 | 2488.92 |
| | | **Report Total:** | **11066.85** | **374380.51** |

**SPECIAL CITY COUNCIL MINUTES**
**IN PERSON MEETING**
**Special May 24, 2023**

**MCFARLAND CITY COUNCIL**
**MCFARLAND SUCCESSOR AGENCY**
**MCFARLAND PUBLIC FINANCE AUTHORITY**
**MCFARLAND IMPROVEMENT AUTHORITY**
**MCFARLAND PARKING AUTHORITY**

**CALL TO ORDER**

Mayor S. Ayon called the meeting to order at 5:45 p.m.

**ROLL CALL**

Councilmembers Present: Mayor S. Ayon, Vice Mayor Cano, Councilmember Pérez, Councilmember Gonzalez,

Councilmembers Absent: Councilmember A. Ayon

**OFFICIALS PRESENT**

City Manager Williams, Chief of Police Knox, Human Resources Director McCuan, Finance Director Viramontes, City Clerk Alvarado

Officials Absent: City Attorney Hodges, Interim Public Works Director Jacobs, Public Works Director Ortiz

**INVOCATION**

Vice Mayor Cano

**PLEDGE OF ALLEGIANCE**

Mayor Saul Ayon

**PUBLIC COMMENT:** The public may address the Council/Board Member on items which do not appear on the agenda. Council/Board Members may respond briefly to statements made or questions posed. They may ask a question for clarification; may refer the item to staff for further study or for placement on a future agenda. **Speakers are limited to two minutes for each person.** Please state your name and address for the record prior to making a presentation. Fifteen minutes total will be allowed for any one subject.

***There were no comments from the public. – Closed at 5:47 p.m.***

**PRESENTATIONS, INTRODUCTIONS AND AWARDS**

1. Finance Director Viramontes presented the City of McFarland' s Preliminary Operating Budget **-General Funds** Budget for Fiscal Year 2023/2024. (Listening Session)

    a. A Questions and Answers conference was held for anyone in the public as well as for the City Council Members. Finance Director Viramontes and City Officials answered questions from the Council. There was no public in attendance.

***A brief recess was made before the start of the Enterprise Fund Presentation.***

**2.** Finance Director Viramontes presented the City of McFarland's Preliminary Operating Budget – **Enterprise Funds** Budget for Fiscal Year 2023/2024. (Listening Session)

a. A Questions and Answers conference was held for anyone in the public as well as for the City Council Members. Finance Director Viramontes and City Officials answered questions from the Council. There was no public in attendance.

**ADJOURNMENT**

Motion was made by: Vice Mayor Cano to Adjourn the meeting; 2nd by Councilmember Gonzalez
Roll Call Vote: 4/0
Mayor Saul Ayon: Aye
Vice Mayor Ricardo Cano: Aye
Councilmember Anita Gonzalez: Aye
Councilmember Maria Pérez: Aye
Absent: Councilmember Amador Ayon
Abstain: None

Meeting Adjourned at 7:43 p.m.

______________________________

Francisca Alvarado, City Clerk

**SPECIAL CITY COUNCIL MINUTES**
**IN PERSON MEETING**
**Special May 25, 2023**

**MCFARLAND CITY COUNCIL**
**MCFARLAND SUCCESSOR AGENCY**
**MCFARLAND PUBLIC FINANCE AUTHORITY**
**MCFARLAND IMPROVEMENT AUTHORITY**
**MCFARLAND PARKING AUTHORITY**

**CALL TO ORDER**

Mayor S. Ayon called the meeting to order at 5:01 p.m.

**ROLL CALL**

Councilmembers Present: Mayor S. Ayon, Vice Mayor Cano, Councilmember Pérez, Councilmember Gonzalez, Councilmember A. Ayon

Councilmembers Absent: None

**OFFICIALS PRESENT**

City Manager Williams, Chief of Police Knox, City Attorney Hodges, Human Resources Director McCuan, Finance Director Viramontes, Interim Public Works Director Jacobs, Public Works Director Ortiz, City Clerk Alvarado

Officials Absent: None

**PUBLIC COMMENT:** The public may address the Council/Board Member on items which do not appear on the agenda. Council/Board Members may respond briefly to statements made or questions posed. They may ask a question for clarification; may refer the item to staff for further study or for placement on a future agenda. **Speakers are limited to two minutes for each person.** Please state your name and address for the record prior to making a presentation. Fifteen minutes total will be allowed for any one subject.

***There were no comments from the public. – Closed at 5:02 p.m.***

**ADMINISTRATIVE AGENDA**

1. Motion was made by: Councilmember A. Ayon to approve Amending the Professional Services Agreement Related to the Zero-Emission Bus Innovative Clean Transit Plan; 2nd by: Vice Mayor Cano.

**Roll Call Vote: 5/0**
**Mayor Saul Ayon: Aye**
**Vice Mayor Ricardo Cano: Aye**
**Councilmember Amador Ayon: Aye**
**Councilmember Anita Gonzalez: Aye**
**Councilmember Maria Pérez: Aye**
**Absent: None**
**Abstain: None**

***Adjourned to closed session at 5:06 p.m.***
***City officials exited the City's Council Chambers: Finance Director Viramontes, Interim Public Works Director Jacobs, Public Works Director Ortiz, City Clerk Alvarado***

**CLOSED SESSION**

1. Conference with Labor Negotiators (§54957.6): Service Employees International Union L521 (SEIU): City Manager Kenny Williams
   **Reportable Action: Direction was given to City Manager Re: Evaluation Form**

2. Conference with Labor Negotiators (§54957.6): McFarland Police Officers Association MPOA: City Manager Kenny William.
   **Reportable Action: Direction was given to City Manager Re: Evaluation Form**

3. Public Employment (Government Code §54957) Community Development Director.
   **Reportable Action: Agreement Approved (cite major terms i.e. Salary benefits etc.)**

4. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION Initiation of Litigation Pursuant to Paragraph (4) of Subdivision (d) of Section 549.56.9: (One Potential Case) MPRD
   **Reportable Action: Direction was given to City Attorney and City Manager**

*Closed session adjourned at 5:36 p.m.*

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Francisca Alvarado, City Clerk

**SPECIAL CITY COUNCIL MINUTES**
**IN PERSON MEETING**
**June 01, 2023**

**MCFARLAND CITY COUNCIL**
**MCFARLAND SUCCESSOR AGENCY**
**MCFARLAND PUBLIC FINANCE AUTHORITY**
**MCFARLAND IMPROVEMENT AUTHORITY**
**MCFARLAND PARKING AUTHORITY**

## CALL TO ORDER

Mayor S. Ayon called the meeting to order at 5:00 p.m.

## ROLL CALL

Councilmembers Present: Mayor S. Ayon, Councilmember A. Ayon, Councilmember Gonzalez, Councilmember Pérez

Councilmembers Absent: Vice Mayor Cano

## OFFICIALS PRESENT

City Manager Williams, Chief of Police Knox, Community Development Saldana, Finance Director Viramontes, Public Works Director Ortiz, Deputy City Clerk Drake

Officials Absent: City Attorney Hodges, Human Resources Director McCuan

## INVOCATION

Councilmember Pérez

## PLEDGE OF ALLEGIANCE

Mayor S. Ayon

**PUBLIC COMMENT:** The public may address the Council/Board Member on items which do not appear on the agenda. Council/Board Members may respond briefly to statements made or questions posed. They may ask a question for clarification; may refer the item to staff for further study or for placement on a future agenda. **Speakers are limited to two minutes for each person.** Please state your name and address for the record prior to making a presentation. Fifteen minutes total will be allowed for any one subject.

***There were no comments from the public. – Closed at 5:02 p.m.***

## ADMINISTRATIVE AGENDA

1. Motion was made by: Councilmember A. Ayon to approve Resolution No. 2023-0069 and Temporary Use Permit (TUP) No. 2023-0003 requested by Clinica Serria Vista for a Re-Grand opening and a Covid -19 health and wellness event on Saturday June 3, 2023 at their location at 217 West Kern Avenue McFarland.; 2nd by: Councilmember Pérez.

**Roll Call Vote: 4/0**
**Mayor Saul Ayon: Aye**
**Councilmember Amador Ayon: Aye**
**Councilmember Anita Gonzalez: Aye**
**Councilmember Maria Pérez: Aye**
**Absent: Vice Mayor Ricardo Cano**
**Abstain: None**

*Closed session adjourned at 5:15 p.m.*

______________________________

Sarah Drake, Deputy City Clerk

# CITY OF MCFARLAND

# STAFF REPORT

**TO:** Honorable Mayor and Council Members

**FROM:** Kenny Williams, City Manager

**DATE:** June 8, 2023

**SUBJECT:** Report, Discuss, and Possible Approval of resolution No.2023-0070 A Resolution of the City Council of the City of McFarland approving funds from the City's Community Grant Program to the McFarland Festival Committee (MFC) for the Cinco De Mayo event.

## SUMMARY:

In February 2023 the McFarland City Council created the community grants program to allow funding opportunities for the various groups, organizations, volunteers, who through events improve upon the cultural, social and economic well-being of the City.

The council also recognizes that citizens have the right to expect that tax dollars will be expended in a manner that is justifiable, fair and holds groups accessing public funds accountable for their spending. In that regard, municipal grant funding demonstrates Council's commitment to working with groups which provide these beneficial programs, services or projects to the community while at the same time recognizing the financial constraints impacting the City's ability to provide funding to these groups.

The Community Grants requests which can be considered by the city council require that the requests meet the criteria of providing a public service, or otherwise promote the health, safety or welfare of the community; and benefit the community. The Community Grant request must be approved by the majority of Council Members for the funds to be designated for the requesting entity.

On May 31, 2023 staff members received a request from the McFarland Festival Committee for funding in the amount of $2500 for the Cinco De Mayo event, which was held on April 28-30, 2023. The MFC submitted a request for funding to assist with funding with Scholarships. The MFC indicated the Cinco de Mayo event contributed positively to the image of the city as the event is a longtime tradition which allows its residents to display and celebrate its Mexican culture. The requested amount of funds is $2500.

## FINANCIAL IMPACT:

If the request is approved the impact to the Community Grant funds would be $2,500.

**RECOMMENDATION:**

Report, Discuss, and Possible Approval of resolution No.2023-0070 A Resolution of the City Council of the City of McFarland approving funds from the City's Community Grant Program to the McFarland Festival Committee (MFC) for the Cinco De Mayo event in the amount of $2500.

**ATTACHMENTS:**

1. Cinco De Mayo city of McFarland community grant application
2. Resolution NO. 2023-0070

**RESOLUTION NO. 2023-0070**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND APPROVING FUNDS FROM THE CITYS COMMUNITY GRANTS PROGRAM TO THE MCFARLAND FESTIVAL COMMIITTEE**

**WHEREAS,** The City Council recognizes the many benefits that various groups, organizations, volunteers, and events within the City of McFarland provide by promoting and improving upon the cultural, social and economic well-being of the City; and

**WHEREAS,** Council also recognizes that citizens have the right to expect that tax dollars will be expended in a manner that is justifiable, fair and holds groups accessing public funds accountable for their spending; and

**WHEREAS,** in that regard, municipal grant funding demonstrates Council's commitment to working with groups which provide these beneficial programs, services or projects to the community while at the same time recognizing the financial constraints impacting the City's ability to provide funding to these groups; and

**WHEREAS,** The Community Grants requests which can be considered by the city council require that the requests meet the criteria of providing a public service, or otherwise promote the health, safety or welfare of the community; and benefit the community.

**NOW THEREFORE BE IT RESOLVED,** by the City Council of the City of McFarland that it hereby finds and determines as follows:

1. The foregoing recitals are true and correct and incorporated herein as if set forth in full.

2. The City of McFarland (“City”) desires to approve the following requests for funds for the McFarland Festival committee for the Cinco de Mayo event which occurred on April 28-30, 2023.

3. The City of McFarland acknowledges that in consideration of the funding requests the requesting organization, MFC, meets the criteria for the funding approval; and

4. The City of McFarland acknowledges that the funding requests meet the criteria of providing a public service, or otherwise promote the health, safety or welfare of the community; and benefit the community; and

5. The City Manager is hereby authorized and directed to proceed with the funding requests as indicated in the resolution, and.

6. The City Clerk shall certify to the passage and adoption of this resolution.

7. This resolution is effective immediately.

PASSED and ADOPTED this ___ day of June 8, 2023.

Saul Ayon, Mayor

ATTEST:

Francisca Alvarado, City Clerk

APPROVED AS TO FORM:

Nathan M. Hodges, City Attorney

401 W. Kern Avenue
McFarland, CA 93250
661-792-3091 – Office
661-792-3093 - Fax

# City of McFarland Community Grant Application

**INTRODUCTION**

Please review and complete this application.

- All applications must be submitted by mail to the City Clerk at 401 W. Kern Street, McFarland CA 93250
- Submission of this application in no way obligates the City of McFarland to award a grant.
- The City of McFarland reserves the right to reject any or all applications, wholly or in part, at any time, without penalty.
- If you have any questions, please contact the City of McFarland; (661) 792-3091.

**TO BE COMPLETED BY APPLICANT**

**Name of Individual/Entity/Non-Profit Organization:** McFarland Festival Committee

**Address:**

**Federal Tax ID #:** [redacted]

**Contact Person Name and Title:** Mayela Medina, chairperson

**Contact Person E-mail:** [redacted]

**Contact Person Phone:** [redacted]

**Are you a non-profit organization?** Yes [X] No [ ]
*If yes, please attach proof of current non-profit status to this application.*

**Does your Entity/Organization have a governing board?** **Yes [ ] No [x]** Just a Volunteer Committee

*If yes, please provide attach list governing board members and indicate if they serve specific terms. Please also include a letter of support or acknowledgment of application for the City of McFarland Community Grant.*

**If applicant is a school affiliated group and organization, is a letter of support by the respective principal or designee included?** **Yes [ ] No [ ]**

Please indicate what type of event/activity you are requesting grant funding for:

---

**EVENT/ACTIVITY FOR WHICH GRANT FUNDS ARE BEING SOUGHT**

**Event/Activity Name:** McFarland Cinco De Mayo Extravaganza

**Event/Activity Date:** April 28-30, 2023

**Event/Activity Start Time:** April 28, 2023 Carnival 5pm

**Event/Activity End Time:** April 30, 2023 Carnival Parade 2pm Cinco De Mayo Program 10pm

**Event/Activity Description:** Our Cinco De mayo event is an event to raise funds for Scholarships / Fireworks and to Celebrate our Heritage. 3rd of July.

**Event/Activity Venue:** Browning Road (Street) parade then @ the Park

**Event/Activity Address:**

**Organization/Event/Activity Website:** Our official name is (MFC) McFarland Festival Committee

**Expected # of Attendees:** Hopefully post COVID - 1,500

## DESCRIPTION OF EVENT/ACTIVITY FOR WHICH GRANT FUNDS ARE BEING SOUGHT

**Describe in detail what the grant funds will be used for and how it will benefit McFarland residents, students, or schools.**

The Cinco De Mayo Event is primarily an event to which we do for Scholarships for our Royal Court. Queen, 1st runner up and 2nd runner up and more importantly to raise the funds for our yearly 3rd of July event where we Celebrate American Independence w/ Fireworks ($17,000)

**Describe how your event or activity will contribute positively to the recognition and image of the City of McFarland.**

The Cinco De Mayo event is a long time McFarland tradition which allows its residents to display and Celebrate our Mexican Heritage & Culture! The City of McFarland can be promoted in a healthy and Safe manner by Celebrating this event.

**Is your event or activity open to the public?** **Yes [X] No [ ]**

**Is your event or activity political or religious in nature?** **Yes [ ] No [X]**

**Have you received grant funding from the City of McFarland in the past?** **Yes [ ] No [X]**

*If yes, please describe when, how much was received, and how the funds were used.*

**List all other sources of funding for the event or activity:**

Donations; Vendor Permits

**Amount of Anticipated Expenses:** $ 6,000

**Amount of Grant Request:** $ 2,500

***Please note that applicants requesting grant funding for any type of event or activity may require a completed Temporary Use Permit Application be submitted and a copy of the event/activity budget with this application.***

**By my signature below, I have read and understand the Community Grant Policy. I make the following representations and acknowledge agreement to the following terms and conditions:**

- I am the duly authorized representative of the entity named above and can bind the entityto the terms of this Agreement.
- If funds are provided by the City, the funds will be used for the purposes set forth above.
- In no event shall the City's financial responsibility exceed the approved amount, set forthbelow.
- I bear full responsibility for any and all tax consequences of receiving grant funds including,but not limited to, issuance of a 1099 by the City.
- This application and award of grant shall be subject to the requirements of theCommunity Grant Policy.
- There is no agency, employment, joint venture or other such relationship created by virtueof award of the grant.
- Applicant shall defend and indemnify the City and its employees from and against anyclaim, injury, liability, loss, cost and/or expense or damage including all costs and reasonable attorney's fees, arising from or alleged to arise from the activity or event.
- If applicable, the applicant shall satisfy the City's insurance requirements.
- The City may reconsider funding requests at any time upon discovery that any of the information set forth above is inaccurate, that these terms have been violated, or anyprovision of the Community Grant Policy has been violated.

**Applicant Signature:** [redacted] Mayela Medina

**Print Name:** [redacted] D. G. Diaz

**Title:** MFC Member

**Date:** 4/19/23

**MEMORANDUM**

**CITY OF MCFARLAND**

**TO:** Honorable Mayor and Council Members

**FROM:** Kenny Williams, City Manager
Paul Saldana, Community Development Director

**DATE:** June 8, 2023

**SUBJECT:** Report, discuss and possible approval of Resolution No. 2023-0073 of The City Council Of The City Of McFarland Approving An Additional Allocation Of Funds From The General Fund For Professional Services For Developments Sherwood Apartment, Elmo Hwy Medical Office, And Tract 7393

**SUMMARY:**
The City Council approved a budget for the following projects: Sherwood Apartments, Elmo Hwy Medical Office, and Tract 7393 developments. These development projects are still under construction and therefore require various engineering costs and plan check. The City is requesting an appropriation to pay the required engineering invoices and staff time from now until the next budget. The $68,000 is fully recovered through the development fees acquired by all developments.

**RECOMMENDATION:**
Staff recommends City Council approval of Resolution No. 2023-0073 of the City Council of The City of McFarland Approving An Additional Allocation Of Funds From The General Fund For Professional Services For Developments Sherwood Apartment, Elmo Hwy Medical Office, And Tract 7393.

**FISCAL IMPACT:**
No Fiscal Impact. Recovered through Development fees.

**ATTACHMENTS:**
Resolution No. 2023-0073

**RESOLUTION NO. 2023-0073**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND APPROVING AN ADDITIONAL ALLOCATION OF FUNDS FROM THE GENERAL FUND FOR PROFESSIONAL SERVICES FOR DEVELOPMENTS SHERWOOD APARTMENT, ELMO HWY MEDICAL OFFICE, AND TRACT 7393**

**WHEREAS**, the City Council of the City of McFarland has approved a fiscal year budget for 2022/2023; and

**WHEREAS,** the City Council believe the necessary funds to pay required invoices are a necessity; and

**WHEREAS,** the total funds needed for this appropriation to fund for professional services is $68,000; and

**WHEREAS,** the total funds needed for this appropriation will be recovered by development fees; and

**NOW THEREFORE BE IT RESOLVED,** by the City Council of the City of McFarland that it hereby finds and determines as follows:

1) The foregoing recitals are true and correct and incorporated herein as if set forth in full.

2) An additional $68,000.00 shall be allocated to the budget line for Professional Services in the Planning Department Fund from the City's General Fund.

3) The City Manager is hereby authorized and directed to utilize funds for planning professional services.

4) The City Clerk shall certify the passage and adoption of this resolution.

5) This resolution is effective immediately.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of McFarland on the 8$^{th}$ day of June 2023 by the following vote:

AYES: ______________________________________________

NOES: ______________________________________________

ABSTAIN: ______________________________________________

ABSENT: ______________________________________________

ATTEST:

______________________________
Francisca Alvarado, City Clerk

CITY OF MCFARLAND:

____________________________________
Saul Ayon, Mayor

I, _________________________, City Clerk of the City of McFarland, California, DO HEREBY CERTIFY that the foregoing resolution is a true and accurate copy of the Resolution passed and adopted by the City Council of the City of McFarland on the date and by the vote indicated herein.

______________________________
Francisca Alvarado, City Clerk

# CITY OF MCFARLAND

## STAFF REPORT

**TO:** Honorable Mayor and City Council Members

**FROM:** Interim Chief Brian Knox

**DATE:** June 8, 2023

**SUBJECT:** Report, Discuss, and Possible Approval of a request for reallocation of funds from the general fund to the McFarland Animal Control Department.

**SUMMARY:**

The McFarland Animal Control Department received a grant in the amount of $1000 from the Best Friends Animal Shelter for general use in the Animal Control Department.

**FINANCIAL IMPACT:**

The financial impact to the city is $1000.00, however the entire funds will be reimbursed by the grant.

**RECOMMENDATION:**

Staff recommends the City Council discuss and possibly approve the reallocation of $1000.00 from the general fund to a line item in the McFarland Animal Control Department budget.

**ATTACHMENT:**

Resolution No. 2023-0074

**RESOLUTION NO. 2023-0074**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND, CALIFORNIA, AUTHORIZING REALLOCATION OF FUNDS FOR ANIMAL CONTROL GRANT**

WHEREAS, the City Council of the City of McFarland has approved a fiscal year budget for 2022/2023; and

WHEREAS, the McFarland Animal Control Department received a grant for $1000 from the Best Friends Animal Society; and

WHEREAS, the McFarland Animal Control Department is requesting that the City Council Approve the reallocation of these funds from the general fund to the McFarland Animal Control Department Budget and approve the spending of these funds to cover general use within the Animal Control Department; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCFARLAND AS FOLLOWS:**

1. The foregoing recitals are true and correct and incorporated herein as if set forth in full.

2. The McFarland Animal Control Department received a grant in the amount of $1000.00 for general department use; and

3. The City Manager is hereby authorized and directed to make a monetary budget amendment of $1,000.00 to the general fund.

4. The McFarland Animal Control Department is requesting that the City Council Approve the reallocation of these funds from the general fund to the McFarland Animal Control Department Budget and approve the spending of these funds to cover general costs.

PASSED and ADOPTED this 8th day of June, 2023 by the following vote:

| | AYE | NO | ABSENT | ABSTAIN |
|---|---|---|---|---|
| Saul Ayon | | | | |
| Ricardo Cano | | | | |
| Amador Ayon | | | | |
| Maria T. Perez | | | | |
| Anita Gonzalez | | | | |

________________________________

Saul Ayon, Mayor

ATTEST:

________________________________Francisca Alvarado, City Clerk

# CITY OF MCFARLAND

# STAFF REPORT

**TO:** Honorable Mayor and City Council Members

**FROM:** Kenny Williams, City Manager
Diego Viramontes, Finance Director

**DATE:** June 8, 2023

**SUBJECT:** Report, Discuss, and Possible Approval of Resolution No. 2023-0071 of the City Council of the City of McFarland, approving the issuance of water and wastewater revenue bonds by the City to refund the McFarland Public Financing Authority's outstanding 2010 Water and Wastewater Revenue Bonds and the execution of related documents. Such bonds will be sold pursuant to a direct placement (also known as a private sale) with Signature Public Funding Corp., a wholly-owned affiliate of Flagstar Bank, N.A.

Report, Discuss, and Possible Approval of Resolution No. 2023-0072 of the McFarland Public Financing Authority directing the Authority to take such actions as may be required to refund the McFarland Public Financing Authority's outstanding 2010 Water and Wastewater Revenue Bonds, including entering into an Escrow Agreement.

**SUMMARY:**

The direct placement refinancing of the 2010 Revenue Bonds by the City will benefit the City as follows:

- By issuing direct placement bonds to refund the outstanding 2010 Bonds, the City will save approximately $740,000 in total interest costs over the remaining life of the Bonds (final term date will be shortened by one year to retire 2010 Bonds early). All costs of the bond issuance will be paid from the bond proceeds, and the estimated total interest cost savings is net of such issuance costs.
- Following a request for bids process, Signature Public Funding Corp. submitted the lowest bid to purchase the 2023 Refunding Bonds to refinance the 2010 Bonds at an interest rate of 4.41%.
- The direct placement bonds to be issued by the City will be payable solely from revenues of the City's water and wastewater systems. The General Fund of the City is not obligated to repay the bonds.

**Background on 2010 Revenue Bonds**

In October of 2010, the City (through its Financing Authority) issued Water and Wastewater Revenue Bonds (the "2010 Bonds") in the amount of $7,500,000 for water and wastewater system improvements. Currently outstanding in the amount of $5,525,000, the 2010 Bonds have interest rates ranging from 4.25% to 5.00%.

**Analysis**

If approved, the proposed 2023 refunding will generate debt service savings (reduction in principal and interest payments) in the estimated total amount of $740,875 (with a 6.2% net present value savings percentage). The 2023 refunding will be structured as a "direct placement" issue, with Signature Public Funding Corp. acting as the purchaser of all of the 2010 Bonds. The final payment on the 2023 Refunding Bonds will be October 1, 2039, one year earlier than the current maturity of the 2010 Bonds.

**FINANCIAL IMPACT:**

By issuing direct placement bonds to refund the outstanding 2010 Bonds, the City will save approximately $740,000 in total interest costs over the remaining life of the Bonds (final term date will be shortened by one year to retire 2010 Bonds early). All costs of the bond issuance will be paid from the bond proceeds, and the estimated total interest cost savings is net of such issuance costs.

**RECOMMENDATION:**

That the City Council approve Resolution 2023-0071 of the City Council of the City of McFarland, approving the issuance of water and wastewater revenue bonds by the City to refund the McFarland Public Financing Authority's outstanding 2010 Water and Wastewater Revenue Bonds and the execution of related documents. Such bonds will be sold pursuant to a direct placement (also known as a private sale) with Signature Public Funding Corp., a wholly-owned affiliate of Flagstar Bank, N.A.

That the Board of Directors of the McFarland Public Financing Authority approve Resolution 2023-0072 of the McFarland Public Financing Authority directing the Authority to take such actions as may be required to refund the McFarland Public Financing Authority's outstanding 2010 Water and Wastewater Revenue Bonds, including entering into an Escrow Agreement.

**Actions Following Approval**

The finance team members, including City staff, the Municipal Advisor, Bond Counsel, and the Placement Agent will work with the Bank to finalize the legal documents and effect the refunding of the 2010 Bonds. If approved, it is expected that the 2023 Refunding will close, and the prior bonds deceased in full, in mid-June.

**ATTACHMENT:**

1. Resolution No. 2023-0071
2. Indenture of Trust
3. Bond Purchase Contract
4. Escrow Agreement
5. Resolution No. PFA-2023-0072

**RESOLUTION NO. 2023-0071**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF AN INDENTURE OF TRUST, A BOND PURCHASE CONTRACT AND AN ESCROW AGREEMENT IN CONNECTION WITH THE ISSUANCE OF WATER AND WASTEWATER REVENUE REFUNDING BONDS, SERIES 2023, APPROVING THE ISSUANCE OF SUCH BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $6,000,000 AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS**

**WHEREAS**, the City of McFarland (the "**City**") is a member of the McFarland Public Financing Authority (the "**Authority**"), a joint exercise of powers agency; and

**WHEREAS**, in 2010, the Authority issued its Revenue Bonds, 2010 Series A (Water and Wastewater Financing Projects) (the "**2010 Bonds**"), to finance certain capital improvements to the City's water and wastewater system; and

**WHEREAS**, the 2010 Bonds are payable from net revenues of the City's water and wastewater system; and

**WHEREAS**, the City desires to refund the 2010 Bonds for debt service savings; and

**WHEREAS**, in order to provide a source of funds to refund the 2010 Bonds, the City desires to issue its Water and Wastewater Revenue Refunding Bonds, Series 2023 (the "**Bonds**"); and

**WHEREAS**, the City is authorized to issue the Bonds pursuant to Articles 9, 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, including but not limited to Section 53583;

**WHEREAS**, in order to facilitate the issuance of the Bonds, the City desires to enter into an Indenture of Trust (the "**Indenture of Trust**") with U.S. Bank Trust Company, National Association (the "**Trustee**"), pursuant to which the Bonds will be issued and secured by revenues of the City's water and wastewater systems; and

**WHEREAS**, the City has determined that debt service savings can be achieved by the redemption and defeasance of the 2010 Bonds pursuant to an Escrow Agreement (2010 Bonds) (the "**Escrow Agreement**") with the Authority and U.S. Bank Trust Company, National Association, the trustee for the 2010 Bonds (the "**2010 Trustee**");

**WHEREAS**, the City has been presented with a term sheet from Signature Public Funding Corp., a wholly-owned affiliate of Flagstar Bank, N.A. (the "**Purchaser**"), pursuant to which the Purchaser would agree to purchase the Bonds pursuant to a private placement;

**WHEREAS**, the City desires to enter into a Bond Purchase Contract (the "**Bond Purchase Contract**") with the Purchaser pursuant to which the Purchaser will purchase the Bonds;

**WHEREAS**, the City has determined that a private placement sale of the Bonds to the Purchaser will result in a lower overall cost to the City than a public sale;

**WHEREAS**, the City Council has been presented with the form of each document referred to herein relating to the refinancing contemplated hereby, and the City Council has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such refinancing; and

**WHEREAS**, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such refinancing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such refinancing for the purpose, in the manner and upon the terms herein provided; and

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of McFarland that it hereby finds and determines as follows:

1) Each of the above recitals is true and correct.

2) The forms of the Indenture of Trust, Bond Purchase Contract and Escrow Agreement on file with the City Clerk are hereby approved, and the Mayor of the City, the Vice Mayor of the City or such other member of the City Council as the Mayor may designate, the City Manager of the City and the Finance Director of the City (the "**Authorized Officers**") are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Indenture of Trust, Bond Purchase Contract and Escrow Agreement in substantially said forms, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

3) The issuance of the Bonds is hereby approved, and the Mayor of the City, the Vice Mayor of the City and the City Clerk are each hereby authorized and directed, for and in the name and on behalf of the City, to cause the issuance of the Bonds in substantially the form set forth as an exhibit to the Indenture of Trust, with such changes, insertions and omissions therein as the party executing the same may require or approve, such approval to be conclusively evidenced by the issuance thereof; provided, however, that: (i) the City shall realize savings of at least 3.00% net present value by refunding the 2010 Bonds; and (ii) the aggregate principal amount of the Bonds shall not exceed $6,000,000; and, provided, further, that any such changes, insertions and omissions shall be consistent with the terms of the Bonds established pursuant to the Bond Purchase Contract and the Indenture.

4) Good faith estimates with respect to the Bonds, as required by California Government Code Section 5852.1, are attached hereto as Exhibit A.

5) The Authorized Officers and other officers, employees and agents of the City are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, but not limited to, the execution of a rate lock agreement with the Purchaser and a placement agent agreement with Oppenheimer &

Co. Inc. and the execution and delivery of instructions to the 2010 Trustee relating to the notices of redemption and defeasance of the 2010 Bonds. All actions heretofore taken by the Authorized Officers and other officers, employees and agents of the City with respect to the transactions set forth above are hereby approved, confirmed and ratified.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of McFarland on the 8th day of June, 2023 by the following vote:

AYES: ______________________________________________

NOES: ______________________________________________

ABSENT: ____________________________________________

ABSTAIN: ___________________________________________

ATTEST:

______________________________
Francisca Alvarado, City Clerk

CITY OF MCFARLAND:

______________________________
Saul Ayon, Mayor

I, __________________________, City Clerk of the City of McFarland, California, DO HEREBY CERTIFY that the foregoing resolution is a true and accurate copy of the Resolution passed and adopted by the City Council of the City of McFarland on the date and by the vote indicated herein.

______________________________
Francisca Alvarado, City Clerk

**EXHIBIT A**
**GOVERNMENT CODE SECTION 5852.1 DISCLOSURE**

The following information consists of estimates that have been provided by Isom Advisors, the City's Municipal Advisor, and has been represented by such party to have been provided in good faith:

(A) True Interest Cost of the Bonds: 4.41%

(B) Finance Charge of the Bonds (Sum of all fees/charges paid to third parties): $135,000

(C) Net Proceeds of the Bonds to be Received (net of finance charges, reserves and capitalized interest, if any): $4,940,016

(D) Total Payment Amount through Maturity of the Bonds: $7,149,961

The foregoing constitute good faith estimates only. The principal amount of the Bonds, the true interest cost of the Bonds, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to: (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates; (b) the actual principal amount of Bonds sold being different from the estimated amount used for purposes of such estimates; (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates; (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates; (e) other market conditions; or (f) alterations in the City's financing plan, or a combination of such factors.

The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the City based on a variety of factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.

# INDENTURE OF TRUST

**Dated as of June 1, 2023**

**By and between**

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

**and**

**CITY OF MCFARLAND**

**Relating to**

**$5,076,000**
**CITY OF MCFARLAND**
**WATER AND WASTEWATER REVENUE REFUNDING BONDS, SERIES 2023**

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# INDENTURE OF TRUST

THIS INDENTURE OF TRUST is made and entered into and dated as of June 1, 2023 (the "**Indenture**"), by and between CITY OF MCFARLAND, a general law city that is duly organized and existing under and by virtue of the laws of the State of California (the "**City**"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association that is duly organized and existing under the laws of the United States of America, as trustee hereunder (the "**Trustee**").

## RECITALS

A. The City has determined that it is in the best interest of the public to refund all of the outstanding McFarland Public Financing Authority Revenue Bonds, 2010 Series A (Water and Wastewater Financing Projects) (the "**2010 Bonds**"), which are payable from Net Revenues of the City's Water System and Wastewater System.

B. The City is authorized by Articles 9, 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, including but not limited to Section 53583, to issue bonds for the purpose of refunding any evidences of indebtedness of the City.

C. In order to provide for the authentication and delivery of refunding revenue bonds (the "**2023 Bonds**") to the Original Purchaser, to establish and declare the terms and conditions upon which such 2023 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and premium, if any, thereon, the City has authorized the execution and delivery of this Indenture.

D. The City has determined that all acts and proceedings that are required by law and necessary to make the 2023 Bonds, when executed by the City, authenticated and delivered by the Trustee, and duly issued, the valid, binding and legal special obligations of the City, and to constitute the Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the Indenture have been in all respects duly authorized.

E. The 2023 Bonds will be secured by a pledge of Revenues as described herein.

## GRANTING CLAUSES

The City, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the mutual covenants herein contained and of the purchase and acceptance of the 2023 Bonds by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of and the interest and premium (if any) on all 2023 Bonds at any time issued and Outstanding under the Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, does hereby assign and pledge unto, and grant a security interest in, the following (the "**Trust Estate**") to the Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the City to the 2023 Bond Owners hereinafter set forth:

GRANTING CLAUSE FIRST

All right, title and interest of the City in and to the Revenues, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for any Revenues payable to or receivable by the City under the Constitution of the State, the Government Code of the State and the Indenture and any other applicable laws of the State or otherwise, to bring actions and proceedings thereunder for the enforcement thereof, and to do any and all things which the City is or may become entitled to do thereunder, subject to the terms hereof.

GRANTING CLAUSE SECOND

All moneys and securities held in funds and accounts of the Indenture, except amounts held in the Rebate Fund, and all other rights of every name and nature from time to time herein or hereafter by delivery or by writing of any kind pledged, assigned or transferred as and for additional security hereunder to the Trustee by the City or by anyone on its behalf, or with its written consent, and to hold and apply the same, subject to the terms hereof.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in trust and assigns forever for the benefit of the Owners and such pledge shall constitute a lien on and security interest in such Trust Estate;

IN TRUST NEVERTHELESS, upon the terms herein set forth for the equal and proportionate benefit, security and protection of all present and future Owners of the 2023 Bonds issued under and secured by the Indenture without privilege, priority or distinction as to the lien or otherwise of any of the 2023 Bonds over any of the other 2023 Bonds;

PROVIDED, HOWEVER, that if the City, its successors or assigns shall well and truly pay, or cause to be paid, the principal of and interest and any redemption premium on the 2023 Bonds due or to become due thereon, at the times and in the manner provided in the 2023 Bonds according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to Trustee all sums of money due or to become due in accordance with the terms and provisions hereof, then upon such final payments or deposits as herein provided, the Indenture and the rights hereby granted shall cease, terminate and be void; otherwise the Indenture shall remain in full force and effect.

It is expressly declared that all 2023 Bonds issued and secured hereunder are to be issued, authenticated and delivered, and all property, rights and interests, including, without limitation, the Revenues, hereby assigned and pledged, are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the City has agreed and covenanted and does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the 2023 Bonds, as follows:

## ARTICLE I

## DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of the Indenture and of any indenture supplemental hereto and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

Accountant's Report. The term "Accountant's Report" means a report signed by an Independent Certified Public Accountant.

Authority. The term "Authority" means the McFarland Public Financing Authority, a joint exercise of powers agency duly organized and existing under and by virtue of the laws of the State of California.

Authorized Representative. The term "Authorized Representative" means, with respect to the City, its Mayor, Vice Mayor, City Clerk, City Manager, Finance Director or any other person designated as an Authorized Representative of the City by a Certificate of the City signed by its Mayor, Vice Mayor, City Clerk, City Manager or Finance Director and filed with the Trustee.

Bond Counsel. The term "Bond Counsel" means Stradling Yocca Carlson & Rauth, a Professional Corporation, or another firm of nationally recognized attorneys experienced in the issuance of obligations the interest on which is excludable from gross income under Section 103 of the Code.

Bonds. The term "Bonds" means all revenue bonds or notes of the City authorized, executed, issued and delivered by the City, the payments of which are payable from Net Revenues on a parity with the 2023 Bonds and which are secured by a pledge of and lien on Revenues as described in Section 5.01 hereof.

Bond Year. The term "Bond Year" means the period beginning on the date of issuance of the 2023 Bonds and ending on October 1, 2023, and each successive one year or, during the last period prior to maturity, shorter period thereafter until there are no Outstanding 2023 Bonds.

Business Day. The term "Business Day" means: (i) a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the State, or in any other state in which the Office of the Trustee is located, are closed; or (ii) a day on which the New York Stock Exchange is not closed.

Certificate; Direction; Request; Requisition. The terms "Certificate," "Direction," "Request" and "Requisition" of the City mean a written certificate, direction, request or requisition signed in the name of the City by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.02, each such instrument shall include the statements provided for in Section 1.02.

City. The term "City" means City of McFarland, a general law city that is duly organized and existing under and by virtue of the laws of the State.

Closing Date. The term "Closing Date" means the date on which the 2023 Bonds are delivered to the Original Purchaser thereof.

Code. The term "Code" means the Internal Revenue Code of 1986, as amended.

Contracts. The term "Contracts" means all contracts of the City previously or hereafter authorized and executed by the City, the payments under which are payable from Net Revenues on a parity with the 2023 Bonds and which are secured by a pledge and lien on Revenues as described in Section 5.01 hereof; and excluding contracts entered into for operation and maintenance of the Water System or Wastewater System.

Costs of Issuance. The term "Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the City and related to the authorization, issuance, sale and delivery of the 2023 Bonds, including but not limited to costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Trustee and counsel to the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, Rating Agency fees, title insurance premiums, letter of credit fees and bond insurance premiums (if any), fees and charges for preparation, execution and safekeeping of the 2023 Bonds and any other cost, charge or fee in connection with the original issuance of the 2023 Bonds.

Costs of Issuance Fund. The term "Costs of Issuance Fund" means the fund by that name established pursuant to Section 3.03.

Date of Operation. The term "Date of Operation" means, with respect to any uncompleted component of a Parity Project, the estimated date by which such uncompleted component of a Parity Project will have been completed and, in the opinion of an engineer, will be ready for operation by or on behalf of the City.

Debt Service. The term "Debt Service" means, for any period of calculation, the sum of:

(1) the interest payable during such period on all outstanding Bonds, assuming that all outstanding serial Bonds are retired as scheduled and that all outstanding term Bonds are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized or is reasonably anticipated to be reimbursed to the City by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program);

(2) those portions of the principal amount of all outstanding serial Bonds maturing in such period, but excluding Excluded Principal;

(3) those portions of the principal amount of all outstanding term Bonds required to be redeemed or paid in such period, but excluding Excluded Principal; and

(4) those portions of the Contracts required to be made during such period, (except to the extent that the interest evidenced and represented thereby is capitalized or is reasonably anticipated to be reimbursed to the City by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and

Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program), but excluding Excluded Principal;

provided that, as to any such Bonds or Contracts bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall be the greater of: (a) the actual interest rate on such Bonds or Contracts on the date of calculation, or if the indebtedness is not yet outstanding, the initial interest rate (if established and binding); (b) if the Bonds or Contracts have been outstanding for at least twelve months, the average rate over the twelve calendar months immediately preceding the date of calculation; and (c) (i) if interest on the indebtedness is excludable from gross income under the applicable provisions of the Code, the most recently published Securities Industry and Financial Markets Association Index for tax-exempt variable rate obligations; or (ii) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities plus 50 basis points; provided, however, that for purposes of any portion of Section 6.14 (Additional Bonds and Contracts) and Section 6.21 (Amount of Rates and Charges), measuring actual debt service coverage during a test period, variable rate indebtedness shall be deemed to bear interest at the actual rate per annum applicable during the test period; and

provided further that, if any series or issue of such Bonds or Contracts have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year (and such principal is not Excluded Principal), Debt Service shall be determined for the Fiscal Year of determination as if the principal of and interest on such series or issue of such Bonds or Contracts were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of thirty (30) years from the date of calculation; and

provided further that, as to any such Bonds or Contracts or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Bonds or Contracts or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service; and

provided further that, the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Bonds and Contracts for which such debt service reserve fund was established and in each preceding year until such amount is exhausted; and

provided further that, Debt Service shall not include interest which is paid from investment earnings on amounts on deposit in reserve funds and transferred to the Payment Fund.

Default Rate. The term "Default Rate" means 8% per annum.

Escrow Agreement. The term "Escrow Agreement" means the Escrow Agreement (2010 Bonds), dated as of June 1, 2023, by and among U.S. Bank Trust Company, National Association, as escrow agent, the Authority and the City.

Escrow Fund. The term "Escrow Fund" means the fund by that name established under the Escrow Agreement.

Event of Default. The term "Event of Default" means any of the events specified in Section 7.01.

Event of Taxability. The term "Event of Taxability" means a determination by the Internal Revenue Service that interest on the 2023 Bonds is includible for federal or State income tax purposes in the gross income of the Owner thereof due to the City's action or failure to take any action with respect to its obligations hereunder, or as a result of any change in law.

Excluded Principal. The term "Excluded Principal" means each payment of principal of any Bond or Contract for which there is on file with the Trustee: (1) a certificate of an Independent Financial Consultant to the effect that such Bond or Contract is commercial paper or otherwise of a revolving or short-term nature and has a maturity of less than 42 months; and (2) a certificate of an Authorized Representative of the City to the effect that the City intends to pay such principal from the proceeds of Bonds or Contracts or other bonds, notes or other obligations of the City. No such determination shall affect the security for such Bonds or Contracts or the obligation of the City to pay such Bonds or Contracts from Net Revenues.

Federal Securities. The term "Federal Securities" means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or noncallable obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by the United States of America.

Fiscal Year. The term "Fiscal Year" means the twelve month period beginning on July 1 of each year and ending on the next succeeding June 30, both dates inclusive, or any other twelve month period hereafter selected and designated as the official fiscal year period of the City.

Indenture. The term "Indenture" means this Indenture of Trust, dated as of June 1, 2023, by and between the City and the Trustee, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture.

Independent Certified Public Accountant. The term "Independent Certified Public Accountant" means any firm of certified public accountants appointed by the City, each of whom is independent of the City pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

Independent Financial Consultant. The term "Independent Financial Consultant" means a financial consultant or firm of such consultants appointed by the City, which may, for purposes of the certification described in the definition of "Paired Obligations" be an interest rate swap advisor, and who, or each of whom: (1) is in fact independent and not under domination of the City; (2) does not have any substantial interest, direct or indirect, with the City; (3) is not connected with the City as an officer or employee thereof, but who may be regularly retained to make reports thereto; and (4) is registered as a "municipal advisor," as defined in Section 15B of the Securities Exchange Act of 1934, as amended.

Information Services. The term "Information Services" means the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the City may specify in a certificate to the Trustee and as the Trustee may select.

Initial Rating Requirement. The term "Initial Rating Requirement" means the rating requirement described in Section 11.16(a).

Interest Account. The term "Interest Account" means the account by that name in the Payment Fund established pursuant to Section 5.02.

Interest Payment Date. The term "Interest Payment Date" means October 1, 2023 and each April 1 and October 1 thereafter.

Investment Agreement. The term "Investment Agreement" means an investment agreement supported by appropriate opinions of counsel, provided that the guarantor thereof is rated at least "AA" and "Aa" by S&P and Moody's, respectively, and as further described in the definition of "Permitted Investments."

Material Adverse Effect. The term "Material Adverse Effect" means: (1) a material adverse change in, or a material adverse effect on, the operations, business, assets, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the City; (2) a material impairment of the rights and remedies of the Original Purchaser under this Indenture or the 2023 Bonds, or the ability of the City to perform its obligations thereunder; or (3) a material adverse effect upon the legality, validity, binding effect or enforceability of this Indenture and the 2023 Bonds against the City.

Minimum Rating Requirement. The term "Minimum Rating Requirement" means the rating requirement described in Section 11.16(b).

Moody's. The term "Moody's" means Moody's Investors Service, Inc. or any successor thereto.

Net Proceeds. The term "Net Proceeds" means, when used with respect to any casualty insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all expenses (including attorneys' fees) incurred in the collection of such proceeds.

Net Revenues. The term "Net Revenues" means, for any period, the Revenues for such Fiscal Year less the Operation and Maintenance Costs for such period. When held by the Trustee in any funds or accounts established hereunder, Net Revenues shall include all interest or gain derived from the investment of amounts in any of such funds or accounts.

Net Wastewater System Revenues. The term "Net Wastewater System Revenues" means for any Fiscal Year, the Wastewater System Revenues for such Fiscal Year less the Operation and Maintenance Costs allocable to the Wastewater System for such Fiscal Year.

Net Water System Revenues. The term "Net Water System Revenues" means for any Fiscal Year, the Water System Revenues for such Fiscal Year less the Operation and Maintenance Costs allocable to the Water System for such Fiscal Year.

Office. The term "Office" means with respect to the Trustee, the principal corporate trust office of the Trustee in Los Angeles, California, and for transfer, exchange and registration of the Bonds means the corporate trust operations office of the Trustee in St. Paul, Minnesota, or such other or additional offices as may be specified in writing by the Trustee to the City, except that with respect to presentation of 2023 Bonds for registration of transfer and exchange such term means the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

Operation and Maintenance Costs. The term "Operation and Maintenance Costs" means: (i) costs spent or incurred for maintenance and operation of the Water System and Wastewater System calculated in accordance with generally accepted accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Water System and Wastewater System in good repair and working order, and including administrative costs of the City that are charged directly or apportioned to the Water System and Wastewater System, including but not limited to salaries and wages of employees, payments to the City's employee retirement plans, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys, consultants or engineers and insurance premiums, and including all other reasonable and necessary costs of the City or charges (other than Debt Service) required to be paid by it to comply with the terms of any Contract or of any resolution or indenture authorizing the issuance of any Bonds or of such Bonds; and (ii) all costs of water purchased or otherwise acquired for delivery by the Water System (including any interim or renewed arrangement therefor), but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature.

Opinion of Counsel. The term "Opinion of Counsel" means a written opinion of counsel (including but not limited to counsel to the City) selected by the City. If and to the extent required by the provisions of Section 1.02, each Opinion of Counsel shall include the statements provided for in Section 1.02.

Original Purchaser. The term "Original Purchaser" means Signature Public Funding Corp., a New York corporation and wholly-owned affiliate of Flagstar Bank, N.A., and its successors and assigns.

Outstanding. The term "Outstanding," when used as of any particular time with reference to 2023 Bonds, means (subject to the provisions of Section 11.09) all 2023 Bonds theretofore or thereupon being authenticated and delivered by the Trustee under the Indenture except: (i) 2023 Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (ii) 2023 Bonds with respect to which all liability of the City shall have been discharged in accordance with Section 10.02, including 2023 Bonds (or portions thereof) described in Section 11.09; and (iii) 2023 Bonds for the transfer or exchange of or in lieu of or in substitution for which other 2023 Bonds shall have been authenticated and delivered by the Trustee pursuant to the Indenture.

Owner; 2023 Bond Owner. The term "Owner" or "2023 Bond Owner," whenever used herein with respect to a 2023 Bond, means the person in whose name the ownership of such 2023 Bond is registered in the Registration Books, initially the Original Purchaser and its successors and assigns.

Paired Obligation Provider. The term "Paired Obligation Provider" means a party to a Paired Obligation other than the City.

Paired Obligations. The term "Paired Obligations" means any Bond or Contract (or portion thereof) designated as Paired Obligations in the resolution, indenture or other document authorizing the issuance or execution and delivery thereof, which are simultaneously issued or executed and delivered: (i) the principal of which is of equal amount maturing and to be redeemed or prepaid (or cancelled after acquisition thereof) on the same dates and in the same amounts; and (ii) the interest rates which, taken together, are reasonably expected to result in a fixed interest rate obligation of the City for the term of such Bond or Contract, as certified by an Independent Financial Consultant in writing, and which comply with the provisions of Section 11.16 hereof.

Parity Project. The term "Parity Project" means any additions, betterments, extensions or improvements to the City's Water System or Wastewater System designated by the City Council as a Parity Project, the acquisition and construction of which is to be paid for with the proceeds of any Contracts or Bonds.

Payment Fund. The term "Payment Fund" means the fund by that name established pursuant to Section 5.02.

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

(A) for all purposes, including: (i) as defeasance investments in refunding escrow accounts; and (ii) for the purpose of investing (and receiving premium credit for) accrued and capitalized interest: (1) cash; or (2) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America; and

(B) for all purposes other than: (i) defeasance investments in refunding escrow accounts; and (ii) investing (and receiving credit for) accrued and capitalized interest: (1) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including the Export-Import Bank; Farmers Home Administration; General Services Administration; U.S. Maritime Administration; Small Business Administration; Government National Mortgage Association (GNMA); U.S. Department of Housing & Urban Development (PHAs); and Federal Housing Administration; (2) bonds, notes or other evidences of indebtedness rated "AAA" and "Aaa" by the applicable Rating Agency issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years; (3) U.S. dollar denominated deposit accounts, certificates of deposit, federal funds and banker's acceptances with domestic commercial banks, which may include the Trustee and its affiliates, which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank); (4) commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by S&P and "P-1" by Moody's and which matures not more than 270 days after the date of purchase; (5) investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P, including funds for which the Trustee or its affiliates provide investment advisory or other management services; (6) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice and which are rated, based on the escrow, in the highest rating category of S&P and Moody's, or any successor thereto; (7) any Investment Agreement; (8) the Local Agency Investment Fund of the State of California; and (9) any other investment permitted by law.

Principal Account. The term "Principal Account" means the account by that name in the Payment Fund established pursuant to Section 5.02.

Rate Stabilization Fund. The term "Rate Stabilization Fund" means the fund by that name held by the City and established pursuant to Section 5.09.

Rating Agencies. The term "Rating Agencies" means S&P and Moody's.

Rebate Fund. The term "Rebate Fund" means the fund by that name established pursuant to Section 5.08.

Record Date. The term "Record Date" means, with respect to any Interest Payment Date, the fifteenth day of the calendar month prior to the month in which such Interest Payment Date falls, whether or not such day is a Business Day.

Redemption Date. The term "Redemption Date" means the date fixed for an optional or mandatory sinking fund redemption prior to maturity of the 2023 Bonds.

Redemption Fund. The term "Redemption Fund" means the fund by that name established pursuant to Section 5.06.

Redemption Price. The term "Redemption Price" means, with respect to any 2023 Bond, the principal amount of such 2023 Bond plus the interest accrued to the applicable Redemption Date and the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such 2023 Bond and the Indenture.

Registration Books. The term "Registration Books" means the records maintained by the Trustee for the registration of ownership and registration of transfer of the 2023 Bonds pursuant to Section 2.05.

Responsible Officer of the Trustee. The term "Responsible Officer of the Trustee" means any officer within the global corporate trust services department (or any successor group or department of the Trustee) including any vice president, assistant vice president, assistant secretary or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, with responsibility for the administration of the Indenture.

Revenue Fund. The term "Revenue Fund" means the fund by that name continued pursuant to Section 5.01(b).

Revenues. The term "Revenues" means: (i) Water System Revenues; (ii) Wastewater System Revenues; and (iii) deposits to the Revenue Fund from amounts on deposit in the Rate Stabilization Fund in accordance with Section 5.09; but excluding in all cases: (A) customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the City; (B) any proceeds of taxes restricted by law to be used by the City to pay obligations of the City other than Bonds or Contracts; and (C) any moneys transferred from the Revenue Fund to the Rate Stabilization Fund in accordance with Section 5.01(b)(iii).

S&P. The term "S&P" means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, or any successor thereto.

State. The term “State” means the State of California.

Supplemental Indenture. The term “Supplemental Indenture” means any indenture hereafter duly authorized and entered into between the City and the Trustee, supplementing, modifying or amending the Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

Taxable Rate. The term “Taxable Rate” means an interest rate sufficient such that the total interest to be paid on any Interest Payment Date would, after such interest was reduced by the amount of any U.S. federal, state and local income tax (including any interest or penalties) actually imposed thereon, equal the amount of interest due on the then unpaid principal amount of the 2023 Bonds; provided, however, that in no event shall the Taxable Rate exceed eight percent (8%) per annum.

Tax Certificate. The term “Tax Certificate” means the Tax Certificate dated the Closing Date, concerning certain matters pertaining to the use and investment of proceeds of the 2023 Bonds issued by the City on the date of issuance of the 2023 Bonds, including any and all exhibits attached thereto.

Trustee. The term “Trustee” means U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America, or its successor as Trustee hereunder as provided in Section 8.01.

2010 Bonds. The term “2010 Bonds” means the McFarland Public Financing Authority Revenue Bonds, 2010 Series A (Water and Wastewater Financing Projects).

2023 Bonds. The term “2023 Bonds” means the City of McFarland Water and Wastewater Revenue Refunding Bonds, Series 2023 issued by the City and at any time Outstanding pursuant to the Indenture.

Valuation Date. “Valuation Date” means the fifth Business Day preceding the date of redemption.

Wastewater Service. The term “Wastewater Service” means the wastewater collection and treatment service that is made available or provided by the Wastewater System.

Wastewater System. The term “Wastewater System” means the whole and each and every part of the wastewater collection and treatment system of the City, including the portion thereof existing on the date hereof, and any necessary lands, rights, entitlements and other property useful in connection therewith, together with all extensions thereof and improvements thereto at any time acquired, constructed or installed by the City.

Wastewater System Revenues. The term “Wastewater System Revenues” means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the Wastewater System, including, without limiting the generality of the foregoing:

(i) all income, rents, rates, fees, charges, business interruption insurance proceeds or other moneys derived by the City from the furnishing of wastewater treatment, recycled water service, provision of other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Wastewater System; plus

(ii) the facility capacity charges or similar charges related to the Wastewater System; plus

(iii) for any Fiscal Year, the amount of 1% *ad valorem* property taxes allocated by the City Council to the Wastewater System, if and to the extent received by the City; plus

(iv) the earnings on and income derived from the investment of the amounts described in clauses (i), (ii) and (iii) hereof;

but excluding in all cases customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the City, and excluding any proceeds of taxes restricted by law to be used by the City to pay obligations of the City other than Bonds or Contracts.

Water Service. The term "Water Service" means the water distribution service made available or provided by the Water System.

Water System. The term "Water System" means the entire water supply, treatment, storage and distribution system of the City, including but not limited to all facilities, properties and improvements at any time owned, controlled or operated by the City for the supply, treatment and storage of water to residents of the City and adjacent areas, and any necessary lands, rights, entitlements and other property useful in connection therewith, together with all extensions thereof and improvements thereto at any time acquired, constructed or installed by the City.

Water System Revenues. The term "Water System Revenues" means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the Water System, including, without limiting the generality of the foregoing:

(i) all income, rents, rates, fees, charges, business interruption insurance proceeds or other moneys derived by the City from the sale, furnishing and supplying of water or other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Water System; plus

(ii) the proceeds of any stand-by or water availability charges; plus

(iii) the facility capacity charges or similar charges related to the Water System; plus

(iv) for any Fiscal Year, the amount of 1% *ad valorem* property taxes allocated by the City Council to the Water System, if and to the extent received by the City; plus

(vi) the earnings on and income derived from the investment of the amounts described in clauses (i), (ii), (iii) and (iv) hereof;

but excluding in all cases customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the City, and excluding any proceeds of taxes restricted by law to be used by the City to pay obligations of the City other than Bonds or Contracts.

Written Consent of the City; Written Order of the City; Written Request of the City; Written Requisition of City. The terms "Written Consent of the City," "Written Order of the City," "Written Request of the City" and "Written Requisition of the City" mean, respectively, a written consent, order, request or requisition signed by or on behalf of the City by an Authorized Representative or by any two persons (whether or not members of the City Council) who are specifically authorized by resolution of the City to sign or execute such a document on its behalf.

Section 1.02. Content of Certificates and Opinions. Every certificate or opinion provided for in the Indenture except the certificate of destruction provided for in Section 11.05 hereof, with respect to compliance with any provision hereof, shall include: (1) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such person he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; (4) a statement of the assumptions upon which such certificate or opinion is based, and that such assumptions are reasonable; and (5) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate or opinion made or given by an officer of the City may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an Independent Certified Public Accountant or Independent Financial Consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel or an Independent Certified Public Accountant or Independent Financial Consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the City) upon a certificate or opinion of or representation by an officer of the City, unless such counsel or Independent Certified Public Accountant or Independent Financial Consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the City, or the same counsel or Independent Certified Public Accountant or Independent Financial Consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of the Indenture, but different officers, counsel or Independent Certified Public Accountants or Independent Financial Consultants may certify to different matters, respectively.

Section 1.03. 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 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.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to the Indenture as a whole and not to any particular Article, Section or subdivision hereof.

## ARTICLE II

## THE 2023 BONDS

Section 2.01. Authorization of 2023 Bonds. The City hereby authorizes the issuance hereunder from time to time of the 2023 Bonds, which shall constitute special obligations of the City, for the purpose of refunding all of the outstanding 2010 Bonds. The 2023 Bonds are hereby designated the "City of McFarland Water and Wastewater Revenue Refunding Bonds, Series 2023" in the aggregate principal amount of $5,076,000. The Indenture constitutes a continuing agreement with the Owners from time to time of the 2023 Bonds to secure the full payment of the principal of and interest and premium (if any) on all the 2023 Bonds, subject to the covenants, provisions and conditions herein contained.

Section 2.02. Terms of the 2023 Bonds. The 2023 Bonds shall be issued in fully registered form without coupons in denominations of $1,000 or any integral multiple thereof. The 2023 Bonds shall mature on October 1, 2039 and shall bear interest at the rate set forth therein.

Interest on the 2023 Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee sent by first class mail on the applicable Interest Payment Date to the Owner at the address of such Owner as it appears on the Registration Books (except that in the case of an Owner of one million dollars ($1,000,000) or more in principal amount, such payment may, at such Owner's option, be made by wire transfer of immediately available funds to an account in the United States in accordance with written instructions provided to the Trustee by such Owner prior to the Record Date. Principal of and premium (if any) on any 2023 Bond shall be paid by check of the Trustee upon presentation and surrender thereof at maturity or upon the prior redemption thereof, at the Office of the Trustee. Both the principal of and interest and premium (if any) on the 2023 Bonds shall be payable in lawful money of the United States of America.

The Bonds shall be payable as set forth in Exhibit C (except that the interest rate may be adjusted as set forth in the following two paragraphs).

Upon the occurrence of an Event of Default, the 2023 Bonds shall bear interest at the Default Rate.

Upon the occurrence of an Event of Taxability, the 2023 Bonds shall bear interest at the Taxable Rate from the date that interest on the 2023 Bonds is determined by the Internal Revenue Service to be includible in the gross income of the Owner thereof for federal or State income tax purposes.

So long as the 2023 Bonds are owned by the Original Purchaser or any assignee thereof, the following shall apply: (a) the 2023 Bonds are not required to be presented and surrendered to the Trustee for payment, except following the final maturity thereof and payment in good and indefeasible funds or all amounts due and owing thereunder; and (b) the Trustee will pay the principal of and interest on the 2023 Bonds by wire transfer to the Original Purchaser in accordance with the wire transfer instructions provided by the Original Purchaser to the Trustee from time to time; provided that principal on the 2023 Bonds which is payable at maturity shall be made without presentation and surrender thereof at the Office of the Trustee; provided, however, that the Original

Purchaser will promptly surrender the 2023 Bonds for cancellation upon receipt of all amounts due and owing thereunder in good and indefeasible funds.

If the Owner of any 2023 Bond is not Signature Public Funding Corp., then such Owner shall provide written direction regarding wire transfer for payment of the principal of and interest on such Bond to the Trustee within five Business Days of becoming an Owner.

Each 2023 Bond shall be dated the date of initial delivery, and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless: (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) unless it is authenticated on or before September 15, 2023, in which event it shall bear interest from the date of initial delivery; provided, however, that if, as of the date of authentication of any 2023 Bond, interest thereon is in default, such 2023 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Interest on the 2023 Bonds shall be calculated on the basis of a 360 day year composed of twelve 30 day months.

Section 2.03. Registration of Exchange or Transfer. Subject to the limitations set forth in the following paragraph, the registration of any 2023 Bond may, in accordance with its terms, be transferred upon the Registration Books by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such 2023 Bond for cancellation at the Office of the Trustee, accompanied by delivery of written instrument of transfer in a form acceptable to the Trustee and duly executed by the 2023 Bond Owner or his or her duly authorized attorney.

2023 Bonds may be exchanged at the Office of the Trustee for other authorized denominations of the same maturity and issue. The Trustee shall not collect from the 2023 Bond Owner any charge for any new 2023 Bond issued upon any exchange or transfer, but shall require the 2023 Bond Owner requesting such exchange or transfer to pay any actual and reasonable tax or other governmental charge required to be paid with respect to such exchange or transfer. Whenever any 2023 Bonds shall be surrendered for registration of transfer or exchange, the City shall execute and the Trustee shall authenticate and deliver a new 2023 Bond or Bonds, as applicable, of the same issue and maturity, for a like aggregate principal amount; provided that the Trustee shall not be required to register transfers or make exchanges of: (i) 2023 Bonds for a period of 15 days next preceding any selection of the 2023 Bonds to be redeemed; or (ii) any 2023 Bonds chosen for redemption. Notwithstanding the foregoing, a 2023 Bond Owner may only transfer the 2023 Bonds to a new 2023 Bond Owner if the 2023 Bonds are transferred in whole and the new 2023 Bond Owner has delivered an Investor Letter (in the form attached as Exhibit B hereto) to the City and the Trustee. For purposes of such a transfer, the Trustee may rely upon all new 2023 Bond Owner representations as set forth in the Investor Letter, which include, but are not limited to, that such 2023 Bond Owner is a "qualified institutional buyer" as defined in Rule 144A or an "accredited investor" as defined in Regulation D of the Securities Act of 1933, as amended.

Section 2.04. [Reserved].

Section 2.05. Registration Books. The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the 2023 Bonds, which shall upon reasonable notice and at reasonable times be open to inspection during regular business hours by the City and the Owners; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the 2023 Bonds as hereinbefore provided.

The person in whose name any 2023 Bond shall be registered shall be deemed the Owner thereof for all purposes hereof, and payment of or on account of the interest on and principal and Redemption Price of by such 2023 Bonds shall be made only to or upon the order in writing of such registered Owner, which payments shall be valid and effectual to satisfy and discharge liability upon such 2023 Bond to the extent of the sum or sums so paid.

Section 2.06. Form and Execution of 2023 Bonds. The 2023 Bonds shall be in substantially the form set forth in Exhibit A hereto. The 2023 Bonds shall be executed in the name and on behalf of the City with the manual or facsimile signature of its Mayor, Vice Mayor and/or City Clerk. The 2023 Bonds may carry a seal, and such seal may be in the form of a facsimile of the City's seal and may be reproduced, imprinted or impressed on the 2023 Bonds. The 2023 Bonds shall then be delivered to the Trustee for authentication by it. In case any of the officers who shall have signed or attested any of the 2023 Bonds shall cease to be such officer or officers of the City before the 2023 Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the City, such 2023 Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the City as though those who signed and attested the same had continued to be such officers of the City, and also any 2023 Bonds may be signed and attested on behalf of the City by such persons as at the actual date of execution of such 2023 Bonds shall be the proper officers of the City although at the nominal date of such 2023 Bonds any such person shall not have been such officer of the City.

Only such of the 2023 Bonds as shall bear thereon a certificate of authentication substantially in the form set forth in Exhibit A hereto, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of the Indenture, and such certificate of or on behalf of the Trustee shall be conclusive evidence that the 2023 Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of the Indenture.

Section 2.07. 2023 Bonds Mutilated, Lost, Destroyed or Stolen. If any 2023 Bond shall become mutilated, the City, at the expense of the Owner of said 2023 Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new 2023 Bond of like tenor, series and authorized denomination in exchange and substitution for the 2023 Bonds so mutilated, but only upon surrender to the Trustee of the 2023 Bond so mutilated. Every mutilated 2023 Bond so surrendered to the Trustee shall be canceled by it and upon the Written Request of the City delivered to, or upon the order of, the City. If any 2023 Bond shall be lost, destroyed or stolen, an affidavit or other evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be reasonably satisfactory to the Trustee and reasonable indemnity satisfactory to the Trustee shall be given, the City, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new 2023 Bond of like tenor, series and authorized denomination in lieu of and in substitution for the 2023 Bond so lost, destroyed or stolen (or if any such 2023 Bond shall have matured or shall be about to mature, instead of issuing a substitute 2023 Bond, the Trustee may pay the same without surrender thereof). The City may require payment by the Owner of a sum not exceeding the actual and reasonable third party costs and expenses which may be incurred by the City and the Trustee in connection with this Section 2.07. Any 2023 Bond issued under the provisions of this Section in lieu of any 2023 Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the City whether or not the 2023 Bond so alleged to be lost, destroyed, or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of the Indenture with all other 2023 Bonds secured by the Indenture. Notwithstanding any other provision of this Section, in lieu of delivering a new 2023 Bond for a 2023 Bond which has been mutilated, lost, destroyed or stolen and which has matured or has been selected for redemption, the Trustee may make payment of such 2023 Bond upon receipt of indemnity satisfactory to the Trustee.

Section 2.08. Initial Delivery of 2023 Bonds. The 2023 Bonds shall be initially delivered as a single registered term bond in the name of the Original Purchaser and shall not be delivered as book-entry bonds.

## ARTICLE III

## ISSUANCE OF 2023 BONDS; APPLICATION OF PROCEEDS

Section 3.01. Issuance of the 2023 Bonds. At any time after the execution of the Indenture, the City may execute and the Trustee shall authenticate and, upon Written Request of the City, deliver the 2023 Bonds to the Original Purchaser in the aggregate principal amount of $5,076,000.

Section 3.02. Application of Proceeds of the 2023 Bonds. The proceeds received from the sale of the 2023 Bonds shall be applied as follows: (i) $4,940,015.75 shall be transferred to U.S. Bank Trust Company, National Association, as trustee for the 2010 Bonds and escrow agent under the Escrow Agreement, to be deposited in the Escrow Fund for redemption of the 2010 Bonds; and (ii) $135,984.25 shall be deposited in the Costs of Issuance Fund. The Trustee may establish temporary funds or accounts in its records to record and facilitate such deposits.

Section 3.03. Establishment and Application of Costs of Issuance Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund." The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance upon submission of Written Requisitions of the City stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred, that such payment is proper charge against said fund and that payment for such charge has not previously been made. Each such Written Requisition of the City shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On the six month anniversary of the issuance of the 2023 Bonds, or upon the earlier Written Request of the City, all amounts remaining in the Costs of Issuance Fund shall be transferred by the Trustee to the Interest Account and the Costs of Issuance Fund shall be closed. Investment earnings on amounts on deposit in the Costs of Issuance Fund shall be applied in accordance with Section 5.07 hereof.

Section 3.04. Validity of 2023 Bonds. The validity of the authorization and issuance of the 2023 Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the City or the Trustee with respect to any other agreement. The recital contained in the 2023 Bonds that the same are issued pursuant to the Constitution and laws of the State shall be conclusive evidence of the validity and of compliance with the provisions of law in their issuance.

## ARTICLE IV

## REDEMPTION OF 2023 BONDS

Section 4.01. Terms of Redemption.

(a) The 2023 Bonds are subject to redemption on any Interest Payment Date in whole, but not in part, at the option of the City, as directed by the City in a Written Request of the City provided to the Trustee at least 35 days (or such lesser number of days acceptable to the Trustee in its sole discretion, such notice for the convenience of the Trustee) prior to the redemption date, from any source of funds, at the following Redemption Prices, expressed as a percentage of the principal amount to be redeemed, together with all regularly scheduled principal and interest due on the 2023 Bonds on such Interest Payment Date and accrued interest to the Redemption Date:

| ***Redemption Date*** | ***Redemption Price*** |
|---|---|
| October 1, 2023 and each Interest Payment Date thereafter through (and including) October 1, 2029 | 101.5% |
| April 1, 2030 and October 1, 2030 | 101.0 |
| April 1, 2031 and October 1, 2031 | 100.5 |
| April 1, 2031 and any Interest Payment Date thereafter | 100.0 |

(b) The 2023 Bonds are subject to mandatory sinking fund redemption in part (by lot) on October 1, 2023 and each October 1 thereafter to maturity, in integral multiples of $1,000 at a Redemption Price equal to the principal amount thereof plus accrued interest to the Redemption Date, without premium, in accordance with the below schedule. On each of the following payment dates, the Trustee shall pay from the Principal Account an amount equal to the payment or payments due on such date as set forth below.

| ***Mandatory Sinking Fund Redemption Date (October 1)*** | ***Principal Amount*** |
|---|---|
| 2023 | $248,000 |
| 2024 | 212,000 |
| 2025 | 222,000 |
| 2026 | 232,000 |
| 2027 | 242,000 |
| 2028 | 253,000 |
| 2029 | 265,000 |
| 2030 | 277,000 |
| 2031 | 289,000 |
| 2032 | 302,000 |
| 2033 | 316,000 |
| 2034 | 330,000 |
| 2035 | 345,000 |
| 2036 | 360,000 |
| 2037 | 377,000 |
| 2038 | 394,000 |
| 2039* | 412,000 |

* Final Maturity.

Section 4.02. [Reserved].

Section 4.03. Notice of Redemption. The City shall give the Trustee written notice of its intention to exercise its option to redeem 2023 Bonds not less than 45 days in advance of the date of redemption. The Trustee shall mail notice of redemption by first class mail at least thirty (30) days but not more than sixty (60) days before any Redemption Date, to the respective Owners of any 2023 Bonds designated for redemption at their addresses appearing on the Registration Books and to the Information Services. Each notice of redemption shall state the date of notice, the Redemption Date, the place or places of redemption, the Redemption Price, will designate the maturities (if applicable), CUSIP numbers, if any, and serial numbers of the 2023 Bonds of such maturity to be redeemed by giving the individual number of each 2023 Bond or by stating that all 2023 Bonds between two stated numbers, both inclusive, have been called for redemption. Each such notice shall also state that on the Redemption Date there will become due and payable on each of said 2023 Bonds the Redemption Price thereof, together with interest accrued thereon to the Redemption Date, and that (provided that moneys for redemption have been deposited with the Trustee) from and after such Redemption Date interest thereon shall cease to accrue, and shall require that such 2023 Bonds be then surrendered to the Trustee following receipt by the Owners of all amounts due and owing thereunder in good and indefeasible funds. Neither the failure to receive such notice nor any defect in the notice or the mailing thereof will affect the validity of the redemption of any 2023 Bond. Notice of redemption of 2023 Bonds shall be given by the Trustee, at the expense of the City, for and on behalf of the City.

With respect to any notice of optional redemption of 2023 Bonds, such notice may state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such 2023 Bonds to be redeemed and that, if such moneys have not been so received, said notice shall be of no force and effect and the Trustee shall not be required to redeem such 2023 Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made, and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Section 4.04. [Reserved].

Section 4.05. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of, together with interest accrued to the date fixed for redemption on, the 2023 Bonds so called for redemption being held by the Trustee, on the Redemption Date designated in such notice, the 2023 Bonds so called for redemption shall become due and payable, interest on the 2023 Bonds so called for redemption shall cease to accrue, said 2023 Bonds shall cease to be entitled to any benefit or security under the Indenture, and the Owners of said 2023 Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof. The Trustee shall pay such 2023 Bonds at the Redemption Price and request surrender of the 2023 Bonds following payment of the Redemption Price and any other amounts due and owing thereunder.

All 2023 Bonds redeemed pursuant to the provisions of this Article shall be canceled upon surrender thereof.

## ARTICLE V

## REVENUES, FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.01. Pledge and Assignment; Revenue Fund.

(a) All of the Revenues, all amounts held in the Revenue Fund described in subsection (b) below and any other amounts (including proceeds of the sale of the 2023 Bonds) held in any fund or account established pursuant to the Indenture (including the Rate Stabilization Fund but excluding the Rebate Fund) are hereby irrevocably pledged to secure the payment of the principal of and interest, and the premium, if any, on the 2023 Bonds in accordance with their terms and the provisions of the Indenture, and the Revenues shall not be used for any other purpose while the 2023 Bonds remain Outstanding; provided that out of the Revenues there may be apportioned such sums for such purposes as are expressly permitted herein. Said pledge, together with the pledge created by all other Contracts and Bonds, shall constitute a first lien on and security interest granted to the Owners of the Bonds on Revenues and, subject to application of Revenues and all amounts on deposit therein as permitted herein, the Revenue Fund, the Rate Stabilization Fund and other funds and accounts created hereunder for the payment of the principal of and interest, and the premium, if any, on the 2023 Bonds and all Contracts and Debt Service on Bonds in accordance with the terms hereof, and shall attach, be perfected and be valid and binding from and after the Closing Date, without any physical delivery thereof or further act and shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the City, irrespective of whether such parties have notice hereof.

(b) In order to carry out and effectuate the pledge and lien contained herein, the City agrees and covenants that all Revenues shall be received by the City in trust hereunder and shall be deposited when and as received in a fund designated as the "Revenue Fund," which fund is hereby continued and which fund the City agrees and covenants to maintain and to hold separate and apart from other funds so long as the 2023 Bonds and any Contracts or Debt Service on Bonds remain unpaid. Moneys in the Revenue Fund shall be used and applied by the City as provided herein. All moneys in the Revenue Fund shall be held in trust for the benefit of the Owners and shall be applied, used and withdrawn for the purposes set forth in this Section.

The City shall, from the moneys in the Revenue Fund, pay all Operation and Maintenance Costs (including amounts reasonably required to be set aside in contingency reserves for Operation and Maintenance Costs, the payment of which is not then immediately required) as such Operation and Maintenance Costs become due and payable. All remaining moneys in the Revenue Fund shall be set aside by the City at the following times for the transfer to the following respective special funds in the following order of priority:

(i) Interest and Principal Payments. Not later than five (5) Business Days prior to each Interest Payment Date, the City shall, from the moneys in the Revenue Fund, transfer to the Trustee for deposit in the Payment Fund an amount equal to the interest on and principal of the 2023 Bonds coming due on the next succeeding Interest Payment Date. The City shall also, from the moneys in the Revenue Fund, transfer to the applicable trustee for deposit in the respective payment fund, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, any other Debt Service in accordance with the provisions of any Bond or Contract.

(ii) Reserve Funds. On or before each Interest Payment Date the City shall, from the remaining moneys in the Revenue Fund, thereafter, without preference or priority and in the event of any insufficiency of such moneys ratably without any discrimination or preference, transfer to the applicable trustee for such reserve funds and/or accounts, if any, as may have been established in connection with Bonds or Contracts, that sum, if any, necessary to restore such funds or accounts to an amount equal to the reserve requirement with respect thereto.

(iii) Surplus. Moneys on deposit in the Revenue Fund on any date when the City reasonably expects such moneys will not be needed for the payment of Operation and Maintenance Costs or any of the purposes described in clauses (b)(i) or (b)(ii) may be expended by the City at any time for any purpose permitted by law, including but not limited to transfers to the Rate Stabilization Fund.

(iv) Investments. All moneys held by the City in the Revenue Fund shall be invested in Permitted Investments and the investment earnings thereon shall remain on deposit in such fund, except as otherwise provided herein.

Section 5.02. Allocation of Revenues. There is hereby established with the Trustee the Payment Fund, which the Trustee covenants to maintain and hold in trust for the benefit of the Owners separate and apart from other funds held by it so long as any principal of and interest on the 2023 Bonds remain unpaid. Except as directed herein, all payments of interest and principal on the 2023 Bonds received by the Trustee pursuant to Section 5.01(b) shall be promptly deposited by the Trustee upon receipt thereof into the Payment Fund; except that all moneys received by the Trustee and required hereunder to be deposited in the Redemption Fund shall be promptly deposited therein. All payments of interest and principal on the 2023 Bonds deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture. The Trustee shall also establish and hold an Interest Account and a Principal Account within the Payment Fund.

The Trustee shall transfer from the Payment Fund and deposit into the following respective accounts the following amounts in the following order of priority and at the following times, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) Not later than the Business Day preceding each Interest Payment Date, the Trustee shall deposit in the Interest Account that sum, if any, required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on such date on all 2023 Bonds then Outstanding. No deposit need be made into the Interest Account so long as there shall be in such fund moneys sufficient to pay the interest becoming due and payable on such date on all 2023 Bonds then Outstanding.

(b) Not later than the Business Day preceding each date on which the principal of the 2023 Bonds shall become due and payable hereunder, the Trustee shall deposit in the Principal Account that sum, if any, required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the 2023 Bonds coming due and payable on such date or subject to mandatory sinking fund redemption on such date. No deposit need be made into the Principal Account so long as there shall be in such fund moneys sufficient to pay the principal becoming due and payable on such date on all 2023 Bonds then Outstanding.

Section 5.03. [Reserved].

Section 5.04. Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the 2023 Bonds as it shall become due and payable (including accrued interest on any 2023 Bonds purchased or accelerated prior to maturity pursuant to the Indenture), as set forth in Exhibit C; provided that, if an Event of Default or Event of Taxability occurs).

Section 5.05. Application of Principal Account. All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the 2023 Bonds at maturity, mandatory sinking fund redemption, purchase or acceleration as set forth in Exhibit C; provided, however, that at any time prior to selection for redemption of any such 2023 Bonds, upon written direction of the City, the Trustee shall apply such amounts to the purchase of 2023 Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed pursuant to a Written Request of the City, except that the purchase price (exclusive of accrued interest) may not exceed the Redemption Price then applicable to the 2023 Bonds.

Section 5.06. [Reserved].

Section 5.07. Investments. All moneys in any of the funds or accounts established with the Trustee pursuant to the Indenture shall be invested by the Trustee solely in Permitted Investments. Such investments shall be directed by the City pursuant to a Written Request of the City filed with the Trustee at least two (2) Business Days in advance of the making of such investments. In the absence of any such directions from the City, the Trustee shall invest any such moneys in Permitted Investments described in clause (B)(5) of the definition thereof; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a written direction from the City specifying a specific money market fund and, if no such written direction from the City is so received, the Trustee shall hold such moneys uninvested. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the Interest Account unless otherwise provided in the Indenture. For purposes of acquiring any investments hereunder, the Trustee may commingle funds (other than the Rebate Fund) held by it hereunder upon the Written Request of the City. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made pursuant to this Section 5.07.

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

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee under the Indenture.

The City shall invest, or cause to be invested, all moneys in any fund or accounts established with the Trustee as provided in the Tax Certificate.

For investment purposes, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately. In making any valuations of investments hereunder, the Trustee may utilize and rely on computerized securities pricing services that may be available to the Trustee, including those available through the Trustee's accounting system.

Section 5.08. Rebate Fund.

(a) Establishment. The Trustee shall establish a fund for the 2023 Bonds designated the "Rebate Fund." Absent an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the 2023 Bonds will not be adversely affected, the City shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust for payment to the United States Treasury. All amounts on deposit in the Rebate Fund for the 2023 Bonds shall be governed by this Section and the Tax Certificate, unless and to the extent that the City delivers to the Trustee an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the 2023 Bonds will not be adversely affected if such requirements are not satisfied. Notwithstanding anything to the contrary contained herein or in the Tax Certificate, the Trustee: (i) shall be deemed conclusively to have complied with the provisions thereof if it follows all Written Requests of the City; and (ii) shall have no liability or responsibility to enforce compliance by the City with the terms of the Tax Certificate; and (iii) may rely conclusively on the City's calculations and determinations and certifications relating to rebate matters; and (iv) shall have no responsibility to independently make any calculations or determinations or to review the City's calculations or determinations thereunder.

(i) Computation. Within 55 days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate), the City shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (*e.g.*, the temporary investments exceptions of Section 148(f)(4)(B) and the construction expenditures exception of Section 148(f)(4)(C) of the Code), and taking into account whether the election pursuant to Section 148(f)(4)(C)(vii) of the Code (the "1½% Penalty") has been made), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the "Rebatable Arbitrage"). The City shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Transfer. Within 55 days of the end of each fifth Bond Year, upon the Written Request of the City, an amount shall be deposited to the Rebate Fund by the Trustee from any Net Revenues legally available for such purpose (as specified by the City in the aforesaid Written Request), if and to the extent required so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with clause (i) of this subsection (a). In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon Written Request of the City, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Payment Fund.

(iii) Payment to the Treasury. The Trustee shall pay, as directed by Written Request of the City, to the United States Treasury, out of amounts in the Rebate Fund:

(A) Not later than 60 days after the end of: (X) the fifth Bond Year; and (Y) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and

(B) Not later than 60 days after the payment of all the 2023 Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code and Section 1.148-3 of the Treasury Regulations.

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the City shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source equal to such deficiency prior to the time such payment is due. Each payment required to be made pursuant to this subsection (a) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T (prepared by the City), or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment of the 2023 Bonds and the payments described in subsection (a) above being made may be withdrawn by the City and utilized in any manner by the City.

(c) Survival of Defeasance. Notwithstanding anything in this Section to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance or payment in full of the 2023 Bonds.

Section 5.09. Rate Stabilization Fund. There is hereby established with the City a fund referred to herein as the "Rate Stabilization Fund." The City hereby agrees and covenants to maintain, so long as any 2023 Bonds remain outstanding, the Rate Stabilization Fund. There is [$0] on deposit in the Rate Stabilization Fund as of the date of the initial issuance of the 2023 Bonds. The City may withdraw and deposit amounts therein from time to time in its sole discretion.

Amounts in the Rate Stabilization Fund will be disbursed, allocated and applied by the City solely to the uses and purposes hereinafter described, and shall be accounted for separately and apart from all other accounts, funds, money or other resources of the City.

The Rate Stabilization Fund and all amounts on deposit therein are hereby irrevocably pledged to the payment of the Bonds and Contracts as provided herein; provided that amounts on deposit in the Rate Stabilization Fund may be apportioned for such purposes as are expressly permitted herein. This pledge shall constitute a first priority lien in favor of the Owners of amounts on deposit in the Rate Stabilization Fund for the payment of the Bonds and Contracts in accordance with the terms hereof.

The City may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund from time to time and transfer such amounts to the Revenue Fund for application in accordance with Section 5.01(b) hereof. Amounts transferred from the Rate Stabilization Fund to the Revenue

Fund pursuant to this Section during, or within 270 days after the end of, a Fiscal Year may be taken into account as Revenues for purposes of the calculations in Sections 6.14 and 6.21 in such Fiscal Year to the extent provided in the definition of "Revenues" in Section 1.01.

Section 5.10. Application of Funds and Accounts When No 2023 Bonds are Outstanding. On the date on which all 2023 Bonds shall be retired hereunder or provision made therefor pursuant to Article X and after payment of all amounts due the Trustee hereunder, all moneys then on deposit in any of the funds or accounts (other than the Rebate Fund) established with the Trustee pursuant to the Indenture shall be withdrawn by the Trustee and paid to the City for use by the City at any time for any purpose permitted by law.

## ARTICLE VI

## PARTICULAR COVENANTS

Section 6.01. Punctual Payment. The City shall punctually pay or cause to be paid the principal and interest to become due in respect of all of the 2023 Bonds, in strict conformity with the terms of the 2023 Bonds and of the Indenture, according to the true intent and meaning thereof, but only out of Net Revenues and other assets pledged for such payment as provided in the Indenture.

Section 6.02. Extension of Payment of 2023 Bonds. The City shall not directly or indirectly extend or assent to the extension of the maturity of any of the 2023 Bonds or the time of payment of any claims for interest by the purchase of such 2023 Bonds or by any other arrangement, and in case the maturity of any of the 2023 Bonds or the time of payment of any such claims for interest shall be extended, such 2023 Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of the Indenture, except subject to the prior payment in full for the principal of all of the 2023 Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the City to issue Bonds for the purpose of refunding any Outstanding 2023 Bonds, and such issuance shall not be deemed to constitute an extension of maturity of 2023 Bonds.

Section 6.03. Against Encumbrances. The City will not make any pledge of or place any lien on Revenues or the moneys in the Revenue Fund or the Rate Stabilization Fund except as provided herein. The City may at any time, or from time to time, execute Contracts or issue Bonds as permitted herein. The City may also at any time, or from time to time, incur evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of lien on Revenues on any moneys in the Revenue Fund as may from time to time be deposited therein, provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon provided herein.

Section 6.04. Power to Issue 2023 Bonds and Make Pledge and Assignment. The City is duly authorized pursuant to law to issue the 2023 Bonds and to enter into the Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned under the Indenture in the manner and to the extent provided in the Indenture. The 2023 Bonds and the provisions of the Indenture are and will be the legal, valid and binding special obligations of the City in accordance with their terms, and the City and the Trustee shall at all times, subject to the provisions of Article VIII and to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the 2023 Bond Owners under the Indenture against all claims and demands of all persons whomsoever.

Section 6.05. Accounting Records and Financial Statements.

(a) The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of 2023 Bonds and all funds and accounts established by it pursuant to the Indenture. Such books of record and account shall be available for inspection by the City upon reasonable prior notice during business hours and under reasonable circumstances.

(b) The City will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Water System and the Wastewater System, which records shall be available for inspection by the Trustee (which shall have no duty to inspect such records) at reasonable hours and under reasonable conditions.

(c) The City will prepare and file with the Trustee and the Owners annually: (i) the City's annual budget within 30 days of adoption, but not later than September 1 of each Fiscal Year of the City; (ii) as soon as available, financial statements of the City for the Fiscal Year ended June 30, 2022, and thereafter, within two hundred seventy (270) days after the end of each Fiscal Year (commencing with the Fiscal Year ending June 30, 2023), financial statements of the City for the preceding Fiscal Year prepared in accordance with generally accepted accounting principles, together with an Accountant's Report thereon, as well as any income statements and balance sheets and any applicable notes or opinions; the Trustee and the Owners shall have no duty to review such financial statements; and (iii) any other reasonably requested information related to the City, the Revenues, the Bonds, the Water System, and the Wastewater System.

Section 6.06. Tax Covenants. Notwithstanding any other provision of the Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of the portion of interest on the 2023 Bonds will not be adversely affected for federal income tax purposes, the City covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income with respect to the 2023 Bonds and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The City will take no action and will refrain from taking any action or making any use of the proceeds of the 2023 Bonds or of any other moneys or property which would cause the 2023 Bonds to be "private activity bonds" within the meaning of Section 141 of the Code;

(b) Arbitrage. The City will make no use of the proceeds of the 2023 Bonds or of any other amounts or property, regardless of the source, and will not take any action or refrain from taking any action which will cause the 2023 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code;

(c) Federal Guarantee. The City will make no use of the proceeds of the 2023 Bonds and will not take or omit to take any action that would cause the 2023 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code;

(d) Information Reporting. The City will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code necessary to preserve the exclusion of interest on the 2023 Bonds pursuant to Section 103(a) of the Code;

(e) Hedge Bonds. The City will make no use of the proceeds of the 2023 Bonds or any other amounts or property, regardless of the source, and will not take any action or refrain from taking any action that would cause the 2023 Bonds to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the City takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the 2023 Bonds for federal income tax purposes; and

(f) Miscellaneous. The City will take no action and will refrain from taking any action inconsistent with its expectations stated in the Tax Certificate executed by the City in connection with the issuance of the 2023 Bonds and will comply with the covenants and requirements stated therein and incorporated by reference herein.

This Section and the covenants set forth herein shall not be applicable to, and nothing contained herein shall be deemed to prevent the City from causing the Trustee to issue revenue bonds or to execute and deliver contracts payable on a parity with the 2023 Bonds, the interest with respect to which has been determined by Bond Counsel to be subject to federal income taxation.

Section 6.07. Waiver of Laws. The City shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in the Indenture or in the 2023 Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the City to the extent permitted by law.

Section 6.08. Further Assurances. The City will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture and for the better assuring and confirming unto the Owners of the 2023 Bonds of the rights and benefits provided in the Indenture.

Section 6.09. [Reserved].

Section 6.10. Observance of Laws and Regulations. To the extent necessary to assure its performance hereunder, the City will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on the City by contract, or prescribed by any law of the United States of America, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the City, respectively, including its right to exist and carry on its business, to the end that such contracts, rights and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 6.11. Compliance with Contracts. The City will neither take nor omit to take any action under any contract if the effect of such act or failure to act would in any manner impair or adversely affect the ability of the City to pay principal of or interest on the 2023 Bonds; and the City will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, required to be performed by it contained in all other contracts affecting or involving the Water System or the Wastewater System, to the extent that the City is a party thereto.

Section 6.12. Prosecution and Defense of Suits. The City shall promptly, upon request of the Trustee or any 2023 Bond Owner, from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Water System or Wastewater System or any part thereof, whether now existing or hereafter developing, shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee (including all of its employees, officers and directors), the Trustee and every 2023 Bond Owner harmless from all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

The City shall defend against every suit, action or proceeding at any time brought against the Trustee (including all of its employees, officers and directors) or any 2023 Bond Owner upon any claim arising out of the receipt, application or disbursement of any of the payments of principal of or interest on the 2023 Bonds or involving the rights of the Trustee or any 2023 Bond Owner under the Indenture; provided that the Trustee or any 2023 Bond Owner at such party's election may appear in and defend any such suit, action or proceeding. The City shall indemnify and hold harmless the Trustee and the 2023 Bond Owners against any and all liability claimed or asserted by any person, arising out of such receipt, application or disbursement, and shall indemnify and hold harmless the 2023 Bond Owners against any attorneys' fees or other expenses which any of them may incur in connection with any litigation (including pre-litigation activities) to which any of them may become a party by reason of ownership of 2023 Bonds. The City shall promptly reimburse any 2023 Bond Owner in the full amount of any attorneys' fees or other expenses which such Owner may incur in litigation or otherwise in order to enforce such party's rights under the Indenture or the 2023 Bonds, provided that such litigation shall be concluded favorably to such party's contentions therein.

Section 6.13. No Senior Obligations. The City may not issue or execute any debt or contractual obligations which are payable from Net Revenues or subject to a pledge of and lien on Revenues which is prior to or superior to the pledge and lien in favor of the 2023 Bonds and other Contracts and Bonds.

Section 6.14. Additional Contracts and Bonds. The City may at any time execute any Contract or issue any Bonds, as the case may be, in accordance herewith; provided:

(a) The Net Revenues for the most recent audited Fiscal Year preceding the date of adoption by the Board of Directors of the City of the resolution authorizing the issuance of such Bonds or the date of the execution of such Contract, as the case may be, as evidenced by both a calculation prepared by the City and a special report prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on such calculation on file with the District, shall have produced a sum equal to at least one hundred twenty-five percent (125%) of the Debt Service for such Fiscal Year; and

(b) The Net Revenues for the most recent audited Fiscal Year preceding the date of adoption by the Board of Directors of the City of the resolution authorizing the issuance of such Bonds or the date of the execution of such Contract, as the case may be, including adjustments to give effect as of the first day of such Fiscal Year to increases or decreases in rates and charges for the Water Service and Wastewater Service approved and in effect as of the date of calculation, as evidenced by a calculation prepared by the City, shall have produced a sum equal to at least one hundred twenty-five percent (125%) of: (i) the Debt Service for such Fiscal Year; plus (ii) the Debt Service which would have accrued on any Contracts executed or Bonds issued since the end of such Fiscal Year, assuming that such Contracts had been executed or Bonds had been issued at the beginning of such Fiscal Year; plus (iii) the Debt Service which would have accrued had such proposed additional Contract been executed or Bonds been issued at the beginning of such Fiscal Year.

(c) Notwithstanding the foregoing, Bonds or Contracts may be issued or incurred to refund outstanding Bonds or Contracts if, after giving effect to the application of the proceeds thereof, total aggregate Debt Service will not be increased.

Section 6.15. Against Sale or Other Disposition of Property. The City will not enter into any agreement or lease which impairs the operation of the Water System or the Wastewater System or any part thereof necessary to secure adequate Revenues for the payment of the principal of and interest on the 2023 Bonds, or which would otherwise impair the operation of the Water System or the Wastewater System. Any real or personal property which has become nonoperative or which is not needed for the efficient and proper operation of the Water System or the Wastewater System, or any material or equipment which has become worn out, may be sold if such sale will not impair the ability of the City to pay the principal of and interest on the 2023 Bonds and if the proceeds of such sale are deposited in the Revenue Fund.

Nothing herein shall restrict the ability of the City to sell any portion of the Water System or the Wastewater System if such portion is immediately repurchased by the City and if such arrangement cannot by its terms result in the purchaser of such portion of the Water System or the Wastewater System exercising any remedy which would deprive the City of or otherwise interfere with its right to own and operate such portion of the Water System or the Wastewater System.

Section 6.16. Against Competitive Facilities. To the extent that it can so legally obligate itself, the City covenants that it will not acquire, construct, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, corporation, district or political subdivision or any person whomsoever to acquire, construct, maintain or operate within the City any Water System or the Wastewater System competitive with the Water System or the Wastewater System, respectively.

Section 6.17. Maintenance and Operation of the Water System and the Wastewater System. The City will maintain and preserve the Water System and the Wastewater System in good repair and working order at all times and will operate the Water System and the Wastewater System in an efficient and economical manner and will pay all Operation and Maintenance Costs as they become due and payable.

Section 6.18. Payment of Claims. The City will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Revenues or the funds or accounts created hereunder or on any funds in the hands of the City pledged to pay the principal of or interest on the 2023 Bonds or to the Owners prior or superior to the lien under the Indenture.

Section 6.19. Insurance.

(a) The City will procure and maintain or cause to be procured and maintained insurance on the Water System and the Wastewater System with responsible insurers in such amounts and against such risks (including damage to or destruction of the Water System or the Wastewater System) as are usually covered in connection with facilities similar to the Water System and the Wastewater System so long as such insurance is available from reputable insurance companies at reasonable rates.

In the event of any damage to or destruction of the Water System or the Wastewater System caused by the perils covered by such insurance, the Net Proceeds thereof shall be applied in accordance with the terms of then-outstanding Bonds and Contracts and, subject thereto and at the City's option, to the reconstruction, repair or replacement of the damaged or destroyed portion of the Water System or the Wastewater System or for deposit in the Revenue Fund and application to other lawful uses or expenditures of such fund. If the City elects to reconstruct, repair or replace such damaged or destroyed portions of the Water System or the Wastewater System, the City shall begin such reconstruction, repair or replacement promptly after receipt of such Net Proceeds, and shall continue and properly complete such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such Net Proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the Water System and the Wastewater System shall be free and clear of all claims and liens. Subject to the terms of then-outstanding Bonds and Contracts, the City covenants to reconstruct, repair or replace the damaged or destroyed portions of the Water System or the Wastewater System promptly from Net Proceeds if a failure to reconstruct, repair or replace such portions would impair or adversely affect the ability of the City to pay the 2023 Bonds.

(b) The City will procure and maintain such other insurance as it shall deem advisable or necessary to protect its interests and the interests of the 2023 Bond Owners, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with municipal water or wastewater system similar to the Water System and the Wastewater System, respectively.

(c) Any insurance required to be maintained by paragraph (a) above and, if the City determines to procure and maintain insurance pursuant to paragraph (b) above, such insurance, may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner usually maintained in connection with water or wastewater systems similar to the Water System and the Wastewater System and is, in the opinion of the risk manager of the City or an accredited actuary, actuarially sound.

Section 6.20. Payment of Taxes and Compliance with Governmental Regulations. The City will pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Water System and the Wastewater System, or any part thereof or upon the Revenues when the same shall become due. The City will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Water System and the Wastewater System, or any part thereof, but the City shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

Section 6.21. Amount of Rates and Charges.

(a) To the fullest extent permitted by law, the City shall fix and prescribe, at the commencement of each Fiscal Year, rates and charges for the Water Service provided by the Water System which are reasonably expected, at the commencement of such Fiscal Year, to be at least sufficient to yield during each Fiscal Year Net Water System Revenues equal to one hundred twenty-five percent (125%) of the Debt Service for such Fiscal Year allocable to the Water System.

(b) To the fullest extent permitted by law, the District shall fix and prescribe, at the commencement of each Fiscal Year, rates and charges for the Wastewater Service provided by the Wastewater System which are reasonably expected, at the commencement of such Fiscal Year, to be at least sufficient to yield during each Fiscal Year Net Wastewater System Revenues equal to one hundred twenty-five percent (125%) of the Debt Service for such Fiscal Year allocable to the Wastewater System.

(c) The District may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Water System Revenues or Net Wastewater System Revenues, as applicable, from such reduced rates and charges will at all times be sufficient to meet the requirements of this Section.

Section 6.22. Collection of Rates and Charges. The City will have in effect at all times by-laws, rules and regulations requiring each customer to pay the rates and charges applicable to the Water Service and providing for the billing thereof and for a due date and a delinquency date for each bill.

Section 6.23. Eminent Domain Proceeds. If all or any part of the Water System or the Wastewater System shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied in accordance with the terms of then-outstanding Bonds and Contracts and, subject thereto and at the City's option, any balance of such Net Proceeds not required by the City for such purpose shall be deposited in the Revenue Fund and applied to additions, betterments, extensions or improvements of the Water System or the Wastewater System or other lawful purpose or expenditures of such fund.

Section 6.24. Enforcement of Contracts. The City will not voluntarily consent to or permit any rescission of, nor will it consent to any amendment to or otherwise take any action under or in connection with any contracts previously or hereafter entered into if such rescission or amendment would in any manner impair or adversely affect the ability of the City to pay principal of and interest on the 2023 Bonds.

## ARTICLE VII

## EVENTS OF DEFAULT AND REMEDIES OF 2023 BOND OWNERS

Section 7.01. Events of Default. The following events shall be Events of Default hereunder:

(a) Default by the City in the due and punctual payment of the principal of any 2023 Bonds, the principal of any Bonds or the principal with respect to any Contract, when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.

(b) Default by the City in the due and punctual payment of any installment of interest on any 2023 Bonds, any installment of interest on any Bond or any installment of interest with respect to any Contract, when and as the same shall become due and payable.

(c) Default by the City in the observance of any of the other covenants, agreements or conditions on its part in the Indenture or in the 2023 Bonds, or required by any Bond or indenture relating thereto or by any Contract, if such default shall have continued for a period of thirty (30) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the City by the Trustee or by the Owners of not less than a majority in aggregate principal amount of 2023 Bonds Outstanding, a majority in principal amount of such Bond outstanding, or a majority in principal amount outstanding with respect to such Contract, as applicable; provided, however, that if in the reasonable opinion of the City the default stated in the notice can be corrected, but not within such thirty (30) day period, and corrective action is instituted by the City within such thirty (30) day period and diligently pursued in good faith until the default is corrected (provided that such cure period shall not exceed a total of ninety (90) days without the prior written consent of the Owners of not less than a majority in aggregate principal amount of 2023 Bonds Outstanding), such default shall not be an Event of Default hereunder.

(d) The City shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the City seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property.

(e) Payment of the principal of any Bond or with respect to any Contract is accelerated in accordance with its terms.

Section 7.02. Remedies Upon Event of Default. If any Event of Default specified in Section 7.01(d) or (e) shall occur and be continuing, the Trustee shall, and for any other Event of Default, the Trustee may, and, at the written direction of the Owners of not less than a majority in aggregate principal amount of the 2023 Bonds at the time Outstanding, shall, in each case, upon notice in writing to the City, declare the principal of all of the 2023 Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the Indenture or in the 2023 Bonds contained to the contrary notwithstanding.

Any such declaration is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the City shall deposit with the Trustee a sum sufficient to pay all the principal of and installments of interest on the 2023 Bonds payment of which is overdue, with interest on such overdue principal at the rate borne by the respective 2023 Bonds to the extent permitted by law, and the reasonable charges and expenses of the Trustee, or shall deposit with the applicable trustee with respect to any Contract a sum sufficient to pay all the principal and installments of interest with respect to such Contract payment of which is overdue, with interest on such overdue principal at the rate borne by such Contract to the extent permitted by law, and the reasonable charges and expenses of the applicable trustee with respect to such Contract, or shall deposit with the applicable trustee with respect to any Bond a sum sufficient to pay all the principal of and installment of interest on such Bond payment of which is overdue, with interest on such overdue principal at the rate applicable hereunder, and the reasonable charges and expenses of the applicable trustee with respect to such Bonds, and any and all other Events of Default known to the Trustee or the applicable trustee with respect to such Contract or Bonds (other than in the payment of principal of and interest on the

2023 Bonds, payment of principal and interest with respect to such Contract or payment of principal and interest on such Bond, as applicable, due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case the Trustee shall on behalf of the Owners of all of the 2023 Bonds, rescind and annul such declaration and its consequences and waive such Event of Default; but no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, or shall impair or exhaust any right or power consequent thereon.

Section 7.03. Application of Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Revenues held or thereafter received by the Trustee and any other funds then held or thereafter received by the Trustee under any of the provisions of the Indenture (other than amounts held in the Rebate Fund) shall be applied in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee or a majority in aggregate principal amount of 2023 Bonds Outstanding to protect the interests of the Owners of the 2023 Bonds, Contract or Bonds and payment of reasonable fees and expenses of the Trustee and the Owners (including reasonable fees and disbursements of their counsel and advisors) incurred in and about the performance of its powers and duties under the Indenture;

(b) To the payment of Operation and Maintenance Costs; and

(c) To the payment of the principal of and interest then due on the 2023 Bonds, in accordance with the provisions of the Indenture, the payment of the principal and interest then due with respect to such Contract in accordance with the provisions thereof and the payment of the principal of and interest then due on such Bonds in accordance with the provisions thereof and of any indenture related thereto, in the following order of priority:

First: To the payment to the persons entitled thereto of all installments of interest then due on the 2023 Bonds at the Default Rate, with respect to such Contract or on such Bonds, as applicable, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; provided, however, that if the Event of Default relates to any of the covenants set forth in Section 6.06 and results in an adverse effect on the exclusion from gross income of interest on the 2023 Bonds for federal income tax purposes, the 2023 Bonds shall bear interest at the Taxable Rate; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any 2023 Bonds, principal with respect to such Contract or principal of any Bonds, as applicable, which shall have become due, whether at maturity or by acceleration or redemption, with interest on the overdue principal at the higher of: (i) the Default Rate; or (ii) if applicable, the Taxable Rate, and, if the amount available shall not be sufficient to pay in full all the 2023 Bonds, all amounts due under such Contract or all the Bonds, as applicable, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference; and

Third: If there shall exist any remainder after the foregoing payments, such remainder shall be paid to the City.

Section 7.04. Trustee to Represent 2023 Bond Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the 2023 Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney in fact of the Owners of the 2023 Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the 2023 Bonds or the Indenture and applicable provisions of law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the 2023 Bond Owners, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the 2023 Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as the Owners of a majority in aggregate principal amount of the 2023 Bonds then Outstanding shall deem most effectual to protect and enforce any such right, at law or in equity, either in mandamus or for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the 2023 Bonds or the Indenture or any law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other assets pledged under the Indenture, pending such proceedings. All rights of action under the Indenture or the 2023 Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the 2023 Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such 2023 Bonds, subject to the provisions of the Indenture.

Section 7.05. 2023 Bond Owners' Direction of Proceedings. Anything in the Indenture to the contrary notwithstanding, the Original Purchaser (if the sole owner of the Bonds) or the Owners of a majority in aggregate principal amount of the 2023 Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to take such actions in lieu of the Trustee or to direct the method of conduct in all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of the Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to 2023 Bond Owners not parties to such direction.

Section 7.06. Suit by Owners. Unless the Original Purchaser is the sole owner of the 2023 Bonds, no Owner of any 2023 Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture with respect to such 2023 Bonds, unless: (a) such Owners shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of not less than fifty percent (50%) in aggregate principal amount of the 2023 Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have failed to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) no direction inconsistent with such written request shall have been given to the Trustee during such sixty (60) day period by the Owners of a majority in aggregate principal amount of the 2023 Bonds then Outstanding. If the Original Purchaser is the sole owner of the 2023 Bonds, then Original Purchaser may exercise any rights and remedies in lieu of the Trustee following a reasonable indemnity to the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of 2023 Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of 2023 Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture or the rights of any other Owners of 2023 Bonds, or to enforce any right under the 2023 Bonds, the Indenture, or applicable law with respect to the 2023 Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding 2023 Bonds, subject to the provisions of the Indenture.

Section 7.07. Absolute Obligation of the City. Nothing in this Section 7.07 or in any other provision of the Indenture or in the 2023 Bonds shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the principal of and interest on the 2023 Bonds to the respective Owners of the 2023 Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the 2023 Bonds.

Section 7.08. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the 2023 Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.09. No Waiver of Default. No delay or omission of the Trustee or of any Owner of the 2023 Bonds to exercise any right or power arising upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein.

Section 7.10. Provisions Relating to Original Purchaser. Notwithstanding the foregoing or any other provision of this Indenture, for so long as a majority in aggregate principal amount of the 2023 Bonds then Outstanding are owned by the Original Purchaser, the Original Purchaser shall be entitled to exercise all of the powers, consents, rights and remedies to which the Owners of a majority in aggregate principal amount of 2023 Bonds then Outstanding are entitled hereunder, including the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings on behalf of the Owners available to the Trustee under this Indenture to be taken in connection with the enforcement of the terms of this Indenture or exercising any trust or power conferred on the Trustee by this Indenture.

ARTICLE VIII

THE TRUSTEE

Section 8.01. Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to an Event of Default, and after the curing or waiving of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in the Indenture and no implied covenants or duties shall be read into the Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) The City may remove the Trustee at any time, with the consent of the Original Purchaser for so long as a majority in aggregate principal amount of the 2023 Bonds then Outstanding are owned by the Original Purchaser, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the 2023 Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee and thereupon shall promptly appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the City and by giving the 2023 Bond Owners notice of such resignation by mail at the addresses shown on the Registration Books. Upon receiving such notice of resignation, the City shall, subject to the prior written consent of the Owners of a majority in aggregate principal amount of 2023 Bonds Outstanding, promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee and the Owners of a majority in aggregate principal amount of 2023 Bonds Outstanding. If no successor Trustee shall have been appointed and have accepted appointment within forty five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any 2023 Bond Owner (on behalf of himself and all other 2023 Bond Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under the Indenture shall signify its acceptance of such appointment by executing and delivering to the City and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the City or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under the Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the City shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the City shall mail or cause the successor trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each Rating Agency which is then rating the 2023 Bonds and to the 2023 Bond Owners at the addresses shown on the Registration Books. If the City fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the City.

(e) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a trust company, banking association or bank having the powers of a trust company, having a combined capital and surplus of at least Seventy Five Million Dollars ($75,000,000), and subject to supervision or examination for federal or state authority. If such bank, banking association 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 purpose of this subsection the combined capital and surplus of such trust company, banking association or bank shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

Section 8.02. Merger or Consolidation. Any trust company, banking association or bank into which the Trustee may be merged or converted or with which it may be consolidated or any trust company, banking association or bank resulting from any merger, conversion or consolidation to which it shall be a party or any trust company, banking association or bank to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such trust company, banking association or bank shall be eligible under subsection (e) of Section 8.01, shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03. Liability of Trustee.

(a) The recitals of facts herein and in the 2023 Bonds shall be taken as statements of the City, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of the Indenture or the 2023 Bonds, nor shall the Trustee incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the 2023 Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the 2023 Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee may become the Owner of 2023 Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as 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 2023 Bond Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the 2023 Bonds then Outstanding.

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

(c) The Trustee 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 (or such other percentage provided for herein) in aggregate principal amount of the 2023 Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Indenture.

(d) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Indenture.

(e) The Trustee shall not be deemed to have knowledge of any Default or Event of Default hereunder or any other event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default hereunder unless and until a Responsible Officer of the Trustee shall have actual knowledge of such event or the Trustee shall have been notified in writing, in accordance with Section 11.07, of such event by the City or the Owners of not less than fifty percent (50%) of the 2023 Bonds then Outstanding. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by the City of any of the terms, conditions, covenants or agreements herein of any of the documents executed in connection with the 2023 Bonds, or as to the existence of an Event of Default thereunder or an event which would, with the giving of notice, the passage of time, or both, constitute an Event of Default thereunder. The Trustee shall not be responsible for the validity, effectiveness or priority of any collateral given to or held by it.

(f) No provision of the Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of any of its rights or powers.

(g) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request, order or direction of any of the Owners pursuant to the Indenture, unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(h) Whether or not herein expressly so provided, every provision of the Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VIII.

(i) The Trustee 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 with respect to the 2023 Bonds.

(j) The immunities extended to the Trustee also extend to its directors, officers, employees and agents.

(k) The Trustee may execute any of the trusts or powers of the Indenture and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care.

(l) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto 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 a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Water System or the Wastewater System, 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 Trustee.

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

(n) The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

(o) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it hereby at the request, order or direction of any of the Owners pursuant to the provisions hereof unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

(p) The permissive right of the Trustee to do things enumerated herein shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

Section 8.04. Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion, notes, direction, facsimile transmission, electronic mail or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee may treat the Owners of the 2023 Bonds appearing in the Trustee's Registration Books as the absolute owners of the 2023 Bonds for all purposes and the Trustee shall not be affected by any notice to the contrary.

Whenever in the administration of the trusts imposed upon it by the Indenture the Trustee 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 be deemed to be conclusively proved and established by a Certificate, Request or Requisition of the City, and such Certificate, Request or Requisition shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of the Indenture in reliance upon such Certificate, Request or Requisition, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Section 8.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of the Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the City and any 2023 Bond Owner, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 8.06. Compensation and Indemnification. The City shall pay to the Trustee from time to time all reasonable compensation for all services rendered under the Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Indenture.

The City shall indemnify, defend and hold harmless the Trustee, its officers, employees, directors and agents from and against any loss, costs, claims, liability or expense (including fees and expenses of its attorneys and advisors) incurred without negligence or bad faith on its part, arising out of or in connection with the execution of the Indenture, acceptance or administration of this trust, including costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the City under this Section 8.06 shall survive removal or resignation of the Trustee hereunder or the discharge of the 2023 Bonds and the Indenture.

## ARTICLE IX

## MODIFICATION OR AMENDMENT OF THE INDENTURE

Section 9.01. Amendments Permitted.

(a) The Indenture and the rights and obligations of the City and of the Owners of the 2023 Bonds and of the Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental thereto, which the City and the Trustee may enter into when the written consent of the Owners of a majority in aggregate principal amount of all 2023 Bonds then Outstanding, exclusive of 2023 Bonds disqualified as provided in Section 11.09 hereof, shall have been filed with the Trustee. No such modification or amendment shall: (1) extend the fixed maturity of any 2023 Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the rate of interest or the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each 2023 Bond so affected; or (2) reduce the aforesaid percentage of 2023 Bonds the consent of the Owners of which is required to affect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture except as permitted herein, or deprive the Owners of the 2023 Bonds of the lien created by the Indenture on such Revenues and other assets except as permitted herein, without the consent of the Owners of all of the 2023 Bonds then Outstanding. It shall not be necessary for the consent of the 2023 Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the City and the Trustee of any Supplemental Indenture pursuant to this subsection (a), the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Indenture, to each Rating Agency and the Owners of the 2023 Bonds at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(b) The Indenture and the rights and obligations of the City, the Trustee and the Owners of the 2023 Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the City and the Trustee may enter into with the consent of the Original Purchaser for so long as a majority in aggregate principal amount of the Outstanding 2023 Bonds are owned by the Original Purchaser, but otherwise without the consent of any 2023 Bond Owners, if the Trustee shall receive an opinion of Bond Counsel to the effect that the provisions of such Supplemental Indenture shall not materially adversely affect the interests of the Owners of the Outstanding 2023 Bonds, including, without limitation, for any one or more of the following purposes:

(1) to add to the covenants and agreements of the City contained in the Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the 2023 Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the City;

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the City may deem necessary or desirable;

(3) to modify, amend or supplement the Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereunder in effect, and to add such other terms conditions and provisions as may be permitted by said act or similar federal statute; and

(4) to modify, amend or supplement the Indenture in such manner as to cause interest on the 2023 Bonds to remain excludable from gross income under the Code.

(c) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by subsections (a) or (b) of this Section which materially adversely affects the Trustee's own rights, duties or immunities under the Indenture or otherwise.

(d) Prior to the Trustee entering into any Supplemental Indenture hereunder, there shall be delivered to the Trustee an opinion of Bond Counsel stating, in substance, that such Supplemental Indenture has been adopted in compliance with the requirements of the Indenture and that the adoption of such Supplemental Indenture will not, in and of itself, adversely affect the exclusion of interest on the 2023 Bonds from federal income taxation and interest on the 2023 Bonds from state income taxation.

Section 9.02. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article, the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the City, the Trustee and all Owners of 2023 Bonds Outstanding shall thereafter be determined, exercised and enforced thereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Section 9.03. Endorsement of 2023 Bonds; Preparation of New 2023 Bonds. 2023 Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the Trustee and the Owners so determine shall, bear a notation by endorsement or otherwise in form approved by the City and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand on the Owner of any 2023 Bonds Outstanding at the time of such execution and presentation of his or her 2023 Bonds for the purpose at the Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such 2023 Bonds. If the Supplemental Indenture shall so provide, new 2023 Bonds so modified as to conform, in the opinion of the City and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the City and authenticated by the Trustee, and upon demand on the Owners of any 2023 Bonds then Outstanding shall be exchanged at the Office of the Trustee, without cost to any 2023 Bond Owner, for 2023 Bonds then Outstanding, upon surrender for cancellation of such 2023 Bonds, in equal aggregate principal amount of the same maturity.

Section 9.04. Amendment of Particular 2023 Bonds. The provisions of this Article shall not prevent any 2023 Bond Owner from accepting any amendment as to the particular 2023 Bonds held by him.

## ARTICLE X

## DEFEASANCE

Section 10.01. Discharge of Indenture. The 2023 Bonds may be paid by the City in any of the following ways, provided that the City also pays or causes to be paid any other sums payable hereunder by the City:

(a) by paying or causing to be paid the principal of and interest and redemption premiums (if any) on the 2023 Bonds, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem all 2023 Bonds then Outstanding; or

(c) by delivering to the Trustee, for cancellation by it, all of the 2023 Bonds then Outstanding.

If the City shall also pay or cause to be paid all other sums payable hereunder by the City, then and in that case, at the election of the City (as evidenced by a Certificate of the City, filed with the Trustee, signifying the intention of the City to discharge all such indebtedness and the Indenture), and notwithstanding that any 2023 Bonds shall not have been surrendered for payment, the Indenture and the pledge of Revenues and other assets made under the Indenture and all covenants, agreements and other obligations of the City under the Indenture shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon the Written Request of the City, the Trustee shall execute and deliver to the City all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver all moneys or securities or other property held by it pursuant to the Indenture which are not required for the payment or redemption of 2023 Bonds not theretofore surrendered for such payment or redemption to the City.

Section 10.02. Discharge of Liability on 2023 Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding 2023 Bonds (whether upon or prior to the maturity or the Redemption Date of such 2023 Bonds), provided that, if such Outstanding 2023 Bonds are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Article IV or provisions satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the City in respect of such 2023 Bonds shall cease, terminate and be completely discharged, and the Owners thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Trustee as aforesaid for their payment, subject however, to the provisions of Section 10.04.

The City may at any time surrender to the Trustee for cancellation by it any 2023 Bonds previously issued and delivered, which the City may have acquired in any manner whatsoever, and such 2023 Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 10.03. Deposit of Money or Securities with Trustee. Whenever in the Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any 2023 Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to the Indenture and shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount of such 2023 Bonds and all unpaid interest thereon to maturity, except that, in the case of 2023 Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in Article IV or provisions satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount of such 2023 Bonds and all unpaid interest and premium, if any, thereon to the Redemption Date; or

(b) Federal Securities the principal of and interest on which when due will, in the written opinion of an Independent Certified Public Accountant or Independent Financial Consultant filed with the City and the Trustee, provide money sufficient to pay the principal of and all unpaid interest to maturity, or to the Redemption Date (with premium, if any), as the case may be, on the 2023 Bonds to be paid or redeemed, as such principal, interest and premium, if any, become due, provided that in the case of 2023 Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice;

provided, in each case, that: (i) the Trustee shall have been irrevocably instructed (by the terms of the Indenture or by Written Request of the City) to apply such money to the payment of such principal, interest and premium, if any, with respect to such 2023 Bonds; and (ii) the City shall have delivered to the Trustee an opinion of Bond Counsel addressed to the City and the Trustee to the effect that such 2023 Bonds have been discharged in accordance with the Indenture (which opinion may rely upon and assume the accuracy of the Independent Certified Public Accountant's or Independent Financial Consultant's opinion referred to above).

Section 10.04. Payment of 2023 Bonds After Discharge of Indenture. Notwithstanding any provisions of the Indenture, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any 2023 Bonds and remaining unclaimed for two (2) years after the principal of all of the 2023 Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in the Indenture), if such moneys were so held at such date, or two (2) years after the date of deposit of such moneys if deposited after said date when all of the 2023 Bonds became due and payable, shall be repaid to the City free from the trusts created by the Indenture upon receipt of an indemnification agreement acceptable to the City and the Trustee indemnifying the Trustee with respect to claims of Owners of 2023 Bonds which have not yet been paid, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the City as aforesaid, the Trustee shall at the written direction of the City (at the cost of the City) first mail to the Owners of 2023 Bonds which have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the 2023 Bonds so payable and not presented and with respect to the provisions relating to the repayment to the City of the moneys held for the payment thereof.

## ARTICLE XI

## MISCELLANEOUS

Section 11.01. Liability of City Limited to Revenues. Notwithstanding anything in the Indenture or the 2023 Bonds, but subject to the priority of payment with respect to Operation and Maintenance Costs, the City shall not be required to advance any moneys derived from any source other than the Revenues, the Revenue Fund, the Rate Stabilization Fund and other moneys pledged under the Indenture for any of the purposes in the Indenture mentioned, whether for the payment of the principal of or interest on the 2023 Bonds or for any other purpose of the Indenture. Nevertheless, the City may, but shall not be required to, advance for any of the purposes hereof any funds of the City which may be made available to it for such purposes.

The obligation of the City to pay interest and principal on the 2023 Bonds is a special obligation of the City payable solely from the Net Revenues, and does not constitute a debt of the City or of the State of California or of any political subdivision thereof (other than the City) in contravention of any constitutional or statutory debt limitation or restriction.

Section 11.02. Successor Is Deemed Included in All References to Predecessor. Whenever in the Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in the Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.03. Limitation of Rights to Parties and 2023 Bond Owners. Nothing in the Indenture or in the 2023 Bonds expressed or implied is intended or shall be construed to give to any person other than the City, the Trustee and the Owners of the 2023 Bonds, any legal or equitable right, remedy or claim under or in respect of the Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the City, the Trustee and the Owners of the 2023 Bonds.

Section 11.04. Waiver of Notice; Requirement of Mailed Notice. Whenever in the Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in the Indenture any notice shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

Section 11.05. Destruction of 2023 Bonds. Whenever in the Indenture provision is made for the cancellation by the Trustee and the delivery to the City of any 2023 Bonds, the Trustee shall destroy such 2023 Bonds as may be allowed by law, and deliver a certificate of such destruction to the City.

Section 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in the Indenture or in the 2023 Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in the Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of the Indenture, and the Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The City hereby declares that it would have entered into the Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the 2023 Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of the Indenture may be held illegal, invalid or unenforceable.

Section 11.07. Notices. Any notice to or demand upon the City, the Trustee or the Original Purchaser shall be deemed to have been sufficiently given or served for all purposes by being sent by facsimile or email or by being deposited, first class mail, postage prepaid, in a post office letter box, addressed, as the case may be, to:

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| the City at: | City of McFarland<br>401 West Kern Avenue<br>McFarland, California 93250<br>Attention: Finance Director<br>email: dviramontes@mcfarlandcity.org<br>telephone: (661) 792-3091 |
| the Trustee at: | U.S. Bank Trust Company, National Association<br>633 West Fifth Street, 24th Floor<br>Los Angeles, California 90071<br>Attention: Global Corporate Trust Services<br>Reference: City of McFarland Water and Wastewater Series 2023<br>email: nabeel.badawi@usbank.com<br>telephone: (213) 615-6079 |
| the Original Purchaser at: | Signature Public Funding Corp.<br>600 Washington Avenue, Suite 305<br>Towson, Maryland 21204<br>Attention: Donald Keough, Senior Managing Director<br>e-mail: dkeough@signatureny.com<br>telephone: (410)704-0027 |

Notwithstanding the foregoing provisions of this Section 11.07, the Trustee shall not be deemed to have received, and shall not be liable for failing to act upon the contents of, any notice unless and until the Trustee actually receives such notice.

Section 11.08. Evidence of Rights of 2023 Bond Owners. Any request, consent or other instrument required or permitted by the Indenture to be signed and executed by 2023 Bond Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such 2023 Bond Owners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of 2023 Bonds transferable by delivery, shall be sufficient for any purpose of the Indenture and shall be conclusive in favor of the Trustee and the City if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The Ownership of 2023 Bonds shall be proved by the Registration Books.

Any request, consent, or other instrument or writing of the Owner of any 2023 Bond shall bind every future Owner of the same 2023 Bond and the Owner of every 2023 Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the City in accordance therewith or reliance thereon.

Section 11.09. Disqualified 2023 Bonds. In determining whether the Owners of the requisite aggregate principal amount of 2023 Bonds have concurred in any demand, request, direction, consent or waiver under the Indenture, 2023 Bonds which are known by the Trustee to be owned or held by or for the account of the City, or by any other obligor on the 2023 Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the City or any other obligor on the 2023 Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. 2023 Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such 2023 Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the City or any other obligor on the 2023 Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request, the City shall certify to the Trustee those 2023 Bonds that are disqualified pursuant to this Section 11.09 and the Trustee may conclusively rely on such certificate.

Section 11.10. Money Held for Particular 2023 Bonds. The money held by the Trustee for the payment of the interest, principal or premium due on any date with respect to particular 2023 Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the 2023 Bonds entitled thereto, subject, however, to the provisions of Section 10.04 hereof but without any liability for interest thereon.

Section 11.11. Funds and Accounts. Any fund or account required by the Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with corporate trust industry standards to the extent practicable, and with due regard for the requirements of Section 6.05(a) and for the protection of the security of the 2023 Bonds and the rights of every Owner thereof.

Section 11.12. Waiver of Personal Liability. No member, officer, agent, employee, consultant or attorney of the City shall be individually or personally liable for the payment of the principal of or premium or interest on the 2023 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent, employee, consultant or attorney from the performance of any official duty provided by law or by the Indenture.

Section 11.13. Execution in Several Counterparts. The Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the City and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.14. [Reserved].

Section 11.15. Choice of Law. THE INDENTURE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

Section 11.16. Paired Obligation Provider Guidelines. For purposes of Sections 6.14 and 6.21, Paired Obligations shall comply with the following conditions:

(a) A Paired Obligation Provider shall initially have a long-term rating of A- or better by S&P and A3 or better by Moody's.

(b) So long as the long-term rating of the Paired Obligation Provider is not reduced below Baa2 by S&P or BBB by Moody's, the interest rate of such Paired Obligation shall be deemed to be equal to the irrevocable fixed interest rate attributable thereto for purposes of Sections 6.14 and 6.21.

In the event that a Paired Obligation Provider does not maintain the Minimum Rating Requirement and the City does not replace such Paired Obligation Provider with another Paired Obligation Provider which maintains the Initial Rating Requirement within ten (10) Business Days of notice that the Paired Obligation Provider has not maintained the Minimum Rating Requirement, interest with respect to such Paired Obligations shall be computed for purposes of Sections 6.14 and 6.21 without regard to payments to be received from the Paired Obligation Provider.

IN WITNESS WHEREOF, the City has caused the Indenture to be signed in its name by its Authorized Representative, and the Trustee, in token of its acceptance of the duties of the Trustee created hereunder, has caused the Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

CITY OF MCFARLAND

By: ______________________________
Mayor

ATTEST:

______________________________
City Clerk

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

By: ______________________________
Authorized Officer

## EXHIBIT A

## FORM OF 2023 BOND

***THE REGISTERED OWNER OF THIS BOND ACKNOWLEDGES AND AGREES THAT THIS BOND MAY ONLY BE TRANSFERRED UPON SATISFACTION OF THE REQUIREMENTS IN THE INDENTURE, INCLUDING THE DELIVERY TO THE TRUSTEE OF AN INVESTOR LETTER IN THE FORM REQUIRED BY THE INDENTURE. ANY TRANSFER OF THIS BOND IN VIOLATION OF THE TRANSFER RESTRICTIONS CONTAINED IN THE INDENTURE SHALL BE VOID AND OF NO EFFECT.***

No. R-1 $5,076,000

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

CITY OF MCFARLAND
WATER AND WASTEWATER REVENUE REFUNDING BONDS, SERIES 2023

| INTEREST RATE | MATURITY DATE | ORIGINAL ISSUE DATE |
|---|---|---|
| 4.410% | October 1, 2039 | June 15, 2023 |

REGISTERED OWNER SIGNATURE PUBLIC FUNDING CORP.

PRINCIPAL AMOUNT: FIVE MILLION AND SEVENTY-SIX THOUSAND DOLLARS

The CITY OF MCFARLAND, a general law city that is duly organized and existing under and by virtue of the laws of the State of California (the "City"), for value received, hereby promises to pay to the Registered Owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount specified above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless: (i) this Bond is authenticated after the fifteenth day of the calendar month preceding an interest payment date, whether or not such day is a business day, and on or before the following interest payment date, in which event it shall bear interest from such interest payment date; or (ii) this Bond is authenticated on or before September 15, 2023, in which event it shall bear interest from the Original Issue Date identified above; provided, however, that if as of the date of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond), at the Interest Rate per annum specified above, payable on October 1, 2023 and each April 1 and October 1 thereafter, calculated on the basis of a 360 day year composed of twelve 30 day months. Principal hereof and premium, if any, upon early redemption hereof are payable by check of the Trustee upon presentation and surrender hereof at the Office (as defined in the hereinafter described Indenture) of U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), except as described in the Indenture. Interest hereon is payable by check of the Trustee sent by first class mail or by wire transfer on the applicable interest payment date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books of the Trustee as of the close of business on the fifteenth day of the month preceding each interest payment date (except that in the case of a Registered Owner of one million dollars ($1,000,000) or more in principal amount, such payment may, at such Registered Owner's option, be made by wire transfer of immediately available funds to an account in the United States in accordance with written instructions provided to the Trustee by such Registered Owner prior to the fifteenth day of the month preceding such interest payment date).

Upon the occurrence of an Event of Default (as such term is defined in the Indenture of Trust, dated as of June 1, 2023 (the "Indenture"), by and between the City and the Trustee), this Bond shall bear interest at the Default Rate. If an Event of Taxability (as such term is defined in the Indenture) shall occur, the principal amount of this Bond will thereafter bear interest at the Taxable Rate (as such term is defined in the Indenture). For clarification purposes and so long as no Event of Default or Event of Taxability has occurred, a complete debt service schedule along with the principal and interest payment dates is attached hereto as Schedule I.

This Bond is not a debt of the State of California, or any of its political subdivisions (other than the City), and neither the State, nor any of its political subdivisions (other than the City), is liable hereon, nor in any event shall this Bond be payable out of any funds or properties of the City other than the Net Revenues (as such term is defined in the Indenture) and other moneys pledged therefor under the Indenture. The obligation of the City to make payments in accordance with the Indenture is a limited obligation of the City as set forth in the Indenture and the City shall have no liability or obligation in connection herewith except with respect to such payments to be made pursuant to the Indenture. This Bond does not constitute an indebtedness of the City in contravention of any constitutional or statutory debt limitation or restriction.

This Bond is one of a duly authorized issue of bonds of the City designated as the "City of McFarland Water and Wastewater Revenue Refunding Bonds, Series 2023" (the "2023 Bonds"), of an aggregate principal amount of Five Million and Seventy-Six Thousand Dollars ($5,076,000), all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers or interest rates) and all issued pursuant to the provisions of Articles 9, 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, including but not limited to Section 53583, and pursuant to the Indenture and the resolution authorizing the issuance of the 2023 Bonds. Reference is hereby made to the Indenture (copies of which are on file at the offices of the City) and all supplements thereto for a description of the terms on which the 2023 Bonds are issued, the provisions with regard to the nature and extent of the Net Revenues, and the rights thereunder of the Owners of the 2023 Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the City hereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees. The 2023 Bonds have been issued in fully registered form without coupons in denominations of $1,000 or any integral multiple thereof.

So long as this Bond is owned by Signature Public Funding Corp. or its successors and assigns (the "Original Purchaser"), the following shall apply: (a) this Bond is not required to be presented and surrendered to the Trustee for payment at any time, except following payment after the final maturity thereof and receipt of all amounts due and owing in good and indefeasible funds, and (b) the Trustee will pay the principal of and interest on this Bond by wire transfer to the Original Purchaser in accordance with the wire transfer instructions provided by the Original Purchaser to the Trustee from time to time; provided that following receipt by the Original Purchaser of the principal and interest on this Bond which is payable at maturity in good and indefeasible funds, the Original Purchaser shall surrender this Bond in accordance with the Indenture.

The 2023 Bonds have been issued by the City to refund all of the outstanding McFarland Public Financing Authority Revenue Bonds, 2010 Series A (Water and Wastewater Financing Projects), as more fully described in the Indenture.

This Bond and the interest, premium, if any, hereon and all other 2023 Bonds and the interest and premium, if any, thereon (to the extent set forth in the Indenture) are special obligations of the City, secured by a pledge and lien on the Revenues and any other amounts on deposit in certain funds and accounts created under the Indenture, and payable from the Net Revenues. As and to the extent set forth in the Indenture, all of the Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of and interest and premium (if any) on this Bond.

The Indenture and the rights and obligations of the City and the Owners of the 2023 Bonds and the Trustee may be modified or amended from time to time and at any time with the written consent of the Owners of a majority in aggregate principal amount of all 2023 Bonds then Outstanding, exclusive of Bonds disqualified as set forth in the Indenture, in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall: (i) extend the fixed maturity of any 2023 Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the owner of each 2023 Bond so affected; or (ii) reduce the aforesaid percentage of 2023 Bonds the consent of the Owners of which is required to affect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture except as permitted in the Indenture, or deprive the Owners of the 2023 Bonds of the lien created by the Indenture on such Revenues and other assets, except as expressly provided in the Indenture, without the consent of the Owners of all of the 2023 Bonds then Outstanding.

The Indenture and the rights and obligations of the City, of the Trustee and the Owners of the 2023 Bonds may also be modified or amended for certain purposes described more fully in the Indenture at any time in the manner, to the extent and upon the terms provided in the Indenture by a supplemental indenture, which the City and the Trustee may enter into with the consent of the Original Purchaser for so long as a majority in aggregate principal amount of the Outstanding 2023 Bonds are owned by the Original Purchaser, but otherwise without the consent of any 2023 Bond Owners, if the Trustee shall receive an opinion of Bond Counsel to the effect that the provisions of such supplemental indenture will not materially adversely affect the interests of the Owners of the Outstanding 2023 Bonds.

The 2023 Bonds are subject to redemption on any Interest Payment Date in whole, but not in part, at the option of the City, as directed by the City in a Written Request of the City provided to the Trustee at least 35 days (or such lesser number of days acceptable to the Trustee in its sole discretion, such notice for the convenience of the Trustee) prior to the redemption date, from any source of funds, at the following Redemption Prices, expressed as a percentage of the principal amount to be redeemed, together with all regularly scheduled principal and interest due on the 2023 Bonds on such Interest Payment Date and accrued interest to the Redemption Date:

| *Redemption Date* | *Redemption Price* |
|---|---|
| October 1, 2023 and each Interest Payment Date thereafter through (and including) October 1, 2029 | 101.5% |
| April 1, 2030 and October 1, 2030 | 101.0 |
| April 1, 2031 and October 1, 2031 | 100.5 |
| April 1, 2031 and any Interest Payment Date thereafter | 100.0 |

The 2023 Bonds are subject to mandatory sinking fund redemption in part (by lot) on October 1, 2023 and each October 1 thereafter to maturity, in integral multiples of $1,000 at a Redemption Price equal to the principal amount thereof plus accrued interest to the Redemption Date, without premium, in accordance with the below schedule. On each of the following payment dates, the Trustee shall pay from the Principal Account an amount equal to the payment or payments due on such date as set forth below.

| *Mandatory Sinking Fund Redemption Date (October 1)* | *Principal Amount* |
|---|---|
| 2023 | $248,000 |
| 2024 | 212,000 |
| 2025 | 222,000 |
| 2026 | 232,000 |
| 2027 | 242,000 |
| 2028 | 253,000 |
| 2029 | 265,000 |
| 2030 | 277,000 |
| 2031 | 289,000 |
| 2032 | 302,000 |
| 2033 | 316,000 |
| 2034 | 330,000 |
| 2035 | 345,000 |
| 2036 | 360,000 |
| 2037 | 377,000 |
| 2038 | 394,000 |
| 2039* | 412,000 |

* Final Maturity.

As provided in the Indenture, notice of redemption shall be mailed by the Trustee to the Owners by first class mail at least 30 days but not more than 60 days prior to the date fixed for redemption to the respective Owners of any 2023 Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, but neither the failure to receive such notice nor any defect in the notice or the mailing thereof shall affect the validity of the redemption.

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

If an Event of Default, as defined in the Indenture, shall occur, the principal of all of the 2023 Bonds and the interest accrued thereon may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This Bond is transferable by the Registered Owner hereof, in person or by his or her duly authorized attorney in writing, at the office of the Trustee but only in the manner, subject to the limitations and upon payment of the taxes and charges provided in the Indenture and upon surrender and cancellation of this Bond. Upon registration of such transfer, a new 2023 Bond or 2023 Bonds of the same series, of authorized denomination or denominations, for the same aggregate principal amount of the same maturity will be issued to the transferee in exchange therefor.

This Bond may be exchanged at said office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same series and same maturity, but only in the manner, subject to the limitations and upon payment of the taxes and charges provided in the Indenture.

The Trustee shall not be required to register the transfer or exchange of this Bond during the period in which the Trustee is selecting 2023 Bonds for redemption or if this Bond has been selected for redemption.

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

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Indenture and the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any limit under any laws of the State of California, and is not in excess of the amount of 2023 Bonds permitted to be issued under the Indenture. The terms and provisions of the Indenture are fully incorporated by reference herein and shall constitute a contract for the benefit of the Owners of the Bonds.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the City has caused this Bond to be executed in its name and on its behalf with the manual or facsimile signature of its Mayor and attested to by the manual or facsimile signature of its City Clerk as of the Original Issue Date.

CITY OF MCFARLAND

By: ________________________________________
Mayor

ATTEST:

________________________________________
City Clerk

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
TO APPEAR ON BONDS]

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

Dated: June 15, 2023

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

By: ______________________________
Authorized Signatory

[FORM OF LEGAL OPINION]

The following 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 McFarland

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

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

the within registered Bond and hereby irrevocably constitute(s) and appoint(s) __________________ _________________________ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: ____________

______________________________________

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

Signature Guaranteed:

______________________________________

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

<u>SCHEDULE I</u>

[INSERT INDENTURE EXHIBIT C]

**EXHIBIT B**

**FORM OF INVESTOR LETTER**

City of McFarland
401 West Kern Avenue
McFarland, California 93250

*Re: City of McFarland Water and Wastewater Revenue Refunding Bonds, Series 2023*

Ladies and Gentlemen:

The undersigned (the "Purchaser") understands that the City of McFarland (the "City") has issued its Water and Wastewater Revenue Refunding Bonds, Series 2023 in the aggregate principal amount of $5,076,000. The Purchaser intends to purchase said bonds (for purposes of this Investor Letter, the "Bonds"). In connection with such purchase of the Bonds, the Purchaser makes the certifications, representations, warranties, acknowledgements and covenants contained in this Investor Letter to each of the addressees hereof, with the express understanding that such certifications, representations, warranties, acknowledgements and covenants will be relied upon by such addressees.

The Purchaser hereby certifies, represents, warrants, acknowledges and covenants as follows:

(a) The Purchaser is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was incorporated or formed and is authorized to invest in the Bonds being purchased hereby. The person executing this letter on behalf of the Purchaser is duly authorized to do so on the Purchaser's behalf.

(b) The Purchaser (MARK APPROPRIATELY) is:

__x__ a "qualified institutional buyer" (a "Qualified Institutional Buyer") within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the "Securities Act"), or

____ an "accredited investor" (an "Institutional Accredited Investor") as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act.

(c) The Purchaser is not purchasing the Bonds for more than one account, is presently purchasing the Bonds for its own account (or that of its consolidated taxpayer group) and is not purchasing the Bonds with a current view to distributing the Bonds.

(d) The Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other tax-exempt obligations similar to the Bonds, to be capable of evaluating the merits and risks of an investment in the Bonds, and the Purchaser is able to bear the economic risks of such an investment.

(e) The Purchaser recognizes that an investment in the Bonds involves significant risks, that there is no established market for the Bonds and that none is likely to develop and, accordingly, that the Purchaser must bear the economic risk of an investment in the Bonds for an indefinite period of time.

(f) The Purchaser understands and agrees that ownership of a Bond may be transferred: (i) only to a person that the Purchaser reasonably believes is either: (A) a Qualified Institutional Buyer that is purchasing such Bond for not more than one account, for their own account and not with a view to distributing such Bond; or (B) an Institutional Accredited Investor that is purchasing such Bond for not more than one account for investment purposes and not with a view to distributing such Bond; and (ii) only if such Qualified Institutional Buyer or Institutional Accredited Investor delivers to the City a completed and duly executed Investor Letter substantially in the form hereof.

(g) The Purchaser is not relying upon the City, or any of its affiliates, agents or employees, for advice as to the merits and risks of investment in the Bonds. The Purchaser understands that the Bonds are not general obligations of the City, but are special, limited obligations payable and secured solely from Revenues of the City's Water System and Wastewater System, as provided for in the Indenture of Trust, dated as of June 1, 2023, by and between the City and U.S. Bank Trust Company, National Association, as Trustee. The Purchaser has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision.

(h) The Purchaser has conducted its own independent examination of, and has had an opportunity to ask questions and receive answers concerning, the City, the City's financial condition, the Water System and Wastewater System of the City, the authorizing resolution of the City with respect to the Bonds (the "Resolution"), the Bonds and the security therefor and the transactions and documents related to or contemplated by the foregoing.

(i) The Purchaser has been furnished with all documents and information regarding the City, the Resolution, the Bonds and the security therefor and the transactions and documents related to or contemplated by the foregoing, and all matters related thereto, that it has requested.

(j) The Purchaser understands and agrees that: (i) the offering and sale of the Bonds are exempt from Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, pursuant to Section (d) of said Rule; (ii) the Bonds will not be listed on any stock or other securities exchange and were issued without registration under the provisions of the Securities Act of 1933 or any state securities laws; (iii) no official statement or other disclosure document is being prepared in connection with the issuance of the Bonds; and (iv) the Bonds will not carry any rating from any rating service.

(k) The person executing this letter on behalf of the Purchaser is duly authorized to do so on the Purchaser's behalf.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Purchaser has executed this Investor Letter as of the date set forth below.

Dated: June 15, 2023

Very truly yours,

SIGNATURE PUBLIC FUNDING CORP.,
as Purchaser

By: ______________________________________
Donald S. Keough
Senior Managing Director

**EXHIBIT C**

**DEBT SERVICE SCHEDULE**

| ***Interest Payment Date*** | ***Amount Attributable to Water System [TO BE UPDATED]*** | ***Amount Attributable to Wastewater System [TO BE UPDATED]*** | ***Total Payment*** | ***Portion of Total Payment Attributable to Principal*** | ***Portion of Total Payment Attributable to Interest***[(1)] | ***Remaining Principal Balance After Payment*** |
|---|---|---|---|---|---|---|
| 10/1/2023 | $ 103,599.48 | $ 210,338.35 | $ 313,911.86 | $ 248,000.00 | 65,911.86 | |
| 4/1/2024 | 35,145.49 | 71,356.01 | 106,457.40 | - | 106,457.40 | |
| 10/1/2024 | 105,105.49 | 213,396.01 | 318,457.40 | 212,000.00 | 106,457.40 | |
| 4/1/2025 | 33,602.88 | 68,224.02 | 101,782.80 | - | 101,782.80 | |
| 10/1/2025 | 106,862.88 | 216,964.02 | 323,782.80 | 222,000.00 | 101,782.80 | |
| 4/1/2026 | 31,987.49 | 64,944.31 | 96,887.70 | - | 96,887.70 | |
| 10/1/2026 | 108,547.49 | 220,384.31 | 328,887.70 | 232,000.00 | 96,887.70 | |
| 4/1/2027 | 30,299.35 | 61,516.85 | 91,772.10 | - | 91,772.10 | |
| 10/1/2027 | 110,489.35 | 224,326.85 | 333,771.10 | 242,000.00 | 91,772.10 | |
| 4/1/2028 | 28,531.16 | 57,926.89 | 86,436.00 | - | 86,436.00 | |
| 10/1/2028 | 112,021.16 | 227,436.89 | 339,436.00 | 253,000.00 | 86,436.00 | |
| 4/1/2029 | 26,690.20 | 54,189.20 | 80,857.35 | - | 80,857.35 | |
| 10/1/2029 | 114,140.20 | 231,739.20 | 345,857.35 | 265,000.00 | 80,857.35 | |
| 4/1/2030 | 24,761.93 | 50,274.22 | 75,014.10 | - | 75,014.10 | |
| 10/1/2030 | 116,171.93 | 235,864.22 | 352,014.10 | 277,000.00 | 75,014.10 | |
| 4/1/2031 | 22,746.34 | 46,181.96 | 68,906.25 | - | 68,906.25 | |
| 10/1/2031 | 118,116.34 | 239,811.96 | 357,906.25 | 289,000.00 | 68,906.25 | |
| 4/1/2032 | 20,643.43 | 41,912.42 | 62,533.80 | - | 62,533.80 | |
| 10/1/2032 | 120,303.43 | 244,252.42 | 364,533.80 | 302,000.00 | 62,533.80 | |
| 4/1/2033 | 18,445.93 | 37,450.82 | 55,874.70 | - | 55,874.70 | |
| 10/1/2033 | 122,725.93 | 249,170.82 | 371,874/70 | 316,000.00 | 55,874.70 | |
| 4/1/2034 | 16,146.55 | 32,782.40 | 48,906.90 | - | 48,906.90 | |
| 10/1/2034 | 125,046.55 | 253,882.40 | 378,906.90 | 330,000.00 | 48,906.90 | |
| 4/1/2035 | 13,745.31 | 27,907.14 | 41,630.40 | - | 41,630.40 | |
| 10/1/2035 | 127,595.31 | 259,057.14 | 386,630.40 | 345,000.00 | 41,630.40 | |
| 4/1/2036 | 11,234.92 | 22,810.28 | 34,023.15 | - | 34,023.15 | |
| 10/1/2036 | 130,364.92 | 264,680.28 | 395,023.15 | 366,000.00 | 34,023.15 | |
| 4/1/2037 | 8,608.10 | 17,477.05 | 26,085.15 | - | 26,085.15 | |
| 10/1/2037 | 133,018.10 | 270,067.05 | 403,085.15 | 377,000.00 | 26,085.15 | |
| 4/1/2038 | 5,864.86 | 11,907.44 | 17,772.30 | - | 17,772.30 | |
| 10/1/2038 | 135,884.86 | 275,887.44 | 411,772.30 | 394,000.00 | 17,772.30 | |
| 4/1/2039 | 2,997.92 | 6,086.68 | 9,084.60 | - | 9,084.60 | |
| 10/1/2039 | 138,957.92 | 282,126.68 | 421,084.60 | 412,000.00 | 9,084.60 | |
| TOTAL | $2,360,403.20 | $4,792,333.73 | $7,149,961.25 | $5,076,000.00 | $2,073,961.26 | |

(1) Reflects scheduled interest, assuming that no Event of Default or Event of Taxability has occurred.

**$5,076,000**
**CITY OF MCFARLAND**
**WATER AND WASTEWATER REVENUE REFUNDING BONDS, SERIES 2023**

# BOND PURCHASE CONTRACT

June 15, 2023

City of McFarland
401 West Kern Avenue
McFarland, California 93250
Attention: Finance Director

Ladies and Gentlemen:

The undersigned, Signature Public Funding Corp., a New York corporation and wholly-owned affiliate of Flagstar Bank, N.A. (the "**Purchaser**"), does hereby offer to enter into this Bond Purchase Contract (the "**Purchase Contract**") with the City of McFarland, a general law city that is duly organized and existing under and by virtue of the laws of the State of California (the "**City**"), which, upon your acceptance hereof, will be binding upon the City and the Purchaser. This offer is made subject to acceptance by the City prior to 11:59 p.m., California time, on the date hereof.

Section 1. Purchase and Sale of the Bonds. Upon the terms and conditions and in reliance upon the basis of the representations, warranties and covenants herein set forth, the Purchaser hereby agrees to purchase from the City for its own account, and the City hereby agrees to sell to the Purchaser, all (but not less than all) of the $5,076,000 aggregate principal amount of the City's Water and Wastewater Revenue Refunding Bonds, Series 2023 (the "**Bonds**"), at a purchase price of $5,076,000.00 (representing the principal amount of the Bonds).

Section 2. The Bonds. The Bonds shall: (a) be dated the date of their delivery (the "**Closing Date**"); and (b) mature on the date(s), in the year(s), and accrue interest computed at the rate(s) as set forth in Exhibit A hereto, which is incorporated herein by reference.

In all other respects, the Bonds shall be as described in, and shall be issued and secured pursuant to the provisions of the Resolution of the City Council of the City adopted on June 8, 2023 (the "**Resolution**") and Articles 9, 10 and 11 of Chapter 3 of Part I of Division 2 of Title 5 of the California Government Code and other applicable law (collectively, the "**Act**"). All capitalized terms used herein without definition shall have the meanings given to them in the Indenture.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Contract and the Resolution and authenticated by U.S. Bank Trust Company, National Association, as the trustee (the "**Trustee**") under an Indenture of Trust, dated as of June 1, 2023 (the "**Indenture**"), by and between the City and the Trustee.

The net proceeds of the Bonds will be applied in accordance with the Indenture and an Escrow Agreement (2010 Bonds), dated as of June 1, 2023 (the "**Escrow Agreement**"), by and among the City, the McFarland Public Financing Authority (the "**Authority**") and U.S. Bank Trust Company, National Association, as escrow agent (the "**Escrow Agent**"), to prepay and defease all of the $5,525,000 outstanding aggregate principal amount of McFarland Public Financing Authority Revenue Bonds, 2010 Series A (Water and Wastewater Financing Projects) (the "**Refunded Bonds**").

Section 3. <u>Provision of City Information</u>. The City has provided certain information to the Purchaser in connection with the Purchaser's consideration of an investment in the Bonds.

Section 4. <u>Continuing Disclosure</u>. The City and the Purchaser acknowledge that the Bonds are exempt from the requirements of Paragraph (b)(5)(i) of the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12) (the "**Rule**").

Section 5. <u>Representations, Warranties and Covenants of the City</u>. The City represents, warrants and covenants to the Purchaser that:

(a) <u>Due Organization</u>. The City is and will be on the Closing Date a general law city that is duly organized and existing under and by virtue of the laws of the State of California (the "**State**"), with the power to issue the Bonds pursuant to the Act, to adopt the Resolution and to enter into this Purchase Contract.

(b) <u>Enforceability of Documents</u>. (i) At or prior to the Closing Date, the City will have taken all action required by it to authorize the issuance and delivery of the Bonds; (ii) the City has all necessary power and authority to execute and deliver this Purchase Contract, the Escrow Agreement and the Indenture, to adopt the Resolution, to issue and to deliver the Bonds, to perform its obligations under each such document or instrument (collectively, the "**City Documents**") and to carry out and effectuate the transactions contemplated by the City Documents; and (iii) when duly authenticated by the Trustee, the Bonds will constitute legally valid and binding obligations of the City, enforceable against the City in accordance with their terms except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

(c) <u>Authorization</u>. By official action of the City prior to or concurrently with the acceptance hereof, the City has duly authorized and approved the execution and delivery of the City Documents, the performance by the City of the obligations on its part contained therein and the consummation by the City of all other transactions contemplated by the Resolution and this Purchase Contract.

(d) <u>No Conflicts</u>. The issuance of the Bonds, the adoption of the Resolution, the execution and delivery of the other City Documents and compliance with the provisions on the City's part contained herein and therein will not conflict with or constitute a breach of or default under the Constitution of the State, any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument.

(e) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby. The City gives no representation or warranty with regard to compliance with Blue Sky or similar securities requirements.

(f) Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the best knowledge of the City, threatened against the City: (i) affecting the existence of the City or the titles of its officers required to approve or sign documents necessary for the delivery of the Bonds, to their respective offices or seeking to prohibit, restrain or enjoin the issuance of the Bonds or the execution and delivery of the City Documents; (ii) affecting delivery of the Bonds; (iii) in any material way contesting or affecting the validity or enforceability of the Bonds or any other City Document; (iv) contesting the powers of the City or its authority to enter into, adopt or perform its obligations under any of the foregoing, including, but not limited to, the consummation of the transactions contemplated in this Purchase Contract; (v) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection of the Revenues (as such term is defined in the Indenture) to pay the principal of and interest on the Bonds, or the application thereof; or (vi) wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or any other City Document, or in which a final adverse decision could materially adversely affect the operations of the City, the exclusion of the interest paid on the Bonds from gross income for federal tax purposes or the exemption of such interest from State of California personal income taxation.

(g) No Violation of Debt Limitation. To the best knowledge of the City, it has not been, is not presently and, as a result of the sale, issuance and delivery of the Bonds, will not be in violation of any debt limitation, appropriation limitation or any other provision of the California Constitution that would materially adversely affect the City's obligations under this Purchase Contract.

(h) Security for the Bonds. The Bonds are secured by a pledge of Revenues, and are payable from Net Revenues, of the City's Water System and Wastewater System (as such terms are defined in the Indenture).

(i) Internal Revenue Code. The City has complied with the Internal Revenue Code of 1986, as amended (the "**Tax Code**"), with respect to the Bonds, and the City shall not take or fail to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable State tax of the interest on the Bonds.

(j) No Other Debt. Between the date hereof and the Closing Date, without the prior written consent of the Purchaser, the City will not have issued any bonds, notes or other obligations for borrowed money payable from Net Revenues or secured by a pledge of Revenues of the Water System or Wastewater System.

(k) Certificates. Except as specifically provided, any certificates signed by any officer of the City and delivered to the Purchaser shall be deemed a representation and warranty by the City to the Purchaser, but not by the person signing the same, as to the statements made therein.

(l) No Financial Advisory or Fiduciary Relationship. The City acknowledges and agrees that: (i) the transaction contemplated herein is an arm's length commercial transaction between the City and the Purchaser and its affiliates; (ii) in connection with such transaction, the Purchaser and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "**Municipal Advisor Rules**"), agent or a fiduciary of the City; (iii) the Purchaser and its affiliates are relying on the bank exemption in the Municipal Advisor Rules; (iv) the Purchaser and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Purchaser, or any affiliate of the Purchaser, has provided other services or advised, or is currently providing other services or advising the City on other matters); (v) the Purchaser and its affiliates have financial and other interests that differ from those of the City; and (vi) the City has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

(m) Sovereign Immunity. The City does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under the Resolution or otherwise with respect to the Bonds. To the extent that the City has or hereafter may acquire under any applicable law any rights to immunity from legal proceedings on the grounds of sovereignty, the City hereby waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to the Resolution or otherwise with respect to the Bonds.

(n) Financial Condition. The financial statements of the City for the year ended June 30, 2021, supplied to the Purchaser: (i) were prepared in accordance with generally accepted accounting principles, consistently applied; and (ii) fairly present the City's financial condition as of the date of the statements. Other than as otherwise disclosed to the Purchaser, there has been no material adverse change in the City's financial condition subsequent to June 30, 2021.

(o) Facilitation of Transfers. The City hereby agrees that, upon the request of the Purchaser, the City shall answer questions from and furnish all documents and information requested by a potential buyer of the Bonds concerning the City, the Resolution, the Bonds and the security therefor, and the transactions and documents related to or contemplated by the foregoing and all matters related thereto.

(p) Anti-Corruption.

(i) For purposes of this paragraph (r), the following terms shall have the following meanings: (1) "**Anti-Corruption Laws**" means all laws, rules, and regulations of any jurisdiction applicable to the City, its subsidiaries or affiliates from time to time concerning or relating to bribery or corruption. (2) "**Patriot Act**" or "**USA Patriot Act**" means the USA Patriot Act signed into law on October 26, 2001 (U.S.C. Section 5318), as the same may be amended, supplemented or modified from time to time. (3) "**Person**" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof. (4) "**Sanctioned Country**" means, at any time, a country or territory which is the subject or target of any Sanctions. (5) "**Sanctioned Person**" means, at any time: (I) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or by the United Nations Security Council, the European Union or any EU member state; (II) any Person operating, organized or resident in a Sanctioned Country; or (III) any Person controlled by any such Person. (6) "**Sanctions**" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State.

(ii) Compliance with Anti-Corruption Laws, Sanctions Laws and Regulations. (1) The City has implemented and maintains in effect policies and procedures designed to ensure compliance by the City, its subsidiaries, affiliates and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the City, its subsidiaries, affiliates and their respective officers and employees and to the knowledge of the City its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects; (2) none of (I) the City, any subsidiary, affiliate or any of their respective directors, officers or employees; or (II) to the knowledge of the City, any agent of the City, any subsidiary or affiliate that will act in any capacity in connection with or benefit from the issuance of the Bonds, is a Sanctioned Person; and (3) no Bond, use of proceeds or other transaction contemplated by this Purchase Contract will violate Anti-Corruption Laws or applicable Sanctions.

(iii) Patriot Act. The City: (1) will comply with all foreign and domestic laws, rules and regulations (including the USA Patriot Act, foreign exchange control regulations, foreign asset control regulations and other trade-related regulations) now or hereafter applicable to the Bonds, the transactions underlying such Bonds or the City's execution, delivery and performance of this Purchase Contract; (2) will maintain in effect and enforce policies and procedures designed to ensure compliance by the City, its subsidiaries, affiliates and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions; (3) shall issue the Bonds, and shall not use, and shall use its best efforts to ensure that its subsidiaries, affiliates and its or their respective directors, officers, employees and agents not use, proceeds of the Bonds: (I) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws; (II) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country; or (III) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

Section 6. Representations, Warranties and Covenants of the Purchaser. The Purchaser represents to and agrees with the City that, as of the date hereof and as of the Closing Date:

(a) The Purchaser is a "Qualified Institutional Buyer" and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of a purchase of the Bonds.

(b) The Purchaser has conducted its own investigation into the merits and risks of an investment in the Bonds and has received, or been afforded access to, from the City or otherwise, all the information it deems necessary to make an investment decision with regard to the Bonds. The Purchaser understands that no disclosure document or offering statement has been prepared in connection with the issuance of the Bonds.

(c) The Purchaser acknowledges that it may only assign the Bonds: (i) in whole; and (ii) to a party that executes an Investor Letter substantially in the form of Exhibit B to the Indenture.

Section 7. Conditions to Closing. The Purchaser has entered into this Purchase Contract in reliance upon the representations and warranties of the City contained herein and the performance by the City of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Purchaser's obligations under this Purchase Contract are and shall be subject to the following further conditions as of the Closing Date:

(a) From the time of the execution and delivery of this Purchase Contract to the Closing Date, there shall not have been any: (i) material adverse change in the financial condition or general affairs of the City; (ii) event, court decision, proposed law or rule that may have the effect of changing the federal income tax status of the Bonds or the contemplated transactions; (iii) international or national crisis, suspension of stock exchange trading or banking moratorium materially affecting, in the Purchaser's opinion, the value of the Bonds to the Purchaser; or (iv) change in the rating of the City's Water System or Wastewater System or any statement released by any rating agency regarding a downgrading, suspension or withdrawal of any rating on any bonds of the City which, in the reasonable opinion of the Purchaser, materially and adversely affects the value of the Bonds to the Purchaser.

(b) The Purchaser hereby enters into this Purchase Contract in reliance upon its own due diligence and the representations and warranties of the City contained herein and the representations and warranties to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the City and the Trustee of their respective obligations both on and as of the date hereof and as of the Closing Date. Accordingly, the obligations of the Purchaser under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds shall be subject, at the option of the Purchaser, to the accuracy in all material respects of the representations and warranties 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 and the Trustee made in any certificate or document furnished pursuant to the provisions hereof, to the performance by the City and the Trustee of their respective obligations to be performed hereunder and under the City Document, at or prior to the Closing Date, and also shall be subject to the following additional conditions:

(i) At the Closing Date, the City Documents shall have been duly authorized, executed and delivered by the respective parties thereto, all in substantially the forms heretofore submitted to the Purchaser, with only such changes as shall have been agreed to in writing by the Purchaser, and shall be in full force and effect, and the City shall perform or have performed all of its obligations required under or specified in the Resolution or this Purchase Contract to be performed at or prior to the Closing;

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

(iii) At or prior to the Closing Date, the Purchaser shall have received the following documents, in each case satisfactory in form and substance to the Purchaser:

(A) Bond Opinion. The unqualified approving opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel to the City ("**Bond Counsel**"), dated the Closing Date, addressed to the City, as to the validity of the Bonds and the tax-exempt status of the Bonds;

(B) Reliance Letter. A reliance letter from Bond Counsel permitting the Purchaser to rely upon the approving opinion referred to in subparagraph 7(b)(iii)(A) above;

(C) Supplemental Opinion. A supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Purchaser, to the effect that:

(1) the Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(2) assuming due authorization, execution and delivery by the Purchaser, the Resolution and this Purchase Contract have been duly authorized, executed and delivered by the City and constitute the legal, valid and binding agreements of the City, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium and other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles (regardless of whether such enforceability is considered in equity or at law), to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against public entities in the State and except that no opinion is expressed with respect to any indemnification or contribution provisions contained in this Purchase Contract; and

(3) no authorization, approval, consent or other order of the State or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the City of this Purchase Contract or the consummation by the City of the other transactions contemplated by such agreement (provided that no opinion need be expressed as to any action required under the state securities or blue sky laws in connection with the purchase of the Bonds by the Purchaser);

(D) Defeasance Opinion. An opinion of Bond Counsel, dated the Closing Date and addressed to the Purchaser, as to the defeasance of the Refunded Bonds, in form and substance acceptable to the Purchaser;

(E) Verification Report. A report of an independent certified public accountant affirming that the deposit of funds as set forth in Escrow Agreement will be sufficient to refund the Refunded Bonds;

(F) Certificate of the City. A certificate signed by a duly authorized official of the City to the effect that: (I) the City Documents have been duly executed and delivered; (II) the representations, warranties and covenants of the City herein are true and correct in all material respects as of the Closing Date; and (III) the City has complied with all of the terms of the City Documents to be complied with by the City prior to or concurrently with the Closing Date and such documents are in full force and effect;

(G) Resolution. A certificate of the City Clerk of the City or his or her designee, together with a fully executed copy of the Resolution, to the effect that: (I) such copy is a true and correct copy of the Resolution; and (II) the Resolution is duly adopted and has not been modified, amended, rescinded or revoked except as provided herein, and is in full force and effect on the Closing Date;

(H) City Documents. An executed copy of this Purchase Contract;

(I) Investor Letter. An executed copy of the Investor Letter in substantially the form attached as Exhibit B to the Indenture;

(J) Tax Certifications. Tax certifications by the City in form and substance acceptable to Bond Counsel;

(K) CDIAC. Copies of preliminary filings with the California Debt and Investment Advisory Commission ("**CDIAC**") relating to the Bonds;

(L) Debt Management Policy. Evidence that the City has adopted a local debt policy in accordance with Government Code Section 8855(i).

(M) Trustee/Escrow Agent Certificate. A certificate of U.S. Bank Trust Company, National Association, as Trustee under the Indenture and Escrow Agent under the Escrow Agreement, relating to the execution of the Indenture and the Escrow Agreement, in form and substance satisfactory to the Purchaser;

(N) Trustee/Escrow Agent Counsel Opinion. An opinion of counsel to the Trustee/Escrow Agent, in form and substance satisfactory to the Purchaser; and

(O) Additional Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel or the Purchaser may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the representations contained herein and the due performance or satisfaction by the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

Section 8. Additional Closing Conditions for the City. The City has entered into this Purchase Contract in reliance upon the representations and warranties of the Purchaser contained herein and the performance by the Purchaser of its obligations hereunder, both as of the date hereof and as of the Closing Date. The respective obligations of the City hereunder are and shall be subject to the receipt of the Purchaser, in form satisfactory to the City and signed by an authorized officer of the Purchaser, confirming delivery of the Bonds to the Purchaser and the satisfaction of all conditions and terms of this Purchase Contract by the City and confirming to the City that as of the Closing Date all of the representations of the Purchaser contained in this Purchase Contract are true and correct in all material respects.

Section 9. Termination. All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if they are in form and substance satisfactory to the Purchaser. Receipt of, and payment for, the Bonds shall constitute evidence of the satisfactory nature of such as to the Purchaser. The performance of any and all obligations of the City hereunder and the performance of any and all conditions contained herein for the benefit of the Purchaser may be waived by the Purchaser in the Purchaser's sole discretion.

If the City shall be unable to satisfy the conditions to the obligations of the Purchaser to purchase, accept delivery of and pay for the Bonds contained in this Purchase Contract, or if the obligations of the Purchaser to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate, and neither the Purchaser nor the City shall be under further obligation hereunder; provided, however, that the respective obligations of the City and the Purchaser set forth in Section 10 hereof shall continue in full force and effect.

Section 10. Expenses. The fees and disbursements of Bond Counsel, the fees and disbursements of the City's placement agent and municipal advisor, the cost of preparing the Bonds, CDIAC fees, the fees of the Trustee for the Bonds, fees of counsel to the Purchaser, fees of the Verification Agent and other miscellaneous expenses of the City incurred in connection with the offering and delivery of the Bonds shall all be the obligation of the City. The Purchaser shall have no responsibility for any expenses associated with the issuance of the Bonds, including, but not limited to, the expenses identified above as the obligation of the City.

Section 11. Applicable Law. This Purchase Contract shall be governed by the laws of the State, exclusive of the choice of law provisions thereof.

Section 12. Parties in Interest; Survival of Representations and Warranties. This Purchase Contract is made solely for the benefit of the City and the Purchaser (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the City in this Purchase Contract shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Purchaser and shall survive the delivery of and payment for the Bonds.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]*

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

SIGNATURE PUBLIC FUNDING CORP.,
as Purchaser

By: ______________________________
Donald S. Keough
Senior Managing Director

The foregoing is hereby accepted and agreed to as of the date first above written:

CITY OF MCFARLAND

By: ______________________________
Mayor

ATTEST:

______________________________
City Clerk

**EXHIBIT A**

**$5,076,000**
**CITY OF MCFARLAND**
**WATER AND WASTEWATER REVENUE REFUNDING BONDS, SERIES 2023**

a. Purchase Price: $5,076,000.00.

b. Principal Amount: $5,076,000.

c. Denomination: $1,000 or any integral multiple in excess thereof.

d. Form: Each maturity of the Bonds shall be delivered in the form of attached as Exhibit A to the Indenture, as a fully registered Bond dated as of the date of issuance thereof, and shall be registered in the name of Signature Public Funding Corp. (the "**Purchaser**"). The Bonds shall be delivered to the Purchaser at closing.

e. Interest Payable: October 1, 2023 and each April 1 and October 1 thereafter (each, an "**Interest Payment Date**").

f. Maturity Schedule and Interest Rate: Maturing October 1, 2039 and bearing interest at the rate per annum of 4.410%, with mandatory sinking fund redemption as follows:

| ***Mandatory Sinking Fund Redemption Date (October 1)*** | ***Principal Amount*** |
|---|---|
| 2023 | $248,000 |
| 2024 | 212,000 |
| 2025 | 222,000 |
| 2026 | 232,000 |
| 2027 | 242,000 |
| 2028 | 253,000 |
| 2029 | 265,000 |
| 2030 | 277,000 |
| 2031 | 289,000 |
| 2032 | 302,000 |
| 2033 | 316,000 |
| 2034 | 330,000 |
| 2035 | 345,000 |
| 2036 | 360,000 |
| 2037 | 377,000 |
| 2038 | 394,000 |
| 2039* | 412,000 |

* Final Maturity.

g. Optional Redemption: The Bonds are subject to redemption on any Interest Payment Date in whole, but not in part, at the option of the City, as directed by the City in a Written Request of the City provided to the Trustee at least 35 days (or such lesser number of days acceptable to the Trustee in its sole discretion, such notice for the convenience of the Trustee) prior to the redemption date, from any source of funds, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with all regularly scheduled principal and interest due on the Bonds on such Interest Payment Date and accrued interest to the redemption date:

| ***Redemption Date*** | ***Redemption Price*** |
|---|---|
| October 1, 2023 and each Interest Payment Date thereafter through (and including) October 1, 2029 | 101.5% |
| April 1, 2030 and October 1, 2030 | 101.0 |
| April 1, 2031 and October 1, 2031 | 100.5 |
| April 1, 2031 and any Interest Payment Date thereafter | 100.0 |

h. Closing Date: June 15, 2023, or such other date mutually agreed to by the City and the Purchaser.

i. Delivery: Payment shall be made by wire transfer to the Trustee of the Purchase Price on the Closing Date. Delivery of the Bonds shall be made to the Purchaser on the Closing Date and delivery of the other documents shall be made at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, or such other place as shall have been mutually agreed upon by the City and the Purchaser.

# ESCROW AGREEMENT (2010 BONDS)

THIS ESCROW AGREEMENT (2010 BONDS), dated as of June 1, 2023 (the "**Agreement**"), by and among the City of McFarland, a general law city that is duly organized and existing under the Constitution and laws of the State of California (the "**City**"), McFarland Public Financing Authority, a joint exercise of powers authority that is duly organized and existing under and by virtue of the laws of the State of California (the "**Authority**"), and U.S. Bank Trust Company, National Association, as escrow agent (the "**Escrow Agent**") and as 2010 Trustee (as such term is defined herein), is entered into in accordance with resolutions of the City and the Authority adopted on [June 8], 2023 and an Indenture of Trust, dated as of October 1, 2010 (the "**2010 Indenture**"), by and among the City, the Authority and U.S. Bank Trust Company, National Association, as successor trustee (the "**2010 Trustee**"). This Agreement is entered into to refund all of the outstanding McFarland Public Financing Authority Revenue Bonds, 2010 Series A (Water and Wastewater Financing Projects) (the "**2010 Bonds**").

## RECITALS

A. Pursuant to the 2010 Indenture, the Authority has previously issued the 2010 Bonds in the initial aggregate principal amount of $7,500,000, of which $5,525,000 is currently outstanding.

B. The 2010 Bonds are payable from installment payments made by the City under a Water Installment Sale Agreement, dated as of October 1, 2010, and a Wastewater Installment Sale Agreement, dated as of October 1, 2010 (collectively, the "**2010 ISA**"), each by and between the City and the Authority.

C. The City has determined to issue the City of McFarland Water and Wastewater Revenue Refunding Bonds, Series 2023 (the "**2023 Bonds**"), a portion of the proceeds of which, together with other moneys as described in Section 1, will be applied to pay on July 10, 2023 (the "**Redemption Date**") the principal of the 2010 Bonds maturing after the Redemption Date, plus interest accrued thereon through the Redemption Date, without premium.

D. The City will cause moneys to be irrevocably deposited with the Escrow Agent, which moneys will fully sufficient to pay and discharge the 2010 Bonds.

## AGREEMENT

SECTION 1. Deposit of Moneys. The City will cause the trustee for the 2023 Bonds to transfer a portion of the proceeds of the 2023 Bonds in the amount of $4,940,015.75 on the date of issuance of the 2023 Bonds to the Escrow Agent for deposit in the Escrow Fund established hereunder. In addition, on the date of issuance of the 2023 Bonds, the City and the Authority will cause the 2010 Trustee to transfer the following amounts to the Escrow Agent for deposit in the Escrow Fund: (i) $474,675.95 held in the Reserve Account established under the 2010 Indenture; (ii) $167,289.44 held in the Bond Fund established under the 2010 Indenture; (iii) $15,325.14 held in the Interest Account established under the 2010 Indenture; (iv) $2,076.23 held in the 2010 Wastewater Project Fund established under the 2010 Indenture; and (v) $740.62 held in the 2010 Water Project Fund established under the 2010 Indenture.

The Escrow Agent will hold such amounts in an irrevocable escrow separate and apart from other moneys of the City, the Authority and the Escrow Agent in a fund hereby created and established to be known as the "**Escrow Fund**" and to be applied solely as provided in this Agreement. The City and the Authority represent that the sum of the amounts set forth above are at least equal to an amount that is sufficient to redeem the 2010 Bonds in full.

SECTION 2. No Investment of Moneys. The Escrow Agent acknowledges receipt of the moneys described in Section 1 and agrees to hold such moneys uninvested in the Escrow Fund. The Escrow Agent shall be entitled to rely upon the conclusion of Causey Demgen & Moore P.C., Denver, Colorado (the "**Verification Agent**") that such moneys are sufficient to pay, on the Redemption Date, the principal of the 2010 Bonds maturing after the Redemption Date, plus interest accrued thereon through the Redemption Date, without premium.

SECTION 3. Investment of Any Remaining Moneys. At the written direction of the City, together with an unqualified opinion of Stradling Yocca Carlson & Rauth, A Professional Corporation, to the effect that investment is permitted under the legal documents in effect with respect to the 2010 Bonds and will not have an adverse effect on the federal tax status of the 2010 Bonds, the Escrow Agent shall invest any moneys in the Escrow Fund prior to the date on which such payment is required for the purposes set forth herein, in noncallable Federal Securities maturing not later than the date on which such payment or portion thereof is required for the purposes set forth in Section 5, at the written direction of the City, as verified in a report prepared by an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions to the effect that the investment described in said report will not adversely affect the sufficiency of the money in the Escrow Fund to pay, on the Redemption Date, the principal of the 2010 Bonds maturing after the Redemption Date, plus interest accrued thereon through the Redemption Date, without premium. Any interest income resulting from investment or reinvestment of moneys pursuant to this Section which is not required for the purposes set forth in Section 5, as verified in the letter of the Verification Agent originally obtained by the City and the Authority with respect to the refunding of the 2010 Bonds or in any other report prepared by an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions, shall be paid to the City promptly upon the receipt of such interest income by the Escrow Agent. The determination of the City as to whether an accountant qualifies under this Agreement shall be conclusive.

SECTION 4. Substitution of Securities. Upon the written request of the City, and subject to the conditions and limitations that are set forth herein and applicable governmental rules and regulations, the Escrow Agent shall sell, redeem or otherwise dispose of Federal Securities purchased pursuant to Section 3, if any, provided that there are substituted therefor from the proceeds of the Federal Securities other Federal Securities, but only after the City has obtained and delivered to the Escrow Agent: (i) an unqualified opinion of Stradling Yocca Carlson & Rauth, A Professional Corporation, to the effect that the substitution of securities is permitted under the legal documents in effect with respect to the 2010 Bonds and will not have an adverse effect on the tax status of the 2010 Bonds; and (ii) a report by a firm of independent certified public accountants to the effect that the reinvestment described in said report will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay, on the Redemption Date, the principal of the 2010 Bonds maturing on and after the Redemption Date, plus interest accrued thereon through the Redemption Date, without premium. The Escrow Agent shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Agreement and in full compliance with the provisions hereof.

SECTION 5. Payment of 2010 Bonds.

(a) Payment. From the moneys on deposit in the Escrow Fund, the Escrow Agent shall transfer funds to the 2010 Trustee in an amount sufficient to enable the 2010 Trustee to pay, on the Redemption Date, the principal of the 2010 Bonds maturing after the Redemption Date, plus interest accrued thereon through the Redemption Date, without premium, all as indicated on Schedule A.

(b) Irrevocable Instructions to Provide Notice. The notices required to be mailed pursuant to Sections 4.03 and 10.03 of the 2010 Indenture are substantially in the forms attached hereto as Exhibits A and B. The City and the Authority have previously irrevocably instructed the 2010 Trustee to mail a notice of redemption of the 2010 Bonds maturing after the Redemption Date substantially in the form attached hereto as Exhibit A at least 30 days prior to the Redemption Date to the parties described in and otherwise in accordance with Section 4.03 of the 2010 Indenture (including Assured Guaranty Municipal Corp., as the Insurer of the 2010 Bonds, The Depository Trust Company and the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("**EMMA**"), maintained on the Internet at http://emma.msrb.org/). The City and the Authority hereby irrevocably instruct the Trustee to mail a notice of defeasance of the 2010 Bonds in the form attached hereto as Exhibit B on the date of issuance of the 2023 Bonds to the parties described in and otherwise in accordance with Section 10.03 of the 2010 Indenture (including EMMA), as required to provide for the payment and redemption of the 2010 Bonds in accordance with this Section. The sole remedy for the 2010 Trustee's failure to post such notices on EMMA shall be an action in mandamus by the holders of the 2010 Bonds for specific performance or similar remedy to compel performance.

(c) Unclaimed Moneys. Any moneys in the Escrow Fund which remain unclaimed after the Redemption Date shall be repaid (without liability for interest) by the Escrow Agent to the City.

(d) Priority of Payments. The owners of the 2010 Bonds shall have a first and exclusive lien on all moneys and securities (if any) in the Escrow Fund until such moneys and such securities are used and applied as provided in this Agreement.

(e) Termination of Obligation. As provided in the 2010 Indenture and the 2010 ISA, upon the deposit of moneys with the Escrow Agent in the Escrow Fund as set forth in Section 1: (i) the 2010 Bonds will be discharged under the 2010 Indenture; (ii) all obligations of the City under the 2010 ISA, and all security provided by the 2010 ISA for said obligations, shall cease and terminate, except as set forth in the 2010 ISA; (iii) the defeasance of the 2010 Bonds will not adversely impact the exclusion from gross income for federal income tax purposes of interest with respect to the 2010 Bonds; and (iv) this Agreement is valid and enforceable against the City and the Authority.

SECTION 6. Application of Certain Terms of the 2010 Indenture. All of the terms of the 2010 Indenture relating to the making of payments of principal of and interest on the 2010 Bonds and relating to the exchange or transfer of the 2010 Bonds are incorporated in this Agreement as if set forth in full herein. The procedures set forth in Article VIII of the 2010 Indenture relating to the resignation and removal and merger of the 2010 Trustee are also incorporated in this Agreement as if set forth in full herein and shall be the procedures to be followed with respect to any resignation or removal of the Escrow Agent hereunder.

SECTION 7. Performance of Duties. The Escrow Agent agrees to perform only the duties that are set forth herein and shall have no responsibility to take any action or omit to take any action that is not set forth herein.

SECTION 8. Escrow Agent's Authority to Make Investments. Except as provided in Sections 2, 3 and 4 hereof, the Escrow Agent shall have no power or duty to invest any funds that are held hereunder or to sell, transfer or otherwise dispose of the moneys or Federal Securities (if any) that are held hereunder.

SECTION 9. Indemnity. The City and the Authority hereby assume liability for, and hereby agree (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, directors, officers, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by or asserted against the Escrow Agent at any time (whether or not also indemnified against the same by the City and the Authority or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds and securities (if any) deposited therein, the retention of the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the City and the Authority shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Agent's respective employees. In no event shall the City, the Authority or the Escrow Agent be liable to any person by reason of the transactions that are contemplated hereby other than to each other as set forth in this Section. The indemnities that are contained in this Section shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent.

SECTION 10. Responsibilities of Escrow Agent. The Escrow Agent and its agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or securities (if any) deposited therein, the retention of Federal Securities (if any) or the proceeds thereof, the sufficiency of the cash on deposit in the Escrow Fund to pay the 2010 Bonds or any payment, transfer or other application of moneys or obligations by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent that is made in good faith in the conduct of its duties. The recitals of fact that are contained herein shall be taken as the statements of the City and the Authority, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of the proceeds to accomplish the refunding of the 2010 Bonds or to the validity of this Agreement as to the City and the Authority and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence or willful misconduct, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement.

The Escrow Agent may consult with counsel, who may or may not be counsel to the City or the Authority, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an officer of the City or the Authority. The Escrow Agent shall incur no liability for losses arising from any investment made pursuant to this Agreement. The Escrow Agent may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

No provision of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

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

The Escrow Agent shall furnish the City and the Authority with periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Agent or brokers selected by the City, provided that the Escrow Agent is not obligated to provide an accounting for any fund or account that: (a) has a balance of $0.00; and (b) has not had any activity since the last reporting date. Upon the City's election, such statements will be delivered via the Escrow Agent's online service and upon electing such service, paper statements will be provided only upon request. The City and the Authority waive the right to receive brokerage confirmations of security transactions effected by the Escrow Agent as they occur, to the extent permitted by law. The City and the Authority further understand that trade confirmations for securities transactions effected by the Escrow Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

If the Escrow Bank learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of securities that is to be submitted pursuant to this Agreement, the Escrow Bank shall promptly request alternative written investment instructions from the City with respect to escrowed funds which were to be invested in securities. The Escrow Bank shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Bank shall hold funds uninvested and without liability for interest until receipt of further written instructions from the City. In the absence of investment instructions from the City, the Escrow Bank shall not be responsible for the investment of such funds or interest thereon. The Escrow Bank may conclusively rely upon the City's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

SECTION 11. Amendments. This Agreement is made for the benefit of the City, the Authority and the owners from time to time of the 2010 Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, Assured Guaranty Municipal Corp., the Escrow Agent, the City and the Authority; provided, however, that the City, the Authority and the Escrow Agent may, without the consent of, or notice to, such owners, but with the prior written consent of Assured Guaranty Municipal Corp., amend this Agreement or enter into such agreements supplemental to this Agreement as shall not materially adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement or the 2010 Indenture, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Agent for the benefit of the owners of the 2010 Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such owners or the Escrow Agent; and (iii) to include under this Agreement additional funds. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of Stradling Yocca Carlson & Rauth, A Professional Corporation, with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the various 2010 Bonds or that any instrument that is executed hereunder complies with the conditions and provisions of this Section.

SECTION 12. Notice to Rating Agencies. In the event that this agreement or any provision thereof is severed, amended or revoked, the Escrow Agent, upon written instructions from the City, shall provide written notice in the form provided by the City of such severance, amendment or revocation to the rating agencies then rating the 2010 Bonds.

SECTION 13. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either: (i) the date upon which the 2010 Bonds have been paid in accordance with this Agreement; or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Agent pursuant to Section 5(c) of this Agreement. Funds remaining in the Escrow Fund after payment in full of the 2010 Bonds shall be transferred to the City.

SECTION 14. Compensation. The Escrow Agent shall receive its reasonable fees and expenses as previously agreed to by the Escrow Agent and the City, and any other reasonable fees and expenses of the Escrow Agent; provided, however, that under no circumstances shall the Escrow Agent be entitled to any lien or assert any lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services that are rendered or expenses incurred by the Escrow Agent under this Agreement.

SECTION 15. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the City, the Authority or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void, shall be deemed separate from the remaining covenants and agreements contained herein and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 16. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument.

SECTION 17. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED UNDER THE LAWS OF THE STATE OF CALIFORNIA.

SECTION 18. Holidays. 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 Agreement, shall be a legal holiday or a day on which banking institutions in the city in which is located the office of the Escrow Agent are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day which is not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period from and after such nominal date.

SECTION 19. Assignment. This Agreement shall not be assigned by the Escrow Agent or any successor thereto without the prior written consent of the City and the Authority; provided, however, that no such consent shall be required with respect to an assignment effected pursuant to Section 20.

SECTION 20. Reorganization of Escrow Agent. Notwithstanding anything to the contrary contained in this Agreement, any company into which the Escrow Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Escrow Agent is a party, or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business, shall be the successor to the Escrow Agent without execution or filing of any paper or any paper or further act, if such company is eligible to serve as Escrow Agent.

SECTION 21. Insufficient Funds. If at any time the Escrow Agent has actual knowledge that the moneys and investments in the Escrow Fund, including the anticipated proceeds thereof and earnings thereon, will not be sufficient to make all payments required by this Agreement, the Escrow Agent shall notify the City and the Authority in writing of the amount thereof and the reason therefor to the extent known to it. The Escrow Agent shall have no responsibility regarding any such deficiency.

SECTION 22. Notices. Any notice to or demand upon the Escrow Agent may be served or presented, and such demand may be made, at the principal corporate trust office of the Escrow Agent at 633 West Fifth Street, 24th floor, Los Angeles, California 90071, Attention: Global Corporate Trust Services, Reference: McFarland Public Financing Authority 2010 Bonds. Any notice to or demand upon the City or the Authority shall be deemed to have been sufficiently given or served for all purposes by being sent by facsimile or other electronic transmission, overnight mail or courier or mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to the City or the Authority at 401 West Kern Avenue, McFarland, California 93250, Attention: Finance Director (or such other address as may have been filed in writing by the City or the Authority with the Escrow Agent).

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

CITY OF MCFARLAND

By: ________________________________________

MCFARLAND PUBLIC FINANCING AUTHORITY

By: ________________________________________

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Escrow Agent and 2010 Trustee

By: ________________________________________
Authorized Officer

## SCHEDULE A

## ESCROW REQUIREMENTS

Moneys deposited in the Escrow Fund shall be held uninvested as cash.

The escrow requirements for the 2010 Bonds are as follows:

| ***Period Ending*** | ***Principal Paid*** | ***Principal Redeemed*** | ***Interest*** | ***Total*** |
|---|---|---|---|---|
| July 10, 2023 | $0.00 | $5,525,000.00 | $75,123.13 | $5,600,123.13 |

## EXHIBIT A

## CONDITIONAL NOTICE OF FULL OPTIONAL REDEMPTION

MCFARLAND PUBLIC FINANCING AUTHORITY
REVENUE BONDS, 2010 SERIES A
(WATER AND WASTEWATER FINANCING PROJECTS)

BASE CUSIP 580406

NOTICE IS HEREBY GIVEN to the owners of the above-captioned obligations (the "2010 Bonds"), which were issued pursuant to the Indenture of Trust, dated as of October 1, 2010 (the "2010 Indenture"), by and between the McFarland Public Financing Authority (the "Authority") and U.S. Bank Trust Company, National Association, as successor trustee (the "2010 Trustee"), that the outstanding 2010 Bonds in the aggregate principal amount of $5,525,000 have been called for redemption on July 10, 2023 (the "Redemption Date"). The 2010 Bonds were originally issued on October 7, 2010 and are described in the following table.

| *Principal Payment Date (October 1)* | *CUSIP®*[†] *(580406)* | *Principal Amount* | *Interest Rate* | *Redemption Price* |
|---|---|---|---|---|
| 2024[*] | AM8 | $ 410,000 | 4.250% | 100% |
| 2040 | AP1 | 5,115,000 | 5.000 | 100 |
| TOTAL | | $5,525,000 | | |

* Reflects outstanding amount of sinking fund maturity that was originally issued in the principal amount of $600,000.

The 2010 Bonds will be payable on the Redemption Date at a redemption price of 100% of the principal amount thereof plus accrued interest thereon to such date (the "Redemption Price"). The Redemption Price of the 2010 Bonds will become due and payable on the Redemption Date. Interest on the 2010 Bonds will cease to accrue and be payable from and after the Redemption Date, and such 2010 Bonds will be surrendered to the 2010 Trustee.

*Redemption of the 2010 Bonds is conditional upon the receipt by the 2010 Trustee on or prior to the Redemption Date of moneys that are sufficient to pay the principal of and interest evidenced by the 2010 Bonds and, if such moneys have not been so received, this notice shall be of no force and effect and the 2010 Trustee shall not be required to redeem such 2010 Bonds. In such event, the 2010 Trustee has the right to rescind this notice.*

To receive payment on the Redemption Date, owners of the 2010 Bonds should present and to surrender said 2010 Bonds on the Redemption Date at the address of the 2010 Trustee set forth below:

*† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City of McFarland, the Authority or their agents or counsel assume responsibility for the accuracy of such numbers.*

Delivery Instructions

U.S. Bank
Global Corporate Trust Services
111 Fillmore Avenue E
St. Paul, Minnesota 55107

**REQUIREMENT INFORMATION**

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

**IMPORTANT NOTICE**

Federal law requires the 2010 Trustee to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

If the owner of any 2010 Bond fails to deliver such 2010 Bond to the 2010 Trustee on the Redemption Date, such 2010 Bond shall nevertheless be deemed to be redeemed on the Redemption Date and the owner of such 2010 Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds held by the 2010 Trustee for such payment.

Note: *The City of McFarland, the Authority and the 2010 Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness in the notice or as printed on any 2010 Bond. They are included solely for the convenience of the holders.*

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as 2010 Trustee

June 9, 2023

## EXHIBIT B

## NOTICE OF DEFEASANCE

MCFARLAND PUBLIC FINANCING AUTHORITY
REVENUE BONDS, 2010 SERIES A
(WATER AND WASTEWATER FINANCING PROJECTS)

BASE CUSIP 580406

NOTICE IS HEREBY GIVEN to the owners of the above-captioned obligations (the "2010 Bonds"), which were issued pursuant to the Indenture of Trust, dated as of October 1, 2010 (the "2010 Indenture"), by and between the McFarland Public Financing Authority (the "Authority") and U.S. Bank Trust Company, National Association, as successor trustee (the "2010 Trustee"), that the City of McFarland (the "City") has caused to be deposited with U.S. Bank Trust Company, National Association, as escrow agent (the "Escrow Agent"), cash which will provide an amount sufficient to pay on July 10, 2023 (the "Redemption Date"), the principal of the 2010 Bonds maturing on and after the Redemption Date (the "Defeased 2010 Bonds"), plus interest accrued thereon through the Redemption Date, without premium. The Defeased 2010 Bonds were originally issued on October 7, 2010 and are described in the below table.

| ***Principal Payment Date (October 1)*** | ***CUSIP®*[†] *(580406)*** | ***Principal Amount*** | ***Interest Rate*** | ***Redemption Price*** |
|---|---|---|---|---|
| 2024* | AM8 | $ 410,000 | 4.250% | 100% |
| 2040 | AP1 | 5,115,000 | 5.000 | 100 |
| TOTAL | | $5,525,000 | | |

* Reflects outstanding amount of sinking fund maturity that was originally issued in the principal amount of $600,000.

In accordance with the 2010 Indenture and the Water Installment Sale Agreement, dated as of October 1, 2010, and Wastewater Installment Sale Agreement, dated as of October 1, 2010 (the collectively, the "2010 ISA"), each by and between the City and the Authority, upon the deposit of moneys with the Escrow Agent as described above: (i) the 2010 Bonds have been discharged under the 2010 Indenture; and (ii) all obligations of the City under the 2010 ISA, and all security provided by the 2010 ISA for said obligations, have ceased and terminated, except as set forth in the 2010 ISA; (iii) the defeasance of the 2010 Bonds does not adversely impact the exclusion from gross income for federal income tax purposes of interest with respect to the 2010 Bonds; and (iv) the Escrow Agreement (2010 Bonds), dated as of June 1, 2023, by and among the City, the Authority and the Escrow Agent, is valid and enforceable against the City and the Authority; and (v) all obligations of the City under the Continuing Disclosure Certificate, dated October 7, 2010, by and between the City and the dissemination agent named therein, are hereby terminated in accordance with Section 7 thereof.

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No representation is made as to the correctness of the CUSIP number either as printed on any 2010 Bond or as contained herein and any error in the CUSIP number shall not affect the validity of the proceedings for defeasance or redemption of the Defeased 2010 Bonds.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as 2010 Trustee

June 15, 2023

**RESOLUTION NO. PFA-2023-0072**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MCFARLAND PUBLIC FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF AN ESCROW AGREEMENT IN CONNECTION WITH THE REFUNDING OF THE AUTHORITY'S REVENUE BONDS, 2010 SERIES A (WATER AND WASTEWATER FINANCING PROJECTS) AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS**

**WHEREAS**, the City of McFarland (the "**City**") is a member of the McFarland Public Financing Authority (the "**Authority**"), a joint exercise of powers agency; and

**WHEREAS**, in 2010, the Authority issued its Revenue Bonds, 2010 Series A (Water and Wastewater Financing Projects) (the "**2010 Bonds**"), to finance certain capital improvements to the City's water and wastewater system; and

**WHEREAS**, the 2010 Bonds are payable from net revenues of the City's water and wastewater system; and

**WHEREAS**, the City desires to refund the 2010 Bonds for debt service savings; and

**WHEREAS**, in order to effect the refunding of the 2010 Bonds, the Authority desires to enter into an Escrow Agreement (2010 Bonds) (the "**Escrow Agreement**") with the City and U.S. Bank Trust Company, National Association, the trustee for the 2010 Bonds;

**WHEREAS**, the Board of Directors of the Authority (the "**Board**") has been presented with the form of the Escrow Agreement, and the Board has examined and approved such document and desires to authorize and direct the execution of such document and the consummation of such refinancing; and

**WHEREAS**, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such refinancing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such refinancing for the purpose, in the manner and upon the terms herein provided; and

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of the McFarland Public Financing Authority that it hereby finds and determines as follows:

1) Each of the above recitals is true and correct.

2) The form of the Escrow Agreement on file with the Secretary of the Board is hereby approved, and the Chair of the Board, the Vice Chair of the Board or such other member of the Board as the Chair may designate, the Executive Director of the Authority and the Treasurer of the Authority (the "**Authorized Officers**") are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Escrow Agreement in substantially said forms, with such

changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

3) The Authorized Officers and other officers, employees and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, but not limited to, the execution and delivery of instructions to the 2010 Trustee relating to the notices of redemption and defeasance of the 2010 Bonds. All actions heretofore taken by the Authorized Officers and other officers, employees and agents of the Authority with respect to the transactions set forth above are hereby approved, confirmed and ratified.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the McFarland Public Financing Authority on the 8th day of June, 2023 by the following vote:

AYES: ______________________________________________________________

NOES: ______________________________________________________________

ABSENT: ____________________________________________________________

ABSTAIN: ___________________________________________________________

ATTEST:

____________________________________
Francisca Alvarado, Board Secretary

MCFARLAND PUBLIC
FINANCING AUTHORITY:

_________________________
Saul Ayon, Chair

I, _________________________, Secretary of the Board of Directors of the McFarland Public Financing Authority, DO HEREBY CERTIFY that the foregoing resolution is a true and accurate copy of the Resolution passed and adopted by the Board of Directors of the McFarland Public Financing Authority on the date and by the vote indicated herein.

____________________________________
Francisca Alvarado, Board Secretary