



# PALMDALE

*a place to call home*

**CITY COUNCIL  
SUCCESSOR AGENCY  
HOUSING AUTHORITY  
CITY COUNCIL CHAMBER  
38300 SIERRA HIGHWAY  
SUITE B  
PALMDALE, CA 93550  
TUESDAY, DECEMBER 2, 2025  
5:00 PM  
[www.cityofpalmdaleca.gov](http://www.cityofpalmdaleca.gov)**

**WELCOME**

## **LEGISLATIVE BODY**

**LAURA BETTENCOURT, MAYOR PRO TEM  
AUSTIN BISHOP, COUNCILMEMBER  
RICHARD J. LOA, COUNCILMEMBER  
ERIC OHLSEN, COUNCILMEMBER  
ANDREA ALARCÓN, COUNCILMEMBER**

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Translation QR Code.  
[Translation QR Code.pdf](#)

### **Public Comment Information**

Members of the public may speak for up to **three (3) minutes** on the Consent Calendar, Public Hearings, Appointments, New Business, and Closed Session items. To address the Legislative Body on any agenda item, please complete a speaker card for the City Clerk and indicate the item you wish to speak on. Speaker cards are available in the foyer of the Council Chambers.

**Please follow these guidelines to ensure the meeting runs smoothly:**

- All comments must be respectful and courteous.
- Comments that are personal, threatening, obscene, insulting, or that attack others or berate differing viewpoints will not be allowed.
- Individuals who violate these rules or disrupt the meeting will be ruled out of order by the Chair and must immediately stop speaking.
- Disruptive individuals may be asked to leave the meeting.

**Americans with Disabilities Act (ADA) Accommodations**

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (661) 267-5151 at least 48 hours prior to the meeting.

**1. CALL MEETING TO ORDER**

**Note: All City Council memberships are reflected in their City Council titles.**

**2. ROLL CALL**

MAYOR PRO TEM BETTENCOURT, COUNCILMEMBERS BISHOP, LOA, OHLSEN,  
ALARCÓN  
COMMISSIONERS FRAGA-SAENZ, BETTS

**3. PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE**

**4. PRESENTATIONS**

4.1 Recognition of Lockheed Martin's X-59.

4.2 Commendation to Terry Stewart in honor of his retirement from the City of Palmdale.

4.3 Commendation to Clifton Young in honor of his retirement from the City of Palmdale.

**5. HOUSING AUTHORITY CONSENT CALENDAR - Now is the time for public participation**

All matters listed under the Housing Authority Consent Calendar will be enacted by one motion unless an item(s) is pulled by the Authority, in which case the item(s) will be removed from the Consent Calendar and will be considered separately following this portion of the Agenda.

- 5.1 Approve the City of Palmdale Housing Authority 2024-25 Annual Report prepared pursuant to California Health & Safety Code Section 34176.1 and direct staff to post the approved Report on the City's Website.

[SR HA 2024-25 Housing Asset Fund Report.docx](#)  
[Rpt. 2024-2025 Annual Report.docx](#)

- 5.2 Approve the minutes from the previous meeting.

[Mins 10 07 2025.pdf](#)

**6. CONSENT CALENDAR - Now is the time for public participation**

All matters listed under the Consent Calendar will be enacted by one motion unless an item(s) is pulled by Council, in which case the item(s) will be removed from the Consent Calendar and will be considered separately following this portion of the Agenda.

- 6.1 Waive full reading of the Resolution(s) and/or Ordinance(s) to be considered and voted on at this meeting. (This allows for reading the title only in lieu of reciting the entire text).

- 6.2 Receive and file the monthly investment activity reports for October 2025.

[SR Monthly Investment Reports Oct 2025.docx](#)  
[Rpt. Monthly Investment Reports Oct 2025.pdf](#)

- 6.3 Adopt Resolution Nos. SA 2025-004 and SA 2025-005, Resolutions of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale approving the Recognized Obligation Payment Schedule and the Administrative Budget, respectively, for the period of July 1, 2026 through June 30, 2027.

[SR Successor Agency ROPS 26-27 and Administrative Budget.docx](#)  
[Reso. No. SA 2025-004 ROPS.docx](#)  
[Exh A Palmdale Annual ROPS 2026-27.pdf](#)  
[Reso. No. SA 2025-005 Admin Budget.docx](#)  
[Exh A Administrative Budget 2026-27.pdf](#)

- 6.4 Receive and file the Special Tax Annual Report for CFD 2003-1 (Anaverde), CFD 05-1 (Trade and Commerce), CFD 16-1 (Joshua Ranch Water Supply and Maintenance Services), CFD 2022-1 (Citywide Maintenance and Services), CFD 2022-2 (Ritter Ranch Maintenance Services), and CFD 2022-3 (Ritter Ranch Phase I Public Facilities) in accordance with Senate Bill 165, Section 53410 of the California Government Code.

[SR Special Tax Annual Report 2025.docx](#)  
[Rpt. Special Tax Annual Report 2025.pdf](#)

- 6.5 Approve Agreement with Quest Technology Management for network hardware

and security services for a total not to exceed amount of \$259,855 for a term of three years with the option to extend two additional one year terms.

[SR Agrmt No. A-9585 with Quest Technology Management.docx](#)  
[Agrmt No. A-9585 Quest Technology Management.pdf](#)  
[Agrmt No. AR2505 \(Naspo\).pdf](#)

- 6.6 Approve Agreement with Citadel EHS, Inc., for a comprehensive safety/injury illness prevention program assessment for the City of Palmdale, for a total not to exceed amount of \$150,000 for a term of one (1) year.

[SR Agrmt No. A-9613 Citadel EHS, Inc.docx](#)  
[Agrmt No. A-9613 Citadel EHS, Inc.pdf](#)

- 6.7 Approve Agreement with Benevate, LLC, for implementation of software related to grant management and ongoing grant compliance oversight for a total not to exceed amount of \$217,000 for a term of three (3) years.

[SR Agrmt No. A-9636 Software Agreement with Benevate LLC.docx](#)  
[Agrmt No. A-9636 Software Agreement with Benevate, LLC.pdf](#)

- 6.8 Accept Notice of Completion (NOC) for PN 904, FY 2024-25 Local Street ARAM Cape Seal Project.

[SR NOC PN 904 FY 2024-25 Local Street ARAM Cape Seal Project.docx](#)  
[NOC PN 904 FY 2024-25 Local Street ARAM Cape Seal.docx](#)  
[Site Map ARAM Cape Seal Area 1.pdf](#)  
[Site Map ARAM Cape Seal Area 2.pdf](#)  
[NOC PN 904 Project Photos.pptx](#)

- 6.9 Accept Notice of Completion (NOC) for PN 911, FY 2025-26 Local Street Resurfacing Project.

[SR NOC PN 911 FY 2025-26 Local Street Resurfacing Project.docx](#)  
[NOC PN 911 FY 2025-26 Local Street Resurfacing Project.docx](#)  
[Project Map.pdf](#)  
[NOC PN 911 Project Photos.pptx](#)

- 6.10 Approve Final Tract Map No. 63364-1 (located at the southeast corner of Palmdale Boulevard and 65th Street East).

[SR Final Tract Map No. 63364-1.docx](#)  
[Final Tract Map No. TR 63364-1.pdf](#)

- 6.11 Approve Final Tract Map No. 83359 (Located at the southwest corner of Palmdale Boulevard and Oak Street).

[SR Final Tract Map No.83359.docx](#)  
[Final Tract Map No. 83359.pdf](#)

- 6.12 Approve the minutes from the previous meeting.

[Mins 11 04 2025.pdf](#)

**7. PUBLIC HEARING - Now is the time for public participation. Each public hearing will have its own public testimony.**

- 7.1 Approve Amended and Restated Purchase and Sale Agreement with AVCC Master, LLC (an affiliate of Covington Investments, LLC), for the sale of approximately 233 acres located at the southeast corner of Sierra Highway and Avenue M (APN: 3126-022-929).

[SR Agrmt No. A-9634 with AVCC Master, LLC.docx](#)

[Agrmt No. A-9634 with AVCC Master, LLC.docx](#)

**8. NEW BUSINESS - Now is the time for public participation.**

- 8.1 Annual selection of Mayor and Mayor Pro Tem.

[SR Annual Selection of Mayor and Mayor Pro Tem.docx](#)

[Ord. No. 1655.pdf](#)

**9. CITY MANAGER'S REPORT**

**10. NON-AGENDA PUBLIC COMMENTS - Now is the time for public participation**

**11. COUNCIL REPORTS, ANNOUNCEMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS**

- 11.1 Council Reports

[Monthly Informational Report Bettencourt 120225.docx](#)

[Monthly Informational Report Bishop 120225.docx](#)

[Monthly Informational Report Loa 120225.docx](#)

[Monthly Informational Report Ohlsen 120225.docx](#)

**12. CLOSED SESSION - Now is the time for public participation.**

**PRESENTATION BY CITY ATTORNEY**

- 12.1 CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION

Initiation of litigation: (1 case)

This closed session is being held pursuant to the authority of California Government Code Section 54956.9, paragraph (4) of subdivision (d).

**13. ANNOUNCEMENT BY CITY ATTORNEY**

14. **ADJOURN** meeting to January 6, 2026, at 5:00 p.m. in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.



<https://attend.wordly.ai/join/SLOR-7400>



# Housing Authority Staff Report

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**DATE:** DECEMBER 2, 2025

**TO:** HONORABLE VICE CHAIR AND COMMISSIONERS OF THE HOUSING AUTHORITY

**FROM:** HOUSING DEPARTMENT

**DISTRICT:** ALL

**SUBJECT:** APPROVE THE CITY OF PALMDALE HOUSING AUTHORITY 2024-25 ANNUAL REPORT PREPARED PURSUANT TO CALIFORNIA HEALTH & SAFETY CODE §34176.1 AND DIRECT STAFF TO POST THE APPROVED REPORT ON THE CITY'S WEBSITE

## **RECOMMENDATION**

Staff recommend that the Housing Authority:

1. Approve the City of Palmdale Housing Authority 2024-25 Annual Report prepared pursuant to California Health & Safety Code §34176.1; and,
2. Direct staff to post the report on the City's website.

## **BACKGROUND**

The California Health and Safety Code (HSC) requires Housing Successors to prepare annual reports on the Low and Moderate Income Housing Asset Fund (LMIHAF). These reports provide the governing body of the Housing Successor with information about the Housing Successor's activities and housing assets.

The former Redevelopment Agency of the City of Palmdale was dissolved on February 1, 2012. Pursuant to the Dissolution Act, the City Council adopted Resolution No. CC 2012-003 on January 4, 2012, designating the Housing Authority of the City of Palmdale as the entity responsible for performing the housing functions previously performed by the Redevelopment Agency, and the Commissioners of the Housing Authority adopted Resolution No. HA 2012-001, accepting the designation as the entity that would subsequently perform those housing functions.

Senate Bill 341, effective January 2014, and Assembly Bill 1793, effective January 2015, amended California Health and Safety Code §34176 and required specified housing activity and financial information to be provided to the Housing Successor's legislative body and posted on its website within six months of the closing of the previous fiscal year (i.e., on or before December 31<sup>st</sup>).

## **DISCUSSION**

Housing Asset Funds play a critical role in promoting affordable housing development and preservation throughout California. Established in response to housing crises, these funds aim to increase the availability of safe and affordable housing options for low-income residents. As outlined in the 2024-25 Annual Report, the funds are utilized for various purposes, including new construction, the rehabilitation of existing units, and support for homeownership programs.

The California Health and Safety Code outlines the framework for managing Housing Asset Funds, emphasizing compliance, accountability, and transparency. Key provisions mandate local agencies to report on the use of these funds, ensuring that they align with broader housing policies and community needs (as is defined by the mandates created through the dissolution of redevelopment on February 1, 2012). The key requirements are:

1. In each 10-year period, no more than 50% of the units that receive LMIHAF assistance can be designated as senior citizen units.
2. In each 5-year period the Successor Housing Agency must demonstrate that at least 30% of the LMIHAF expenditure was for the development of housing for households earning 30% or less of area median income (AMI) and that no more than 20% of the LMIHAF expenditures were for the development of housing for households earning between 60% and 80% of AMI.

This regulatory oversight is crucial for ensuring funds are effectively utilized in compliance with the established requirements. As outlined in the attached Annual Report, the percentage of LMIHAF units designated as senior citizen units was 23%. In addition, as reported during the last 5-year cycle, which was included within the 2023-24 Annual Report, the development of housing within the AMI parameters was distributed as required. As such, the Housing Successor is in compliance with the requirements relating to the use of funds.

## **FISCAL IMPACT**

\$0; There is no fiscal impact associated with this action.

## **STRATEGIC PLAN**

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

- C. Involve and expand engagement to enhance public oversight and transparency.

Report to Vice Chair and Commissioners of the Housing Authority  
Re: 2024-25 Housing Asset Fund Annual Report  
December 2, 2025  
Page 3

|                                        |                                             |
|----------------------------------------|---------------------------------------------|
| Prepared by:                           | Sophia Reyes, Director of Housing           |
| Certified as to availability of Funds: | Janelle Samson, Director of Operations      |
| Approved by:                           | Salvador Mendez, Interim Executive Director |
| Approved as to form:                   | Alexandra Severino, Authority Attorney      |

## **ATTACHMENTS**

Rpt. Housing Authority of the City of Palmdale 2024-25 Annual Report

# Housing Authority of the City of Palmdale



P A L M D A L E  
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## **Annual Report**

Pursuant to Health & Safety Code Section 34176.1

For the Fiscal Year Ended June 30, 2025

## Introduction

California Health & Safety Code §34176.1\* requires that each housing successor present to its legislative body and post on its Internet website an annual report that contains the following items for the previous fiscal year:

- The amount deposited to the Low and Moderate Income Housing Asset Fund distinguishing items listed on the Recognized Obligation Payment Schedule from other accounts.
- A statement of the balance in the fund as of the close of the fiscal year, distinguishing any amounts held for items listed on the Recognized Obligation Payment Schedule from other amounts.
- A description of expenditures from the fund by category, including but not limited to, expenditures for:
  - monitoring and preserving the long-term affordability of units subject to affordability restrictions or covenants entered into by the redevelopment agency or the housing successor and administering activities funded with the Low and Moderate Income Housing Asset Fund
  - homeless prevention and rapid rehousing services
  - development of affordable housing.
- The statutory value of real property owned by the housing successor, the value of loans and grants receivable, and the sum of these two amounts.
- A description of any transfers made to a contiguous jurisdiction for the purpose of developing transit priority projects, permanent supportive housing, housing for agricultural employees or special needs housing in the previous fiscal year and, if still unencumbered, in earlier fiscal years and a description of and status update of any project for which transferred funds have been or will be expended if that project has not yet been placed in service.
- A description of any project for which the housing successor receives or holds property tax revenue pursuant to the Recognized Obligation Payment Schedule and the status of that project.
- For interests in real property acquired by the former redevelopment agency prior to February 1, 2012, a status update on compliance with Section 33334.16, as amended by Section 34176.1(e). For interests in real property acquired on or after February 1, 2012, a status update on the project.
- A description of any outstanding obligations pursuant to Section 33413 that remained to transfer to the housing successor on February 1, 2012, of the housing successor's progress in meeting those obligations, and of the housing successors plans to meet unmet obligations.
- The housing successor shall include in the report posted on its Internet website the implementation plans of the former redevelopment agency.
- If the housing successor fails to comply with the extremely low income requirement in any five year report, demonstrate progress to comply in the annual report.
- The percentage of units of deed restricted rental housing restricted to seniors and assisted individually or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed restricted rental housing assisted individually

or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the same time period.

- The amount of excess surplus, as defined in Section 34176(d), the amount of time that the housing successor has had excess surplus, and the housing successor's plan for eliminating the excess surplus.
- An inventory of homeownership units assisted by the former redevelopment agency or the housing successor that are subject to covenants or restrictions or to an adopted program that protects the former redevelopment agency's investment of moneys from the Low and Moderate Income Housing Fund pursuant to subdivision (f) of Section 33334.3. This inventory shall include all of the following information:
  - (A) The number of those units.
  - (B) In the first report pursuant to this subdivision, the number of units lost to the portfolio after February 1, 2012, and the reason or reasons for those losses. For all subsequent reports, the number of the units lost to the portfolio in the last fiscal year and the reason for those losses.
  - (C) Any funds returned to the housing successor as part of an adopted program that protects the former redevelopment agency's investment of moneys from the Low and Moderate Income Housing Fund.
  - (D) Whether the housing successor has contracted with any outside entity for the management of the units and, if so, the identity of the entity.

\* *All references are to the Health & Safety Code unless otherwise stated*

The following information is presented in accordance with the requirements of Section 34176.1(f):

**(1) The amount deposited to the Low and Moderate Income Housing Asset Fund.**

The amount deposited to the Low and Moderate Income Housing Asset Fund includes deposits for items on the Recognized Obligations Payment Schedule and funds generated from the housing successor's assets, including revenues and loan payments. A summary of the funds deposited is below:

| <b>Description</b>             | <b>Amount</b>             |
|--------------------------------|---------------------------|
| Deposits for items on the ROPS | \$250,000                 |
| Loan payments                  | \$1,903,354               |
| All other deposits             | <u>\$3,084,358</u>        |
| <b>Total</b>                   | <u><b>\$5,237,712</b></u> |

**(2) A statement of the balance in the fund as of the close of the fiscal year.**

The balance of the Low and Moderate Income Housing Asset funds is \$14,058,530.

**(3) A description of expenditures from the fund by category:**

| <b>Description</b>                                                                                                                       | <b>Amount</b>             |
|------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Expenditures for ROPS items                                                                                                              | \$555,239                 |
| Monitoring and preserving the long-term affordability of units & administration of Low and Moderate Income Housing Asset Fund activities | \$810,896                 |
| Homeless prevention and rapid rehousing services.                                                                                        | \$130,435                 |
| Development* expenditures                                                                                                                | <u>\$139,530</u>          |
| <b>Total</b>                                                                                                                             | <u><b>\$1,636,100</b></u> |

\*Section 34176.1(a)(3)(D) defines "Development" as "new construction, acquisition and rehabilitation, substantial rehabilitation as defined in Section 33413, the acquisition of long-term affordability covenants on multifamily units as described in Section 33413, or the preservation of an assisted housing development that is eligible for prepayment or termination or for which within the expiration of rental restrictions is scheduled to occur within five years as those terms are defined in Section 65863.10 of the Government Code."

**(4) The statutory value of real property owned by the housing successor, the value of loans and grants receivable, and the sum of these two amounts.**

| <b>Description</b>          | <b>Statutory Value</b>     |
|-----------------------------|----------------------------|
| Real Property               | \$14,934,388               |
| Loans and Grants Receivable | <u>\$30,469,869</u>        |
| <b>Total</b>                | <u><b>\$40,404,257</b></u> |

**(5) A description of any transfers made to a contiguous jurisdiction for the purpose of developing transit priority projects, permanent supportive housing, housing for agricultural employees or special needs housing in the previous fiscal year.**

None.

**(6) A description of any project for which the housing successor receives or holds property tax revenue pursuant to the Recognized Obligation Payment Schedule and the status of that project.**

Property tax revenue in the Low and Moderate Income Housing Asset Fund is encumbered to satisfy the obligation under a Standard Agreement with the California Department of Housing and Community Development to develop 46 affordable townhomes. Construction of the infrastructure for 122 units has been completed. A parcel map for the project area has been completed and recorded.

**(7) For interests in real property acquired by the former redevelopment agency prior to February 1, 2012, a status update on compliance with Section 33334.16, as amended by Section 34176.1. For interests in real property acquired on or after February 1, 2012, a status update on the project.**

**Acquired before February 1, 2012**

| <b>Parcel</b>                    | <b>Date Acquired/<br/>DOF Approved</b> | <b>Status</b>                                                              |
|----------------------------------|----------------------------------------|----------------------------------------------------------------------------|
| 3006-008-921, -922 (293-191120)  | 07/22/2005<br>10/5/2012                | Agreement A-9121 for development affordable rental units with Linc Housing |
| 503 East Avenue Q-3              | 07/19/2007                             | Held for resale                                                            |
| 3008-010-020 (-906) (293-191160) | 10/5/2012                              |                                                                            |
| 3008-010-015 (-904) (293-191230) | 10/15/2004<br>10/5/2012                | Vacant land held for development                                           |

**Acquired after February 1, 2012**

| <b>Parcel</b>                                     | <b>Date</b> | <b>Status</b>                          |
|---------------------------------------------------|-------------|----------------------------------------|
| 38553 4 <sup>th</sup> St East (3008-016-902)      | 10/02/2013  | Held for resale                        |
| 38627 32 <sup>nd</sup> Street East (3021-005-900) | 08/16/2013  | Held for resale                        |
| 1129 East Avenue R-4                              | 04/23/2015  | Rehabilitated and held for resale      |
| 3008-010-907 (293-191243)                         | 04/26/2013  | Vacant and held for resale/development |
| 38301 11 <sup>th</sup> Street East                | 09/03/2015  | Rehabilitation                         |
| 38272 11 <sup>th</sup> Street East                | 09/03/2015  | Rehabilitation                         |
| 38204 11 <sup>th</sup> Street East                | 09/03/2015  | Rehabilitation                         |
| 38045 & 38055 10 <sup>th</sup> Street East        | 09/03/2015  | Rehabilitation                         |
| 513 East Avenue Q-4                               | 11/05/2018  | 6/5/25 A-9241 AHA Victory Outreach     |
| 38107 10 <sup>th</sup> Street East                | 04/06/2021  | Vacant and held for resale             |
| 3006-006-915                                      | 03/20/2023  | Held for Resale                        |
| 3006-006-916                                      | 11/23/2023  | Held for Resale                        |

- (8) **A description of any outstanding replacement or production housing obligations pursuant to Section 33413 that remained to transfer to the housing successor on February 1, 2012, of the housing successor's progress in meeting those obligations, and of the housing successors plans to meet unmet obligations.**

No outstanding or unmet obligations.

- (9) **The housing successor shall include in the report posted on its Internet website the implementation plans of the former redevelopment agency.**

The most current implementation plan is posted at <https://www.cityofpalmdaleca.gov/300/Reports-and-Documents>

- (10) **If the housing successor fails to comply with the extremely low income requirement in any five-year report, demonstrate progress to comply in the annual report.**

N/A

- (11) **The percentage of units of deed restricted rental housing restricted to seniors and assisted individually or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed restricted rental housing assisted individually or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the same time period.**

| <b>Project</b>           | <b>Date completed</b> | <b>Units</b> | <b>Senior or<br/>Family</b> |
|--------------------------|-----------------------|--------------|-----------------------------|
| La Quinta Apartments     | 09/03/2015            | 100          | Family                      |
| Summerwood Apartments    | 09/03/2015            | 54           | Family                      |
| Park Vista Apartments    | 09/03/2015            | 28           | Family                      |
| Impressions Apartments   | 09/03/2015            | 109          | Senior                      |
| Courson Arts Colony East | 12/14/2016            | 81           | Family                      |
| Courson Arts Colony West | 05/08/2017            | 80           | Family                      |
| ACT Duplex               | 07/19/2017            | 2            | Family                      |
| 513 E Avenue Q-2         |                       |              |                             |
| 38709 Larkin             | 02/28/2019            | 4            | Family                      |
| 507 East Avenue Q-4      | 05/11/2021            | 4            | Family                      |
| Together CA              | 09/30/2022            | 14           | Family                      |
| 30 <sup>th</sup> St East |                       |              |                             |
| <b>Total</b>             |                       | <b>476</b>   |                             |
| <b>Senior</b>            |                       | <b>109</b>   | <b>23%<br/>Senior</b>       |

- (12) The amount of excess surplus, the amount of time that the successor agency has had excess surplus, and the housing successor's plan for eliminating the excess surplus. Section 34176.1(d) defines excess surplus as an unencumbered amount in the account that exceeds the greater of one million dollars or the aggregate amount deposited into the account during the housing successor's preceding four fiscal years, whichever is greater.**

Computation of Low and Moderate Income Housing Asset Funds Excess Surplus

|                                                                                                                       | <b>Low &amp; Moderate Income<br/>Housing Asset Funds<br/>July 1, 2025</b> |                    |
|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------|
| Cash Balance                                                                                                          |                                                                           | \$13,277,907       |
| Less Encumbrances                                                                                                     |                                                                           | (\$11,744,875)     |
| <b>Unencumbered Amount</b>                                                                                            |                                                                           | <b>\$1,533,032</b> |
| Limitation = greater of \$1,000,000 or housing<br>successor's preceding four fiscal years' deposits<br>(\$34176.1(d)) |                                                                           |                    |
| Deposits in Housing Successor's last four<br>fiscal years:                                                            |                                                                           |                    |
| Fiscal year 2023-2024                                                                                                 | \$2,413,231                                                               |                    |
| Fiscal year 2022-2023                                                                                                 | \$2,467,488                                                               |                    |
| Fiscal year 2021-2022                                                                                                 | \$2,476,629                                                               |                    |
| Fiscal year 2020-2021                                                                                                 | \$1,979,776                                                               |                    |
| Total housing successor's four fiscal years'<br>deposits                                                              | \$9,337,124                                                               |                    |
| Base Limitation                                                                                                       | \$ 1,000,000                                                              |                    |
| <b>Limitation - Greater Amount</b>                                                                                    |                                                                           | <b>\$9,337,124</b> |
| Computed Excess Surplus [Unencumbered<br>Amount exceeding the Limitation]                                             |                                                                           | NONE               |

**(13) An inventory of homeownership units assisted by the former redevelopment agency or the housing successor that are subject to covenants or restrictions or to an adopted program that protects the former redevelopment agency's investment of moneys from the Low and Moderate Income Housing Fund pursuant to subdivision (f) of Section 33334.3. This inventory shall include all of the following information:**

- (A) The number of those units.**
- (B) In the first report pursuant to this subdivision, the number of units lost to the portfolio after February 1, 2012, and the reason or reasons for those losses. For all subsequent reports, the number of the units lost to the portfolio in the last fiscal year and the reason for those losses.**
- (C) Any funds returned to the housing successor as part of an adopted program that protects the former redevelopment agency's investment of moneys from the Low and Moderate Income Housing Fund.**
- (D) Whether the housing successor has contracted with any outside entity for the management of the units and, if so, the identity of the entity.**

Number of homeownership units assisted by the former redevelopment agency or the housing successor and subject to covenants or restrictions at 6/30/2025:

88

Number of units lost to portfolio July 1, 2024, through June 30, 2025: 6

Reasons for Losses:

Loans paid: 5

Loans lost to foreclosure or value of property less than loan: 1

Funds received by the Housing Authority:

July 1, 2024 - June 30, 2025: \$261,264

The Housing Authority of the City of Palmdale has not contracted with an outside entity for the management of the units.

**MINUTES  
CITY COUNCIL/SA/HA  
CITY HALL COUNCIL CHAMBER  
38300 SIERRA HIGHWAY, SUITE B  
PALMDALE, CALIFORNIA  
OCTOBER 7, 2025  
5:00 PM**

[www.cityofpalmdaleca.gov](http://www.cityofpalmdaleca.gov)

**1) CALL MEETING TO ORDER**

Mayor Pro Tem Bettencourt called the meeting to order at 5:00 pm.

Note: All City Council memberships are reflected in their City Council titles.

**2) ROLL CALL MAYOR PRO TEM BETTENCOURT, COUNCILMEMBERS BISHOP, LOA, OHLSEN, ALARCÓN COMMISSIONERS FRAGA-SAENZ, BETTS**

PRESENT: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen, Christina Fraga-Saenz, Dianne Betts.

ABSENT: Andrea Alarcón.

Councilmember Alarcón arrived at 5:01 pm.

**3) PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE**

Councilmember Bishop led the Pledge of Allegiance.

The following observances were acknowledged for the month of October: Breast Cancer Awareness Month, Crime Prevention Month, Domestic Violence Awareness Month, Code Enforcement Week, and Mental Illness Awareness Week.

Mayor Pro Tem Bettencourt announced the meeting would be adjourned in honor of Frances Hernandez. Councilmember Loa shared a few words about Mrs. Hernandez and her community activism. Mayor Pro Tem Bettencourt, on behalf of the entire Council, spoke condolences to Mr. Hernandez.

**4) PRESENTATIONS**

**4.1) California Voting Rights Act Presentation.**

Councilmember Alarcón made a motion and suggested that Mayor Pro Tem Bettencourt allow public comments on this item and allow general response to the public. Mayor Pro Tem Bettencourt allowed two minutes for public comments.

Mayor Pro Tem Bettencourt made an announcement regarding free vaccinations through L.A. Care.

Attorney Shenkman of Shenkman and Hughes delivered a PowerPoint presentation on the California Voting Rights Act.

Public comments were provided by Michelley, Colleen, Jason Zink, Yul Gevargis, Jasper, Louie Murad, Roger Soderstedt, Rich Gallego, Michael Ross, and Felix Menendez.

There was additional discussion regarding the five-district election system, providing service to the community, the importance of enabling the minority community to elect candidates of their choice, immigrant populations, and ensuring the most accurate and comprehensive information to inform future Council decisions.

#### 4.2) Homelessness Report.

Director of Housing Reyes delivered a PowerPoint presentation.

A discussion was held among Councilmembers, staff, and Los Angeles Homeless Services Authority Coordinator Varden regarding the allocation of Measures A and H funds, the homeless census, access to Metrolink services, the Hope the Mission project, a domestic violence shelter, housing insecurity issues, mental health challenges within the unhoused community, the cleanup of desert encampments, and the efforts of community partners.

Mayor Pro Tem Bettencourt recessed the meeting at 6:50 pm - 7:00 pm.

The following individuals contributed public comments: Jason Zink, Jasper, Rich Gallego, Adel Mikhail, and an unnamed individual.

#### 5) PUBLIC COMMENTS

There were no public comments for Section 6.

#### 6) JOINT CONSENT CALENDAR CITY COUNCIL AND HOUSING AUTHORITY

- 6.1) Adopt Resolution No. CC 2025-068, a Resolution of the City Council of the City of Palmdale declaring certain Property Surplus Land pursuant to Government Code Sections 54420 et seq; and Adopt Resolution No. HA 2025- 003, a Resolution of the Housing Authority of the City of Palmdale declaring APN 3009-021-903 Exempt Surplus Land under the Surplus Land Act as amended.

Motion: Adopt Resolution No. CC 2025-068, a Resolution of the City Council of the City of Palmdale declaring certain Property Surplus Land pursuant to Government Code Sections 54420 et seq

Moved by Andrea Alarcón, seconded by Austin Bishop.

Vote: Motion carried (5-0)

Yes: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen, Dianne Betts.

Motion: Adopt Resolution No. HA 2025-003, a Resolution of the Housing Authority of the City of Palmdale declaring APN 3009-021-903 Exempt Surplus Land under the Surplus Land Act as amended  
Moved by Christina Fraga-Saenz, seconded by Dianne Betts.

Vote: Motion carried (7-0)

Yes: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen, Andrea Alarcón, Christina Fraga-Saenz, Dianne Betts.

62) Approve the minutes from the previous meeting.

Motion: Approve the minutes from the previous meeting.  
Moved by Andrea Alarcón, seconded by Austin Bishop.

Vote: Motion carried (7-0)

Yes: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen, Andrea Alarcón, Christina Fraga-Saenz, Dianne Betts.

Mayor Pro Tem Bettencourt adjourned the Housing Authority meeting.

Councilmember Alarcón pulled items 7.4, 7.5, and 7.9, and Councilmember Bishop pulled item 7.6 for discussion.

Public comments were provided by the following individuals: Jason Zink addressed items 7.4 and 7.12; Rich Gallego commented on various items; and Matthew Gaines, Mark Bozigian, Ben Gocke, Suzy Ghazarossian, Michelle Royal, Kathy MacLaren, David Smith, and Yul Gevargis expressed support for item 7.4.

Additionally, Councilmember Alarcón asked that item 7.3 also be pulled for discussion.

7) CONSENT CALENDAR

7.1) Waive full reading of the Resolution(s) and/or Ordinance(s) to be considered and voted on at this meeting. (This allows for reading the title only in lieu of reciting the entire text).

7.2) Receive and file the Monthly Investment Activity Reports for August 2025.

7.3) Adopt Resolution No. CC 2025-072, a Resolution of the City Council of the City of Palmdale adopting a revised Publicly Available Pay Schedule to ensure compliance with the Public Employees' Retirement System (CalPERS) pensionable compensation requirements for general positions.

Councilmember Alarcón referenced the revised attachment.

Motion: Adopt Resolution No. CC 2025-072, a Resolution of the City Council of the City of Palmdale adopting a revised Publicly Available Pay Schedule to ensure compliance with the Public Employees' Retirement System (CalPERS) pensionable compensation requirements for general positions.  
Moved by Andrea Alarcón, seconded by Austin Bishop.

Vote: Motion carried (5-0)

Yes: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen, Andrea Alarcón.

- 7.4) Approve Memorandum of Understanding between the City of Palmdale and Antelope Valley Economic Development and Growth Enterprise (AV EDGE) for a total not to exceed amount of \$300,000 for a term of one (1) year.

Director of Economic and Community Development Taggart presented the staff report. There was Council and staff discussion regarding the deliverables, operating budget, list of board members, future quarterly reports, local businesses, and bringing private enterprise to the Antelope Valley.

Motion: Approve Memorandum of Understanding between the City of Palmdale and Antelope Valley Economic Development and Growth Enterprise (AV EDGE) for a total not to exceed amount of \$300,000 for a term of one (1) year.  
Moved by Eric Ohlsen, seconded by Austin Bishop.

Vote: Motion carried (5-0)

Yes: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen, Andrea Alarcón.

- 7.5) Adopt Resolution No. CC 2025-010, a Resolution of the City Council of the City of Palmdale approving the updated Palmdale Emergency Operations Plan (EOP).

Emergency Services Administrator Shadkamyian provided a PowerPoint presentation. The Council expressed support for the Emergency Operations Plan. A discussion followed regarding the various components of the Emergency Operations Plan (EOP), including the importance of engaging the AV Fair Authority regarding the Multi-Agency Regional Resilience Center (MARRC) to ensure that residents of Palmdale have assured access to shelter beds.

Motion: Adopt Resolution No. CC 2025-010, a Resolution of the City Council of the City of Palmdale approving the updated Palmdale Emergency Operations Plan (EOP).  
Moved by Andrea Alarcón, seconded by Richard J. Loa.

Vote: Motion carried (5-0)

Yes: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen, Andrea Alarcón.

- 7.6) Approve design services agreement with Duke Engineering for PN 524, Maintenance Yard Fleet Building and Utility Upgrade, for a total not to exceed amount of \$248,946.25 for a term of 120 calendar days from the date of the Notice to Proceed.

Councilmember Bishop recused himself from this item and stepped away from the dais for having done business with Duke Engineering in the past.

Motion: Approve design services agreement with Duke Engineering for PN 524, Maintenance Yard Fleet Building and Utility Upgrade, for a total not to exceed amount of \$248,946.25 for a term of 120 calendar days from the date of the Notice to Proceed.

Moved by Eric Ohlsen, seconded by Andrea Alarcón.

Vote: Motion carried (4-0)

Yes: Laura Bettencourt, Richard J. Loa, Eric Ohlsen, Andrea Alarcón.

Councilmember Bishop returned to the dais.

- 7.7) Approve Project Authorizations A and B under Master Services Agreement with DXP Enterprises, Inc., for pump maintenance and repair services for a combined total not to exceed amount of \$1,251,800, each for a term of three years with an option to extend for two additional one-year terms.
- 7.8) Adopt Resolution No. CC 2025-071, a Resolution of the City Council of the City of Palmdale authorizing the execution of a grant deed for City-owned land to the Los Angeles County Waterworks District No. 40 for Parcel 'A' of recorded Lot Line Adjustment No. 703.
- 7.9) Approve Construction Agreement with All American Building Services for PN 839, McAdam Park Pavilion Rehabilitation Project for a total not to exceed amount of \$234,564 for a term of 30 working days from the date of the Notice to Proceed.

Councilmember Alarcón highlighted the renovations that are being done at McAdam Park. Mayor Pro Tem Bettencourt spoke about the Together California project. Councilmember Loa noted that the improvements for McAdam Park are being funded by Measure AV funds.

Motion: Approve Construction Agreement with All American Building Services for PN 839, McAdam Park Pavilion Rehabilitation Project for a total not to exceed amount of \$234,564 for a term of 30 working days from the date of the Notice to Proceed.

Moved by Andrea Alarcón, seconded by Eric Ohlsen.

Vote: Motion carried (5-0)

Yes: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen, Andrea Alarcón.

- 7.10) Approve First Amendment to Agreement with All American Building Services for PN 862, Marie Kerr Park Swim Deck Expansion Project, increasing the agreement by \$5,000 for a total not to exceed amount of \$436,695 with an extension of 15 working days for a total of 65 working days.
- 7.11) Adopt Resolution No. CC 2025-070, a Resolution of the City Council of the City of Palmdale setting aside portions of City-Owned land (APNs 3001-026- 918, -923, -924, -925), for right-of-way and bikeway requirements along 25th Street West and Avenue O-12 for public road and highway purposes.
- 7.12) Approve the nomination to name the futsal courts at Sam Yellen Park in accordance with the City's Asset Naming and Renaming Policy.

Motion: Approve the items listed on the Consent Calendar except items 7.3, 7.4, 7.5, 7.6, and 7.9.

Moved by Andrea Alarcón, seconded by Richard J. Loa.

Vote: Motion carried (5-0)

Yes: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen, Andrea Alarcón.

## 8) APPOINTMENTS

- 8.1) City Council nomination and appointment of two (2) Housing Authority Tenant Member Commissioners.

City Clerk Scott presented the staff report.

The applicants shared their professional backgrounds and relevant experience.

Motion: Appoint Betts and Fraga-Saenz as Housing Authority Tenant Member Commissioners.

Moved by Richard J. Loa, seconded by Austin Bishop.

Vote: Motion carried (5-0)

Yes: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen, Andrea Alarcón.

## 9) NEW BUSINESS

- 9.1) Approve Employment Agreement between the City of Palmdale and Salvador Mendez.

Director of Operations Samson presented the staff report.

The following individuals provided public comments: Jason Zink, Rich Gallego, Michael Ross, and David Harris.

There was a Council and staff discussion on Section 2(C) of the agreement, directing staff to conduct a search for a City Manager, the positive performance

of Interim City Manager Mendez, the stability of the organization, and the process of transparency.

Motion: Bring back a Closed Session discussion regarding the City Manager position.

Moved by Austin Bishop, seconded by Eric Ohlsen.

Vote: Motion Failed (2-3)

Yes: Austin Bishop, Eric Ohlsen.

No: Laura Bettencourt, Richard J. Loa, Andrea Alarcón.

Motion: Issue a directive to staff to initiate a search for a City Manager and allow Salvador Mendez to maintain the position of Interim City Manager.

Moved by Andrea Alarcón, seconded by Richard J. Loa.

Vote: Motion carried (4-1)

Yes: Laura Bettencourt, Richard J. Loa, Eric Ohlsen, Andrea Alarcón.

No: Austin Bishop.

#### 10) CITY MANAGER'S REPORT

Interim City Manager Mendez provided an update on several upcoming community events, including the Farmer's Market at Oasis Park on October 10, Kaleidoscope at the Palmdale Amphitheater on October 10 and 11, a pet microchipping Event at Poncitlan Square on October 11, Fall Movie Night on October 17, the Making Strides Against Breast Cancer Walk at the Palmdale Amphitheater on October 25, the Neighborhood Improvement Project scheduled for October 25, Halloween with Houdini at the Palmdale Playhouse on October 31, and the Día de los Muertos celebration at the Palmdale Playhouse on November 2.

Captain Bardon extended an invitation to the community and Council to attend the Faith and Blue event at Legacy Commons on October 9, as well as the Haunted Jail and Open House at the Palmdale Sheriff's Station on October 11 and 12.

#### 11) NON-AGENDA PUBLIC COMMENTS:

The following individuals provided public input: Eugene Hernandez thanked the Council for the condolences received for his wife's passing, and shared an incident with the sheriff's department; Yul Gevargis thanked Mayor Pro Tem Bettencourt for the informative Town Hall meeting, raised concerns about the local wetland and street repairs, and spoke in support of the PFC; Jason Zink questioned city priorities, expressed concerns regarding the sheriff's station landscaping, and suggested annexing land into the city; Steven Lee shared experiences of racism and discrimination, defended PFC, and criticized the process of selecting the mayor; Carolina Ulloa requested help securing park space for youth sports; Michael Ross, Mark Maldonado, Adriana Gallo, and two unnamed speakers defended PFC, and expressed disappointment with past comments made by Councilmember Ohlsen; Brian Uribe emphasized the importance of child safety due to predators in our valley; Denise criticized PFC's behavior at meetings; Felix Menendez, SALVA, advocated for

funding to support mental health, assistance with housing, and food banks; Rich Gallego spoke regarding closed session information being disclosed publicly; Marsha Furman promoted the Making Strides Breast Cancer Awareness walk; and George Ventura invited the public to a community “Trunk or Treat” event.

12) COUNCIL REPORTS, ANNOUNCEMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

12.1) Council Reports.

Councilmember Ohlsen addressed public comments directed toward him and offered clarification regarding his previous statements.

Mayor Pro Tem Bettencourt recessed the meeting from 9:55 pm - 10:04 pm.

Councilmember Alarcón requested that two items be added to a future agenda: a status update on the investigation involving the City Manager and a review of the City Attorney’s contract. She also recognized Hispanic Heritage Month. Additionally, she offered her condolences to Mr. Eugene Hernandez and commended his late wife’s contributions to the community.

13) PRESENTATION BY CITY ATTORNEY

13.1) CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION (Paragraph (4) of subdivision (d) of Gov. Code § 54956.9) Initiation of litigation: (2 cases)

14) ANNOUNCEMENT BY CITY ATTORNEY

Closed Session was held from 10:04 pm - 11:22 pm.

City Attorney Severino announced the following for item 13.1:

Councilmember Loa’s investigation - This is a multifaceted investigation in regards to the criminal violations pertaining to the tow incident. The district attorney has reviewed the materials and declined to file charges. The municipal code violations from this incident and the remaining allegations are pending investigation and review. There is no other reportable action for the second item.

Councilmember Alarcón’s investigation - The City Council initiated an investigation in 2024. The City Council removed Councilmember Alarcón from the boards based on that investigation. The City Council is monitoring additional alleged incidents being investigated by other agencies. There is no other reportable action.

15) ADJOURNMENT

Mayor Pro Tem Bettencourt adjourned the meeting at 11:23 pm, in honor of Frances Hernandez, to October 21, 2025, at 5:00 p.m. in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.

PASSED, APPROVED, and ADOPTED this 2nd day of December 2025

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Laura Bettencourt, Mayor Pro Tem

ATTEST:

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Rochelle Scott, City Clerk



# City Council Staff Report

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**DATE:** DECEMBER 2, 2025

**TO:** HONORABLE MAYOR PRO TEM AND CITY COUNCIL

**FROM:** OPERATIONS DEPARTMENT  
FINANCE DIVISION

**DISTRICT:** ALL

**SUBJECT:** RECEIVE AND FILE THE MONTHLY INVESTMENT ACTIVITY  
REPORTS FOR OCTOBER 2025

## **RECOMMENDATION**

Staff recommend that the City Council:

1. Receive and file the monthly investment activity reports for October 2025 for the City of Palmdale and Successor Agency.

## **BACKGROUND**

Pursuant to Section 16 of the City and Successor Agency Investment Policy, the City Treasurer shall prepare and present monthly reports on investments to the City Manager/Executive Director and the City Council/Directors. The reports shall detail the type of investment, issuer's name, purchase date, maturity date, amount of deposit, and interest rate. This information shall be provided for all City and Successor Agency pooled investments and for Certificates of Participation, Revenue Bonds, Tax Allocation Bonds, Assessment Districts, and Community Facilities District accounts managed by outside Fiscal Agents.

The monthly investment reports provide a synopsis of the City and Successor Agency's investment activity. They provide information on assets, allocations, average maturities, yields, and book valuations. The interest rates presented are the most current rates available as of the date of this report.

The market values presented for pooled City and Successor Agency investments are based on closing prices for the related investment as of the date of this report. This information was obtained from the Wall Street Journal, Bloomberg Financial Markets, Capital Market Finances, or other reliable sources of market prices.

## **DISCUSSION**

### Compliance with Investment Policy

For October, the City's invested portfolio totaled \$299,653,846, a decrease of \$4,698,746 from the previous month and \$33,824,598 less than the prior year. The monthly decrease was due to withdrawal from Local Agency Investment Fund (LAIF) to cover operating expenses for the month.

The par value of the Successor Agency's portfolio as of October was \$10,217,997, an increase of \$75,026 from the prior month due to earned interest.

All investments meet criteria appropriate to Section 8 of the Investment Policy. The portfolios are based on a combination of various investments, including CDs, Corporate Notes, US Treasury Securities, and Government Agency Paper, each adhering to portfolio percentage limitations.

The Finance Division is the custodian for the City and Successor Agency's investment portfolio and follows the three main principles of both entities' investment policies: 1) Investment in financial instruments that mitigate the risk of monetary losses stemming from market fluctuations; 2) Establish and maintain a portfolio that has sufficient liquidity to allow the City and Successor Agency to meet all anticipated cash requirements; and, 3) Seek out investment instruments that provide a competitive market rate of return.

### Liquidity

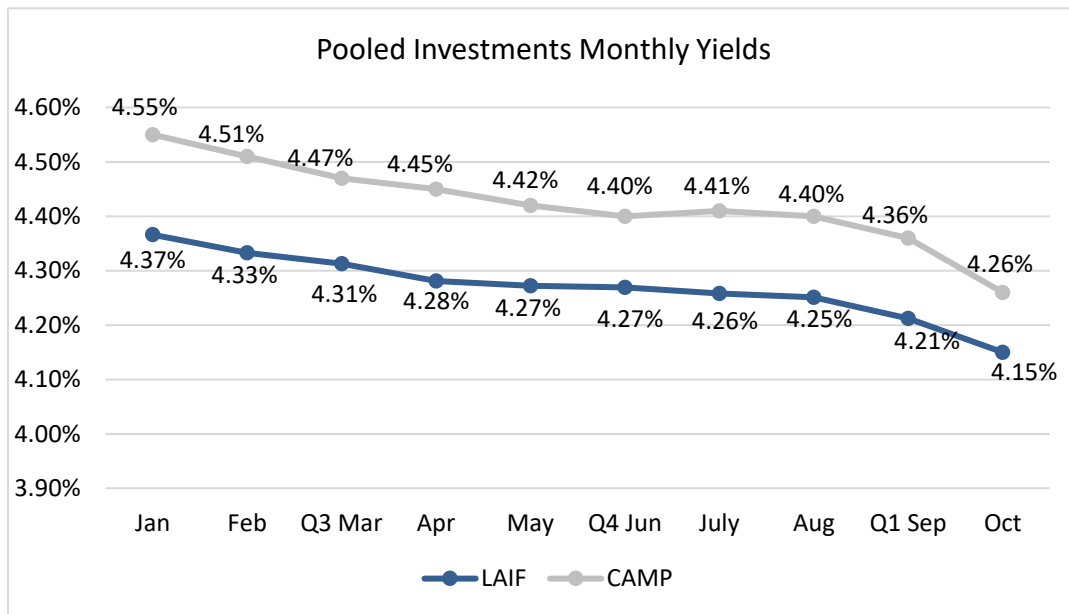
One core approach the Finance Division focuses on is providing liquidity to meet the City and Successor Agency's operational requirements. Thus, the City invests in two pooled funds, the Local Agency Investment Fund (LAIF) and the California Asset Management Program (CAMP). These are intended for daily operational activities and can be used during economic uncertainties for ongoing operating and maintenance needs. The pooled funds provide a higher liquidity ratio, ensuring the City and Successor Agency meet their cash flow requirements.

The City's LAIF balance at the end of October was \$103,815,128, a decrease of \$4,808,017 from the prior month due to a transfer from LAIF to the City's general bank account to cover operational expenditures.

The Successor Agency's LAIF balance at the end of October was \$3,985,613, an increase of \$43,068 from the prior month, due to interest earned.

The City's CAMP balance at the end of October was \$53,729,147 compared to \$53,535,437 in September. The increase is due to interest earned.

The interest rates presented are the most current rates available as of the date of this report. As of October 31, 2025, the interest rates for LAIF and CAMP investments were 4.150 percent and 4.26 percent, respectively. By comparison, the LAIF and CAMP interest rates at the end of September were 4.212 percent and 4.36 percent. This time last year, LAIF and CAMP rates were at 4.518 percent and 5.03, respectively.



The chart above shows the LAIF and CAMP average monthly yields from January 2025 through October 2025. The difference between the two funds' performance is primarily due to their varying pool characteristics. CAMP's portfolio composition is more prone to market volatility, resulting in performance variations.

### Diversity

The Finance Division aims to diversify the investment portfolios to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.

The City and Successor Agency's investment portfolios remain strongly diversified. The monthly and quarterly reports include all investments held by both entities and current book values as of October 31, 2025.

The City and Successor Agency are expected to have sufficient funds to meet their expenditure requirements for the next six months. The Finance Division will continue to monitor current economic conditions and the impact on interest rates.

Attached are summaries of the investments in the City and Successor Agency's books as of October 31, 2025.

**FISCAL IMPACT**

\$0; There is no fiscal impact associated with the recommended actions for this report.

**STRATEGIC PLAN**

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

- B. Manage resources, costs, and liabilities to ensure the City's long-term fiscal health.
- C. Involve and expand engagement to enhance public oversight and transparency.

|                                        |                                        |
|----------------------------------------|----------------------------------------|
| Prepared by:                           | Janelle Samson, Director of Operations |
| Certified as to availability of Funds: | Janelle Samson, Director of Operations |
| Approved by:                           | Salvador Mendez, Interim City Manager  |
| Approved as to form:                   | Alexandra Severino, City Attorney      |

**ATTACHMENTS**

Rpt. Monthly Investment Reports October 2025

CITY OF PALMDALE  
TREASURER'S REPORT OF INVESTMENTS  
OCTOBER 31, 2025

**CITY OF PALMDALE INVESTMENTS**

| PURCHASE<br>DATE                       | MATURITY<br>DATE | FUND | ACCOUNT/<br>INSTITUTION            | INTEREST<br>RATE | PAR<br>AMOUNT           | PURCHASE<br>AMOUNT      | INVESTED<br>AMOUNT      |
|----------------------------------------|------------------|------|------------------------------------|------------------|-------------------------|-------------------------|-------------------------|
| <b><u>U.S. TREASURY SECURITIES</u></b> |                  |      |                                    | Yield            |                         |                         |                         |
| 03-19-21                               | 12-31-25         | CITY | 9128285T3 U.S. Treasury Note       | 2.63             | 3,000,000.00            | 3,260,634.36            | 2,976,600.00            |
| 05-11-21                               | 02-28-26         | CITY | 9128286F2 U.S. Treasury Note       | 0.66             | 3,000,000.00            | 3,261,331.50            | 2,966,940.00            |
| 07-12-21                               | 12-31-25         | CITY | 9128285T3 U.S. Treasury Note       | 2.63             | 5,000,000.00            | 5,451,958.35            | 4,961,000.00            |
| 03-08-23                               | 03-31-26         | CITY | 9128286L9 U.S. Treasury Note       | 2.25             | 3,200,000.00            | 3,029,330.80            | 3,156,832.00            |
| 01-03-24                               | 12-31-26         | CITY | 912828YX2 U.S. Treasury Note       | 0.04             | 5,000,000.00            | 4,696,880.23            | 4,848,850.00            |
| 01-03-24                               | 06-30-27         | CITY | 91282CEW7 U.S. Treasury Note       | 0.04             | 5,000,000.00            | 4,897,630.28            | 4,954,900.00            |
| 01-03-24                               | 09-30-27         | CITY | 91282CFM8 U.S. Treasury Note       | 0.04             | 2,500,000.00            | 2,523,771.66            | 2,522,450.00            |
| 01-08-24                               | 02-15-26         | CITY | 91282CGL9 U.S. Treasury Note       | 0.04             | 5,000,000.00            | 4,987,205.23            | 4,993,400.00            |
| 01-08-24                               | 06-15-26         | CITY | 91282CHH7 U.S. Treasury Note       | 0.04             | 5,000,000.00            | 5,001,760.94            | 5,006,000.00            |
| 12-18-24                               | 09-30-29         | CITY | 91282CFL0 U.S. Treasury Note       | 0.39             | 5,000,000.00            | 4,977,094.45            | 5,022,250.00            |
| 12-18-24                               | 10-31-29         | CITY | 91282CFT3 U.S. Treasury Note       | 0.40             | 5,000,000.00            | 4,988,321.47            | 5,047,050.00            |
| 12-18-24                               | 11-30-29         | CITY | 91282CFY2 U.S. Treasury Note       | 0.39             | 5,000,000.00            | 4,942,086.29            | 5,021,300.00            |
| 01-02-25                               | 12-31-29         | CITY | 91282CGB1 U.S. Treasury Note       | 0.39             | 3,000,000.00            | 2,949,835.02            | 3,012,300.00            |
| <b>TOTAL U.S. TREASURY SECURITIES</b>  |                  |      |                                    |                  | <b>\$ 54,700,000.00</b> | <b>\$ 54,967,840.58</b> | <b>\$ 54,489,872.00</b> |
| <b><u>GOVERNMENT AGENCY PAPER</u></b>  |                  |      |                                    |                  |                         |                         |                         |
| 06-04-21                               | 11-07-25         | CITY | 3135G06G3 Fannie Mae               | 0.55             | 3,000,000.00            | 2,993,675.25            | 2,960,070.00            |
| 06-30-21                               | 12-30-25         | CITY | 3130AMRQ7 Federal Home Loan Note   | 0.88             | 3,000,000.00            | 3,000,000.00            | 2,949,049.86            |
| 07-29-21                               | 04-29-26         | CITY | 3130AN5C0 Federal Home Loan Note   | 1.05             | 4,000,000.00            | 4,010,455.13            | 3,899,120.00            |
| 12-17-21                               | 11-12-25         | CITY | 3134GXB M5 Federal Home Loan Note  | 1.15             | 1,150,000.00            | 1,125,785.50            | 1,134,187.50            |
| 12-21-21                               | 12-22-26         | CITY | 3133ENJC5 Federal Farm Credit      | 1.29             | 5,000,000.00            | 5,000,000.00            | 4,814,666.55            |
| 06-24-22                               | 02-26-27         | CITY | 3130AL5A8 Federal Home Loan Note   | 3.33             | 5,000,000.00            | 4,479,000.00            | 4,758,477.85            |
| 08-17-22                               | 10-27-26         | CITY | 3134GW4C7 Freddie Mac              | 0.80             | 5,000,000.00            | 4,539,500.00            | 4,800,207.95            |
| 01-06-23                               | 02-25-27         | CITY | 3130AQRH8 Federal Home Loan Note   | 4.38             | 5,000,000.00            | 4,590,638.89            | 4,843,987.40            |
| 01-06-23                               | 04-19-27         | CITY | 3130ARHJ3 Federal Home Loan Note   | 4.38             | 5,000,000.00            | 4,801,354.86            | 4,925,508.20            |
| 05-03-24                               | 05-01-28         | CITY | 3133ERCX7 Federal Farm Credit      | 5.17             | 5,000,000.00            | 5,000,000.00            | 5,022,317.60            |
| 08-08-24                               | 08-14-29         | CITY | 3134HADY6 Freddie Mac Domestic     | 4.00             | 4,000,000.00            | 3,946,000.00            | 3,971,348.28            |
| 12-03-24                               | 12-04-29         | CITY | 3130B3XP3 Federal Home Loan        | 4.50             | 1,000,000.00            | 1,000,000.00            | 998,973.31              |
| 12-04-24                               | 12-02-27         | CITY | 3133ERE23 Federal Farm Credit      | 4.32             | 1,000,000.00            | 1,000,000.00            | 1,003,072.14            |
| 01-27-25                               | 07-27-27         | CITY | 3130B4RC7 Federal Home Loan Bank   | 4.50             | 3,000,000.00            | 3,000,000.00            | 3,019,381.53            |
| 01-28-25                               | 07-21-27         | CITY | 3130B4QA27 Federal Home Loan Bank  | 4.55             | 3,000,000.00            | 3,000,000.00            | 3,003,732.24            |
| 06-13-25                               | 10-30-28         | CITY | 3130B62E5 Federal Home Loan Bank   | 4.25             | 3,000,000.00            | 3,000,000.00            | 3,000,982.74            |
| 06-27-25                               | 04-30-29         | CITY | 3136GAGW3 Fannie Mae               | 4.75             | 5,000,000.00            | 5,000,000.00            | 4,993,056.90            |
| 07-07-25                               | 07-07-28         | CITY | 3134HBWS6 Freddie Mac Domestic     | 4.00             | 2,000,000.00            | 1,995,000.00            | 1,995,000.00            |
| 08-29-25                               | 02-25-30         | CITY | 3133ETUN5 Federal Farm Credit      | 4.45             | 5,000,000.00            | 5,000,000.00            | 5,000,000.00            |
| 08-28-25                               | 02-25-30         | CITY | 3133ETUM7 Federal Farm Credit      | 4.53             | 5,000,000.00            | 5,000,000.00            | 5,000,000.00            |
| 09-17-25                               | 09-15-28         | CITY | 3133ETXV4 Federal Farm Credit Bond | 3.83             | 1,400,000.00            | 1,402,403.14            | 1,400,000.00            |
| <b>TOTAL GOVERNMENT AGENCY PAPER</b>   |                  |      |                                    |                  | <b>\$ 74,550,000.00</b> | <b>\$ 72,883,812.77</b> | <b>\$ 73,493,140.05</b> |

CITY OF PALMDALE  
TREASURER'S REPORT OF INVESTMENTS  
OCTOBER 31, 2025

| PURCHASE<br>DATE                                               | MATURITY<br>DATE | FUND | ACCOUNT/<br>INSTITUTION            | INTEREST<br>RATE | PAR<br>AMOUNT            | PURCHASE<br>AMOUNT       | INVESTED<br>AMOUNT       |
|----------------------------------------------------------------|------------------|------|------------------------------------|------------------|--------------------------|--------------------------|--------------------------|
| <b><u>CERTIFICATES OF DEPOSIT</u></b>                          |                  |      |                                    |                  |                          |                          |                          |
| 01-04-24                                                       | 06-15-26         | CITY | 05580A4Y7 BMW Bank of NA           | 4.03             | 240,000.00               | 243,434.40               | 241,276.80               |
| 01-04-24                                                       | 12-28-28         | CITY | 09582YAV4 Blue Ridge Bank          | 4.09             | 240,000.00               | 240,948.00               | 241,135.20               |
| 06-11-24                                                       | 06-11-26         | CITY | 38150VUZ0 Goldman Sachs Bank       | 5.05             | 245,000.00               | 245,033.90               | 247,179.52               |
| 06-13-24                                                       | 06-13-29         | CITY | 89235MPP0 Toyota Financial SGS     | 4.65             | 245,000.00               | 245,000.00               | 250,250.86               |
| 06-14-24                                                       | 06-15-26         | CITY | 34520LBC6 Forbright Bank           | 5.05             | 245,000.00               | 245,000.00               | 247,279.55               |
| 06-14-24                                                       | 06-14-28         | CITY | 307811KA6 Farmers & Merchs Bank    | 5.00             | 245,000.00               | 245,000.00               | 246,517.02               |
| 06-17-24                                                       | 06-17-26         | CITY | 8562855V9 State Bank of India      | 5.10             | 245,000.00               | 245,000.00               | 247,345.31               |
| 06-18-24                                                       | 06-18-29         | CITY | 229083AA8 Evangeline Bank & Trust  | 5.30             | 245,000.00               | 245,000.00               | 245,115.79               |
| 06-20-24                                                       | 06-22-26         | CITY | 06051XER9 Bank of America NA       | 5.05             | 245,000.00               | 245,000.00               | 247,339.38               |
| 06-21-24                                                       | 06-22-26         | CITY | 35634MAE1 Freedom Bank/Maywood NJ  | 5.05             | 245,000.00               | 245,000.00               | 247,339.60               |
| <b>TOTAL CERTIFICATES OF DEPOSIT</b>                           |                  |      |                                    |                  | <b>\$ 2,440,000.00</b>   | <b>\$ 2,444,416.30</b>   | <b>\$ 2,460,779.03</b>   |
| 05-17-23                                                       | 03-01-26         | CITY | 30231GAT9 Exxon Mobile Corporation | 3.04             | 1,000,000.00             | 982,084.11               | 992,306.58               |
| 05-17-23                                                       | 03-02-26         | CITY | 194162AQ6 Colgate-Palmolive        | 4.80             | 1,000,000.00             | 1,035,553.33             | 1,004,192.41             |
| 05-17-23                                                       | 01-26-26         | CITY | 742718FY0 Procter & Gamble         | 4.10             | 1,000,000.00             | 1,018,471.67             | 998,946.40               |
| 01-04-24                                                       | 07-27-26         | CITY | 61761J3R8 Morgan Stanley           | 4.70             | 500,000.00               | 481,185.25               | 493,730.00               |
| 01-04-24                                                       | 06-15-26         | CITY | 46625HRS1 JPMorgan Chase & CO      | 4.52             | 500,000.00               | 484,840.25               | 495,185.00               |
| 01-04-24                                                       | 03-02-28         | CITY | 718172CE7 Philip Morris Intl Inc   | 4.49             | 500,000.00               | 474,395.25               | 487,000.00               |
| 01-04-24                                                       | 04-01-27         | CITY | 808513BW4 Charles Schaw Corp       | 4.68             | 500,000.00               | 479,390.25               | 492,985.00               |
| 01-09-24                                                       | 06-02-26         | CITY | 11271LAA0 Brookfield Fin Inc       | 5.13             | 500,000.00               | 490,115.25               | 498,735.00               |
| 01-09-24                                                       | 11-28-28         | CITY | 05565QDH8 BP Capital Markets PLC   | 4.48             | 500,000.00               | 483,460.25               | 491,630.00               |
| 01-09-24                                                       | 01-28-26         | CITY | 06406RAQ0 Bank OF NY Mellon Corp   | 4.52             | 500,000.00               | 463,355.25               | 489,620.00               |
| 01-09-24                                                       | 07-09-27         | CITY | 22550L2K6 Crdit Suisse New York    | 4.92             | 500,000.00               | 500,910.25               | 507,650.00               |
| 01-09-24                                                       | 08-15-28         | CITY | 797440CE2 San Diego G & E          | 4.49             | 500,000.00               | 509,340.25               | 510,425.00               |
| 01-09-24                                                       | 07-01-27         | CITY | 75973QAA5 Renaissance Financial    | 5.01             | 500,000.00               | 475,470.25               | 492,385.00               |
| 01-09-24                                                       | 01-27-26         | CITY | 780082AD5 Royal Bank of Canada     | 4.97             | 500,000.00               | 496,930.25               | 499,835.00               |
| 08-27-24                                                       | 02-01-29         | CITY | 06406RBN6 Bank of NY Mellon Corp   | 4.20             | 656,000.00               | 663,116.29               | 660,965.92               |
| 08-27-25                                                       | 07-26-29         | CITY | 06406RBK2 Bank of Melon Corp       | 4.09             | 1,000,000.00             | 1,021,952.92             | 1,021,952.92             |
| 08-27-25                                                       | 08-09-29         | CITY | 89236TMK8 Toyota Motor Crdt Corp   | 4.03             | 500,000.00               | 510,587.75               | 510,587.75               |
| 08-27-25                                                       | 05-13-30         | CITY | 91324PDX7 United Health Group Inc  | 4.15             | 1,000,000.00             | 914,211.92               | 914,211.92               |
| <b>TOTAL CORPORATE BONDS</b>                                   |                  |      |                                    |                  | <b>\$11,656,000</b>      | <b>\$11,485,371</b>      | <b>\$ 11,562,343.90</b>  |
| <b><u>STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND</u></b> |                  |      |                                    |                  |                          |                          |                          |
| 09-01-84                                                       | n/a              | CITY | 98-19-620                          | 0.78             | 49,231,271.14            | 49,231,271.14            | 49,231,271.14            |
| 9-19-2024                                                      | n/a              | PFA  | 40-19-078                          |                  | 36,500,000.00            | 36,500,000.00            | 40,178,315.84            |
| 9-28-2021                                                      | n/a              | ARPA | 19-19-004                          | 0.78             | 14,405,541.45            | 14,405,541.45            | 14,405,541.45            |
| <b>TOTAL LAIF ACCOUNTS</b>                                     |                  |      |                                    |                  | <b>\$ 100,136,812.59</b> | <b>\$ 100,136,812.59</b> | <b>\$ 103,815,128.43</b> |
| <b><u>CAMP- CALIFORNIA ASSET MANAGEMENT PROGRAM</u></b>        |                  |      |                                    |                  |                          |                          |                          |
| 6080-01                                                        | n/a              | CITY | 6080-01                            | 0.30             | 53,729,147.65            | 53,729,147.65            | 53,729,147.65            |
| <b>TOTAL CAMP ACCOUNTS</b>                                     |                  |      |                                    |                  | <b>\$ 53,729,147.65</b>  | <b>\$ 53,729,147.65</b>  | <b>\$ 53,729,147.65</b>  |
| <b><u>UBS FINANCIAL SERVICES</u></b>                           |                  |      |                                    |                  |                          |                          |                          |
| n/a                                                            | n/a              | CITY |                                    | 0.00             | 103,464.85               | 103,464.85               | 103,464.85               |
| <b>TOTAL UBS FINANCIAL SERVICES ACCOUNTS</b>                   |                  |      |                                    |                  | <b>\$ 103,464.85</b>     | <b>\$ 103,464.85</b>     | <b>\$ 103,464.85</b>     |
| <b>TOTAL CITY INVESTMENTS</b>                                  |                  |      |                                    |                  | <b>\$ 297,315,425.09</b> | <b>\$ 295,750,865.48</b> | <b>\$ 299,653,875.91</b> |

CITY OF PALMDALE  
TREASURER'S REPORT OF INVESTMENTS  
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| PURCHASE<br>DATE                                                                                      | MATURITY<br>DATE | FUND                   | ACCOUNT/<br>INSTITUTION | INTEREST<br>RATE | PAR<br>AMOUNT | PURCHASE<br>AMOUNT | INVESTED<br>AMOUNT  |
|-------------------------------------------------------------------------------------------------------|------------------|------------------------|-------------------------|------------------|---------------|--------------------|---------------------|
| <b>LIBRARY INVESTMENTS</b>                                                                            |                  |                        |                         |                  |               |                    |                     |
| <b>STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND</b>                                               |                  |                        |                         |                  |               |                    |                     |
| 11-20-84                                                                                              | n/a              | LIBRARY                | 16-19-012               | 0.78             |               |                    | 14,079.76           |
| <b>TOTAL LIBRARY INVESTMENTS</b>                                                                      |                  |                        |                         |                  |               | <b>\$</b>          | <b>14,079.76</b>    |
| <b>FISCAL AGENT CASH</b>                                                                              |                  |                        |                         |                  |               |                    |                     |
| <b>SIERRA GATEWAY COMMUNITY FACILITIES DISTRICT 91-1</b>                                              |                  |                        |                         |                  |               |                    |                     |
| Fiscal Agent: U.S. Bank National Association (fka First Trust)                                        |                  |                        |                         |                  |               |                    |                     |
| 05-10-95                                                                                              | n/a              | BOND                   | 95421220                | 0.35             |               |                    | 122.18              |
| 05-10-95                                                                                              | n/a              | IMPROVEMENT            | 95421222                | 0.10             |               |                    | 177,561.45          |
| <b>TOTAL SIERRA GATEWAY COMMUNITY FACILITIES DISTRICT 91-1</b>                                        |                  |                        |                         |                  |               | <b>\$</b>          | <b>177,683.63</b>   |
| BOND PROCEEDS                                                                                         |                  |                        |                         |                  |               |                    |                     |
| <b>BITTER RANCH COMMUNITY FACILITIES DISTRICT 93-1</b>                                                |                  |                        |                         |                  |               |                    |                     |
| Fiscal Agent: U.S. Bank National Association (fka First Trust)                                        |                  |                        |                         |                  |               |                    |                     |
| 04-06-95                                                                                              | n/a              | RESERVE-SEN            | 95420880                | n/a              |               |                    | 14.09               |
| 04-06-95                                                                                              | n/a              | IMPV-ACQUI             | 95420884                | 0.01             |               |                    | 2,955,518.15        |
| 04-06-95                                                                                              | n/a              | BOND                   | 95420887                | 0.15             |               |                    | 0.15                |
| <b>TOTAL BITTER RANCH COMMUNITY FACILITIES DISTRICT 93-1</b>                                          |                  |                        |                         |                  |               | <b>\$</b>          | <b>2,955,532.39</b> |
| BOND PROCEEDS                                                                                         |                  |                        |                         |                  |               |                    |                     |
| <b>ANAVERDE COMMUNITY FACILITIES DISTRICT 2003-1</b>                                                  |                  |                        |                         |                  |               |                    |                     |
| Fiscal Agent: U.S. Bank National Association (fka First Trust)                                        |                  |                        |                         |                  |               |                    |                     |
| 08-01-19                                                                                              | n/a              | SP TAX - B BOND        | 242969000               | 0.00             |               |                    | 83.58               |
| 08-01-19                                                                                              | n/a              | RESERVE                | 242969003               | 0.00             |               |                    | 722,953.95          |
| 08-01-19                                                                                              | n/a              | SP TAX - REFNDING BOND | 242969004               | 0.01             |               |                    | 15,151.85           |
| <b>TOTAL ANAVERDE COMMUNITY FACILITIES DISTRICT 2003-1</b>                                            |                  |                        |                         |                  |               | <b>\$</b>          | <b>738,189.38</b>   |
| BOND PROCEEDS                                                                                         |                  |                        |                         |                  |               |                    |                     |
| <b>2005 \$7.2M COMMUNITY FACILITIES DISTRICT 05-1 (TRADE AND COMMERCE CENTER) REFUNDED 2021</b>       |                  |                        |                         |                  |               |                    |                     |
| Fiscal Agent: U.S. Bank National Association (fka First Trust)                                        |                  |                        |                         |                  |               |                    |                     |
|                                                                                                       | n/a              | SPEC TRB SER A/B       | 251009000               | 0.01             |               |                    | 14,711.20           |
|                                                                                                       | n/a              | RESERVE FUND           | 251009001               | 0.01             |               |                    | 643,051.96          |
| <b>TOTAL 2005 \$7.2M COMMUNITY FACILITIES DISTRICT 05-1 (TRADE AND COMMERCE CENTER) REFUNDED 2021</b> |                  |                        |                         |                  |               | <b>\$</b>          | <b>657,763.16</b>   |

CITY OF PALMDALE  
TREASURER'S REPORT OF INVESTMENTS  
OCTOBER 31, 2025

| PURCHASE<br>DATE                                                        | MATURITY<br>DATE | FUND                  | ACCOUNT/<br>INSTITUTION                       | INTEREST<br>RATE | PAR<br>AMOUNT | PURCHASE<br>AMOUNT | INVESTED<br>AMOUNT   |
|-------------------------------------------------------------------------|------------------|-----------------------|-----------------------------------------------|------------------|---------------|--------------------|----------------------|
| BOND PROCEEDS                                                           |                  |                       |                                               |                  |               |                    |                      |
| <b><u>2006-1 GODDE HILL ESTATE SEWER IMPROVEMENTS LOIB</u></b>          |                  |                       |                                               |                  |               |                    |                      |
| Fiscal Agent: U.S. Bank National Association (fka First Trust)          |                  |                       |                                               |                  |               |                    |                      |
| 11-08-06                                                                | n/a              | REDEMPTION FUND       | 106844000                                     | 0.01             |               |                    | 29,486.85            |
| 11-08-06                                                                | n/a              | ADM EXP               | 106844002                                     | 0.01             |               |                    | 1,827.13             |
| 11-08-06                                                                | n/a              | RESERVE FUND          | 106844003                                     | 0.01             |               |                    | 86,557.03            |
| <b>TOTAL 2006-1 GODDE HILL ESTATE SEWER IMPROVEMENTS LOIB</b>           |                  |                       |                                               |                  |               | <b>\$</b>          | <b>117,871.01</b>    |
| <b><u>2015 HA DEBT SERVICE RESERVE</u></b>                              |                  |                       |                                               |                  |               |                    |                      |
| Fiscal Agent: Bank of America                                           |                  |                       |                                               |                  |               |                    |                      |
| 11-19-15                                                                | n/a              | DEBT SVC RESERVE      | 1257964992                                    | 0.08             |               |                    | 41,018.84            |
| <b>TOTAL 2015 HA DEBT SERVICE RESERVE</b>                               |                  |                       |                                               |                  |               | <b>\$</b>          | <b>41,018.84</b>     |
| <b><u>PARS RESTRICTED CASH FOR PENSION STABILIZATION TRUST FUND</u></b> |                  |                       |                                               |                  |               |                    |                      |
| 05-23-18                                                                | n/a              | CITY                  | 104790895775 Public Agency Retirement Service | 2.60             |               |                    | 12,242,625.17        |
| <b>TOTAL PARS PENSION TRUST FUND</b>                                    |                  |                       |                                               |                  |               | <b>\$</b>          | <b>12,242,625.17</b> |
| BOND PROCEEDS                                                           |                  |                       |                                               |                  |               |                    |                      |
| <b><u>2015 HA \$4.3M MULTIFAMILY HOUSING REVENUE BONDS</u></b>          |                  |                       |                                               |                  |               |                    |                      |
| Fiscal Agent: U.S. Bank National Association (fka First Trust)          |                  |                       |                                               |                  |               |                    |                      |
| 09-03-15                                                                | n/a              | BOND FUND             | 277067000                                     | 0.00             |               |                    | 122,469.74           |
| 09-03-15                                                                | n/a              | INTEREST ACCT         | 277067001                                     | 0.01             |               |                    | 6.95                 |
| 09-03-15                                                                | n/a              | BOND RESERVE          | 277067003                                     | 0.00             |               |                    | 281,020.87           |
| 09-03-15                                                                | n/a              | REPAIR & REPLACE FUND | 277067004                                     | 0.00             |               |                    | 1,420,511.72         |
| <b>TOTAL 2015 HA \$4.3M MULTIFAMILY HOUSING REVENUE BONDS</b>           |                  |                       |                                               |                  |               | <b>\$</b>          | <b>1,824,009.28</b>  |

CITY OF PALMDALE  
TREASURER'S REPORT OF INVESTMENTS  
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| PURCHASE<br>DATE                                                              | MATURITY<br>DATE | FUND                   | ACCOUNT/<br>INSTITUTION | INTEREST<br>RATE | PAR<br>AMOUNT | PURCHASE<br>AMOUNT | INVESTED<br>AMOUNT   |
|-------------------------------------------------------------------------------|------------------|------------------------|-------------------------|------------------|---------------|--------------------|----------------------|
| <b>BOND PROCEEDS</b>                                                          |                  |                        |                         |                  |               |                    |                      |
| <b><u>2017 PFA \$17.4M LEASE REVENUE BONDS</u></b>                            |                  |                        |                         |                  |               |                    |                      |
| Fiscal Agent: U.S. Bank National Association (fka First Trust)                |                  |                        |                         |                  |               |                    |                      |
| 04-05-17                                                                      | n/a              | REVENUE FUND           | 271128000               | 0.00             |               |                    | 0.00                 |
| 04-05-17                                                                      | n/a              | REVENUE REFUNDING BOND | 271128001               | n/a              |               |                    | 171,143.66           |
| 04-05-17                                                                      | n/a              | REVENUE REFUNDING BOND | 271128002               |                  |               |                    | 750,000.10           |
| <b>TOTAL 2017 PFA \$17.4M LEASE REVENUE BONDS</b>                             |                  |                        |                         |                  |               | <b>\$</b>          | <b>921,143.76</b>    |
| <b>BOND PROCEEDS</b>                                                          |                  |                        |                         |                  |               |                    |                      |
| <b><u>2023 A&amp;B SERIES ACQUISITION &amp; CONSTRUCTION REVENUE BOND</u></b> |                  |                        |                         |                  |               |                    |                      |
| Fiscal Agent: U.S. Bank National Association (fka First Trust)                |                  |                        |                         |                  |               |                    |                      |
|                                                                               |                  |                        | 248041000               |                  |               |                    | 9.21                 |
| 11-30-23                                                                      | n/a              | INTEREST               | 248041001               |                  |               |                    | 505,006.70           |
| 11-30-23                                                                      | n/a              | PRINCIPAL              | 248041002               |                  |               |                    | 0.51                 |
| 11-30-23                                                                      | n/a              | REVENUE FUND           | 248041004               |                  |               |                    | 13.54                |
| 11-30-23                                                                      | n/a              | INTEREST               | 248041007               |                  |               |                    | 0.57                 |
| 11-30-23                                                                      | n/a              | REVENUE FUND           | 248041008               |                  |               |                    | 4,800,380.97         |
| <b>TOTAL 2023 A&amp;B SERIES B ACQUISITION &amp; CONSTRUCTION REV BOND</b>    |                  |                        |                         |                  |               | <b>\$</b>          | <b>5,305,411.50</b>  |
| <b>GRAND TOTAL - FISCAL AGENT CASH</b>                                        |                  |                        |                         |                  |               | <b>\$</b>          | <b>24,981,248.12</b> |
| <b>SUMMARY OF CASH AND INVESTMENTS</b>                                        |                  |                        |                         |                  |               |                    |                      |
| Page 1 of 1                                                                   |                  |                        |                         |                  |               |                    |                      |
| Cash on Hand                                                                  |                  |                        |                         |                  |               | <b>\$</b>          | <b>11,110,579</b>    |
| Pooled Cash Investments                                                       |                  |                        |                         |                  |               |                    |                      |
| City:                                                                         |                  | \$                     | 297,761,088             |                  |               |                    |                      |
| Insur Fund:                                                                   |                  | \$                     | 1,892,788               |                  |               |                    |                      |
| Library Investments                                                           |                  |                        |                         |                  |               | <b>\$</b>          | <b>14,080</b>        |
| Subtotal                                                                      |                  |                        |                         |                  |               | <b>\$</b>          | <b>310,778,535</b>   |
| City/AD/CFD/PCA/PFA/HA                                                        |                  |                        |                         |                  |               |                    |                      |
| Fiscal Agent Cash                                                             |                  |                        |                         |                  |               | <b>\$</b>          | <b>24,981,248</b>    |
| Grand total                                                                   |                  |                        |                         |                  |               | <b>\$</b>          | <b>335,759,783</b>   |

The interest rate quoted on LAIF, AIM, and Fiscal Agent/Trustee accounts is the most current rate available.  
LAIF & AIM interest Rates are as of October, 2025

CITY OF PALMDALE  
TREASURER'S REPORT OF INVESTMENTS  
OCTOBER 31, 2025

CITY OF PALMDALE

POOLED CASH - LOCAL AGENCY INVESTMENT FUND (LAIF), CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP), & UBS FINANCIAL SERVICES

| TRANSACTION<br>DATE                            | DEPOSIT | WITHDRAWAL        | INTEREST<br>RECEIVED | BALANCE           |
|------------------------------------------------|---------|-------------------|----------------------|-------------------|
| <b><u>LAIF - CITY ACCOUNT 98-19-620</u></b>    |         |                   |                      |                   |
| Beginning Balance                              |         |                   |                      | \$ 54,629,095.75  |
| 10-15-25                                       |         |                   | \$ 602,175.39        |                   |
| 10-15-25                                       |         | \$ (3,000,000.00) |                      |                   |
| 10-31-25                                       |         | \$ (3,000,000.00) |                      |                   |
| Subtotal                                       | \$ -    | \$ (6,000,000.00) | \$ 602,175.39        | \$ 49,231,271.14  |
| <b><u>LAIF - PFA ACCOUNT 40-19-078</u></b>     |         |                   |                      |                   |
| Beginning Balance                              |         |                   |                      | \$ 39,744,157.84  |
| 10-15-25                                       |         |                   | \$ 434,158.00        |                   |
| Subtotal                                       | \$ -    | \$ -              | \$ 434,158.00        | \$ 40,178,315.84  |
| <b><u>LAIF - LIBRARY ACCOUNT 16-19-012</u></b> |         |                   |                      |                   |
| Beginning Balance                              |         |                   |                      | \$ 13,927.62      |
| 10-15-25                                       |         |                   | \$ 152.14            |                   |
| Subtotal                                       | \$ -    | \$ -              | \$ 152.14            | \$ 14,079.76      |
| <b><u>LAIF - ARPA ACCOUNT 19-19-004</u></b>    |         |                   |                      |                   |
| Beginning Balance                              |         |                   |                      | \$ 14,249,891.87  |
| 10-15-25                                       |         |                   | \$ 155,649.58        |                   |
| Subtotal                                       | \$ -    | \$ -              | \$ 155,649.58        | \$ 14,405,541.45  |
| <b><u>CAMP</u></b>                             |         |                   |                      |                   |
| Beginning Balance                              |         |                   |                      | \$ 53,535,437.20  |
| 10-31-25                                       |         |                   | \$ 193,710.45        |                   |
| Subtotal                                       | \$ -    | \$ -              | \$ 193,710.45        | \$ 53,729,147.65  |
| <b><u>UBS Financial Services</u></b>           |         |                   |                      |                   |
| Beginning Balance                              |         |                   |                      | \$ 187,874.34     |
| 10-31-25                                       |         |                   | \$ 136,778.01        |                   |
| 10-31-25                                       |         | \$ (221,187.50)   |                      |                   |
| Subtotal                                       | \$ -    | \$ (221,187.50)   | \$ 136,778.01        | \$ 103,464.85     |
| Total                                          | \$ -    | \$ (6,221,187.50) | \$ 1,522,623.57      | \$ 157,661,820.69 |

Total Number of Transactions:

CITY OF PALMDALE  
TREASURER'S REPORT OF INVESTMENTS  
OCTOBER 31, 2025

## POOLED CASH - INVESTMENTS PURCHASED

TN = US Treasury  
FP = Federal Paper  
CD = Certificate of Deposit  
CN = Corporate Notes

| ISSUER | PURCHASE DATE | Maturity Date | Face Value | Premium / (Discount) | Purchase Price | Accrued            |              | Yield |
|--------|---------------|---------------|------------|----------------------|----------------|--------------------|--------------|-------|
|        |               |               |            |                      |                | Interest Purchased | Net Purchase |       |
|        |               |               |            | -                    |                |                    | -            |       |
|        |               |               |            | -                    |                |                    | -            |       |
|        |               |               |            | -                    |                |                    | -            |       |
|        |               |               |            | -                    |                |                    | -            |       |
|        |               |               |            | -                    |                |                    | -            |       |
|        |               |               |            | -                    |                |                    | -            |       |
|        |               |               | \$ -       | \$ -                 | \$ -           | \$ -               | \$ -         |       |

SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE  
TREASURER'S REPORT OF INVESTMENTS  
October 31, 2025

| PURCHASE<br>DATE                                                               | MATURITY<br>DATE | FUND           | ACCOUNT/<br>INSTITUTION | INTEREST<br>RATE | INVESTED<br>AMOUNT | TOTAL                              |
|--------------------------------------------------------------------------------|------------------|----------------|-------------------------|------------------|--------------------|------------------------------------|
| <b><u>LAIF - SA ACCOUNT 65-19-035</u></b>                                      |                  |                |                         |                  |                    |                                    |
| 09-01-84                                                                       | n/a              | SA Account     | 65-19-035               | 0.78             | 3,985,613.24       |                                    |
|                                                                                |                  |                |                         |                  |                    | <u>\$ 3,985,613.24</u>             |
| <b>FISCAL AGENT CASH</b>                                                       |                  |                |                         |                  |                    |                                    |
| BOND PROCEEDS                                                                  |                  |                |                         |                  |                    |                                    |
| <b><u>CRA - 2002 Sub Lien Tax Allocation Bonds \$5.3M (\$5,329,748.25)</u></b> |                  |                |                         |                  |                    |                                    |
| Fiscal Agent: U.S. Bank National Association                                   |                  |                |                         |                  |                    |                                    |
| 08-20-02                                                                       | n/a              | Reserve Fund   | 94460700                | 2.54             | 547,253.63         |                                    |
| 08-20-02                                                                       | n/a              | Interest Acct  | 94460701                | 0.04             | 42,394.81          |                                    |
| 08-20-02                                                                       | n/a              | Principal Acct | 94460702                | 0.04             | 379.01             |                                    |
| TOTAL CRA - 2002 Sub Lien Tax Allocation Bonds \$5.3M (\$5,329,748.25)         |                  |                |                         |                  |                    | <u>\$ 590,027.45</u>               |
| BOND PROCEEDS                                                                  |                  |                |                         |                  |                    |                                    |
| <b><u>2016 SA \$31.5M Tax Allocation Refunding Bonds Series A</u></b>          |                  |                |                         |                  |                    |                                    |
| Fiscal Agent: U.S. Bank National Association (fka First Trust)                 |                  |                |                         |                  |                    |                                    |
| 04-26-16                                                                       | n/a              | Debt Service   | 245113000               | 0.00             | 12.37              |                                    |
| 04-26-16                                                                       | n/a              | Interest Acc   | 245113001               | N/A              | 0.00               |                                    |
| TOTAL 2016 SA \$31.5M Tax Allocation Refunding Bonds Series A                  |                  |                |                         |                  |                    | <u>\$ 12.37</u>                    |
| GRAND TOTAL - FISCAL AGENT CASH                                                |                  |                |                         |                  |                    | <u><u>                    </u></u> |

**SUMMARY OF CASH AND INVESTMENTS**

|                                    |                      |
|------------------------------------|----------------------|
| Cash on Hand                       | \$ 6,232,384         |
| Pooled Cash Investments            | \$ 3,985,613         |
| Successor Agency Fiscal Agent Cash | \$ -                 |
| Grand total                        | <u>\$ 10,217,997</u> |

\* The interest rate quoted on LAIF and Fiscal Agent/Trustee accounts is the most current rate available.  
LAIF interest rates are as of October 31, 2025.

SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE  
TREASURER'S REPORT OF INVESTMENTS  
October 31, 2025

POOLED CASH - STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF)

| TRANSACTION<br>DATE                | DEPOSIT | WITHDRAWAL | INTEREST<br>RECEIVED | BALANCE         |
|------------------------------------|---------|------------|----------------------|-----------------|
| <b>LAIF - SA ACCOUNT 65-19-035</b> |         |            |                      |                 |
| Beginning Balance                  |         |            |                      | 3,942,545.58    |
| 10-15-25                           |         |            | \$ 43,067.66         |                 |
| Subtotal                           | \$ -    | \$ -       | \$ 43,067.66         | \$ 3,985,613.24 |



# Successor Agency Staff Report

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**DATE:** DECEMBER 2, 2025

**TO:** HONORABLE VICE CHAIR AND DIRECTORS

**FROM:** OPERATIONS DEPARTMENT  
FINANCE DIVISION

**DISTRICT:** ALL

**SUBJECT:** ADOPT RESOLUTION NOS. SA 2025-004 AND SA 2025-005, RESOLUTIONS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND THE ADMINISTRATIVE BUDGET, RESPECTIVELY, FOR THE PERIOD OF JULY 1, 2026 THROUGH JUNE 30, 2027

## **RECOMMENDATION**

Staff recommend that the Successor Agency to the Community Redevelopment Agency of the City of Palmdale:

1. Adopt Resolution No. SA 2025-004 approving the Recognized Obligation Payment Schedule (ROPS 2026-27) for the period of July 1, 2026, through June 30, 2027; and,
2. Adopt Resolution No. SA 2025-005 approving the Administrative Budget for the Period of July 1, 2026, through June 30, 2027 (Administrative Budget 2026-27).

## **BACKGROUND**

Assembly Bill 1X 26 (AB 26) was signed by the Governor on June 28, 2011, and upheld as constitutional by the California Supreme Court. On June 27, 2012, the Governor signed Assembly Bill 1484 (AB 1484). AB 26 and AB 1484 (together the Dissolution Bills) made sweeping changes to California Redevelopment Law, eliminating redevelopment agencies statewide, establishing successor agencies, and requiring the successor agencies to pay, perform, and enforce the enforceable obligations of the former redevelopment agencies and to wind down the affairs of the former redevelopment agencies.

### Administrative Budget

Section 34177(j) of the Dissolution Bills requires the Successor Agency to prepare an Administrative Budget annually and submit it to the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board for approval.

Section 34177(k) of the Dissolution Bills further requires the Successor Agency to provide the Los Angeles County Auditor-Controller with the administrative cost estimates from its approved Administrative Budget to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund.

Health & Safety Code Section 34171(b)(3) states that commencing July 1, 2016, the administrative cost allowance shall be up to 3 percent of the actual property tax distributed to the successor agency by the county auditor-controller in the preceding fiscal year for payment of approved enforceable obligations, reduced by the successor agency's administrative cost allowance and loan repayments made to the city pursuant to Section 34191.4(b) during the preceding fiscal year, subject to a minimum of \$250,000, unless such amount is reduced by the Oversight Board or by agreement between the successor agency and the State Department of Finance ("Department of Finance"). Staff has estimated this amount and allocated it to various Successor Agency costs as detailed in Exhibit A to Resolution No. SA 2025-005.

### Recognized Obligation Payment Schedule (ROPS)

Section 34177(l) of the Dissolution Bills requires the Successor Agency to prepare a Recognized Obligation Payment Schedule (ROPS) listing the enforceable obligations of the former Redevelopment Agency annually.

Section 34177(l) further requires that (i) the ROPS shall be submitted to the county administrative officer, the Los Angeles County Auditor-Controller (Auditor-Controller) and the State Department of Finance (Department of Finance) at the same time that the Successor Agency submits the ROPS to the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board for approval; (ii) the ROPS shall be submitted to and duly approved by the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board; (iii) the approved ROPS shall be posted on the Successor Agency's website; and (iv) the approved ROPS shall be submitted to the Auditor-Controller, the State Controller and the State Department of Finance.

Section 34180 of the Dissolution Bills (Section 34180) requires certain successor agency actions to be approved by the oversight board, including Section 34180(c) "Setting aside of amounts in reserves as required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds." The attached ROPS 2026-27 details amounts in accordance with Section 34180(c).

The attached ROPS 2026-27 also includes an enforceable obligation for the repayment of the Educational Revenue Augmentation Fund (“ERAF”) and Supplemental Educational Revenue Augmentation Fund (“SERAF”) loans borrowed from the former Redevelopment Agency’s Low and Moderate Income Housing Fund.

Senate Bill No. 107 (section 14 of Chapter 325, Statutes of 2015) states that the Successor Agency’s Oversight Board continues to exist and will only cease to exist after all of its indebtedness has been repaid, and thus, requires that the City’s Successor Agency’s Oversight Board approve ROPS 2026-27.

### **DISCUSSION**

The attached Resolution Nos. SA 2025-004 and SA 2025-005 seek approval of the Recognized Obligation Payment Schedule (ROPS) 2026-27 and the Administrative Budget 2026-27.

Approval of the ROPS and the Administrative Budget will allow the City to remain in compliance with AB 26 and AB 1484 (together the Dissolution Bills), and to submit the information timely to the county administrative officer, the Los Angeles County Auditor-Controller (Auditor-Controller), and the State Department of Finance (Department of Finance). Simultaneously, the Successor Agency submits the ROPS to the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board for approval.

Upon approval from the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board and the State Department of Finance, the City may then incorporate the requested administrative budgets and payments from the ROPS into its annual budget for Fiscal Year 2026-27.

### **FISCAL IMPACT**

The Administrative Budget for the period of July 1, 2026 through June 30, 2027 totals \$126,966. These funds will be included in various line items in Program 20 of Fund 460 in the fiscal year 2026-27 budget and are included on the ROPS. These funds will be used to reimburse the City for its staff hours.

The total payments estimated during the one-year period of ROPS 2026-27 is \$13,777,173, of which \$7,787,047 is expected to be funded by Redevelopment Property Tax Trust Funds (RPTTF) to be received from the Los Angeles County Auditor-Controller (including Administrative Cost Allowance, \$5,363,462 is from reserve balance funds received in the prior year, and \$626,664 is from other funds. Amounts are to be budgeted in various areas of the Successor Agency and Housing Successor Agency budgets.

## **STRATEGIC PLAN**

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

- A. Manage resources, costs, and liabilities to ensure the City's long-term fiscal health.

|                                        |                                             |
|----------------------------------------|---------------------------------------------|
| Prepared by:                           | Janelle Samson, Director of Operations      |
| Certified as to availability of Funds: | Janelle Samson, Director of Operations      |
| Approved by:                           | Salvador Mendez, Interim Executive Director |
| Approved as to form:                   | Alexandra Severino, General Counsel         |

## **ATTACHMENTS**

Reso. No. SA 2025-004 ROPS  
Exh A Palmdale Annual ROPS 2026-27  
Reso. No. SA 2025-005 Administrative Budget  
Exh A Administrative Budget 2026-27

SUCCESSOR AGENCY  
TO THE COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF PALMDALE  
CALIFORNIA  
RESOLUTION NO. SA 2025-004

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY  
REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE APPROVING  
THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR  
THE PERIOD OF JULY 1, 2026 THROUGH JUNE 30, 2027.

**WHEREAS**, The Community Redevelopment Agency of the City of Palmdale (“Redevelopment Agency”) was a redevelopment agency in the City of Palmdale (“City”), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with SECTION 33000) of Division 24 of the California Health and Safety Code) (“Redevelopment Law”); and

**WHEREAS**, The Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

**WHEREAS**, Assembly Bill 1X 26 (“AB 26”) was signed by the Governor on June 28, 2011 and upheld to be constitutional by the California Supreme Court on December 29, 2011; and

**WHEREAS**, AB 26 made certain changes to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code), including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) (“Part 1.85”) to Division 24 of the California Health and Safety Code (“Health and Safety Code”); and

**WHEREAS**, On February 1, 2012, as a result of the Supreme Court’s decision, all California redevelopment agencies were dissolved, successor agencies were established as successor agencies to the former redevelopment agencies pursuant to Health and Safety Code Section 34173, and successor agencies are tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and winding down the affairs of the former redevelopment agencies; and

**WHEREAS**, On June 27, 2012, the Governor of California signed Assembly Bill 1484 (“AB 1484”) into law, making several substantive and technical amendments to AB 26 (AB 26 and AB 1484 together referred to as the “Dissolution Bills”); and

**WHEREAS**, On January 4, 2012, the City Council adopted Resolution No. CC 2012-002 declaring itself as the Successor Agency to the Community Redevelopment Agency of the City of Palmdale (“Successor Agency”) upon the dissolution of the Redevelopment Agency; and

**WHEREAS**, On April 4, 2012 the City Council, acting in its capacity as the Successor Agency, adopted Resolution No. CC 2012-041 SA naming itself the "Successor Agency to the Community Redevelopment Agency of the City of Palmdale", the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

**WHEREAS**, pursuant to Health and Safety Code Section 34179 (q), commencing on and after July 1, 2018, the County of Los Angeles, where more than 40 oversight boards were created by the Dissolution Act, shall have five consolidated oversight boards, each encompassing the five supervisorial districts; and

**WHEREAS**, the Fifth Supervisorial District Consolidated Oversight Board ("Fifth District Consolidated Oversight Board") has jurisdiction over the Successor Agency of the Former Redevelopment Agency to the City of Palmdale and

**WHEREAS**, the Fifth District Consolidated Oversight Board will hold a regular/special meeting on or about January 8, 2026; and

**WHEREAS**, Health & Safety Code SECTION 34177(l) ("SECTION 34177(l)") requires the Successor Agency to prepare a forward-looking Recognized Obligation Payment Schedule (ROPS) listing the enforceable obligations of the former Redevelopment Agency that are due in the next annual period; and

**WHEREAS**, SECTION 34177(l), as amended by AB 1484, also provides that (i) the ROPS shall be submitted to the county administrative officer, the Los Angeles County Auditor-Controller ("Auditor-Controller") and the State Department of Finance ("Department of Finance") at the same time that the Successor Agency submits the ROPS to the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board for approval; (ii) the ROPS shall be submitted to and duly approved by the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board; (iii) the approved ROPS shall be posted on the Successor Agency's website; and (iv) the approved ROPS shall be submitted to the Auditor-Controller, the State Controller and the State Department of Finance; and

**WHEREAS**, Health & Safety Code Section 34179.7 (o) (1), requires the Successor Agency to prepare a forward-looking, annual Recognized Obligation Payment Schedule (ROPS) listing the enforceable obligations of the former Redevelopment Agency that are due in the next annual period and submitting an oversight board approved annual ROPS to the Department of Finance and Auditor-Controller by February 1, 2026; and

**WHEREAS**, Health and Safety Code Section 34183(a) provides that the Auditor-Controller disburse funds to successor agencies on June 1, 2026 and January 1, 2027 based on ROPS 2026-27 in accordance with the prescribed order of priority and the

Dissolution Bills require that such disbursements be made as and when necessary for the Successor Agency to repay and perform enforceable obligations when due; and

**WHEREAS**, Health and Safety Code Section 34180 (“Section 34180”) requires certain successor agency actions to be approved by the oversight board, including Section 34180(c) “Setting aside of amounts in reserves as required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds”; and

**WHEREAS**, the attached ROPS 2026-27 (Exhibit A) details amounts in accordance with Section 34180(c); and

**WHEREAS**, the Successor Agency now desires to approve ROPS 2026-27, which is attached hereto and incorporated herein by reference; and

**WHEREAS**, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW THEREFORE, BE IT RESOLVED, THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

**SECTION 1.** The Board of Directors hereby finds and determines that the foregoing recitals are true and correct.

**SECTION 2.** The Board of Directors hereby approves the setting aside of funds as detailed in ROPS 2026-27 in accordance with Section 34180(c) to comply with bond documents.

**SECTION 3.** The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency of any rights the Successor Agency may have to challenge the effectiveness and/or legality of all or any portion of the Dissolution Bills through administrative or judicial proceedings

**SECTION 4.** The ROPS 2026-27 (Exhibit A), which is attached hereto and incorporated by reference, is hereby approved and adopted.

**SECTION 5.** The Executive Director, or designee, is hereby authorized and directed to make any and all non-substantive changes to the approved ROPS to conform to any changes or to address further guidance or direction from the Department of Operations, or to address any other new information, including but not limited to new report forms, and such revised ROPS shall be considered approved by the Successor Agency.

**SECTION 6.** The Executive Director, or designee, is hereby authorized and directed to: (i) submit the Successor Agency approved ROPS 2026-27 to the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board for its review and approval and to concurrently submit ROPS 2026-27 to the county administrative officer, the Auditor-Controller and the Department of Finance; (ii) submit the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board approved ROPS 2026-27 to the Auditor Controller, the State Controller, the Department of Finance and any and all other entities as necessary or appropriate; (iii) post the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board approved ROPS 2026-27 on the City’s website; and (iv) take any and all other actions and execute any and all such other documents as are necessary, convenient or appropriate to comply with the Dissolution Bills, and to effectuate the intent of this Resolution on behalf of the Successor Agency.

**SECTION 7.** This Resolution shall take effect immediately upon its adoption.

**SECTION 8.** The Agency Secretary shall certify to the adoption of this resolution.

**PASSED, APPROVED and ADOPTED** this 2nd day of December, 2025.

Approved as to form:

\_\_\_\_\_  
Laura Bettencourt, Vice Chair

ATTEST:

\_\_\_\_\_  
Alexandra Halfman  
General Counsel

\_\_\_\_\_  
Rochelle Scott,  
Agency Secretary

I, Rochelle Scott, Agency Secretary of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the Successor Agency at a regular meeting of said Agency held on the 2nd day of December, 2025, by the following roll call vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_ ABSENT: \_\_\_\_\_

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

\_\_\_\_\_  
Rochelle Scott, Agency Secretary

**Recognized Obligation Payment Schedule (ROPS 26-27) - Summary**  
**Filed for the July 1, 2026 through June 30, 2027 Period**

**Successor Agency:** Palmdale

**County:** Los Angeles

| <b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b> | <b>26-27A Total<br/>(July -<br/>December)</b> | <b>26-27B Total<br/>(January -<br/>June)</b> | <b>ROPS 26-27<br/>Total</b> |
|-----------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|-----------------------------|
| <b>A Enforceable Obligations Funded as Follows (B+C+D)</b>                        | <b>\$ 5,625,126</b>                           | <b>\$ 365,000</b>                            | <b>\$ 5,990,126</b>         |
| B Bond Proceeds                                                                   | -                                             | -                                            | -                           |
| C Reserve Balance                                                                 | 5,363,462                                     | -                                            | 5,363,462                   |
| D Other Funds                                                                     | 261,664                                       | 365,000                                      | 626,664                     |
| <b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>                      | <b>\$ 1,799,490</b>                           | <b>\$ 5,987,557</b>                          | <b>\$ 7,787,047</b>         |
| F RPTTF                                                                           | 1,673,524                                     | 5,987,557                                    | 7,661,081                   |
| G Administrative RPTTF                                                            | 125,966                                       | -                                            | 125,966                     |
| <b>H Current Period Enforceable Obligations (A+E)</b>                             | <b>\$ 7,424,616</b>                           | <b>\$ 6,352,557</b>                          | <b>\$ 13,777,173</b>        |

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

| Palmdale<br>Recognized Obligation Payment Schedule (ROPS 26-27) - ROPS Detail<br>July 1, 2026 through June 30, 2027 |                                   |                                     |                          |                            |                                                       |                                                          |              |                              |         |                  |                         |                 |             |             |             |              |                         |                 |             |             |             |              |
|---------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------|--------------------------|----------------------------|-------------------------------------------------------|----------------------------------------------------------|--------------|------------------------------|---------|------------------|-------------------------|-----------------|-------------|-------------|-------------|--------------|-------------------------|-----------------|-------------|-------------|-------------|--------------|
| A                                                                                                                   | B                                 | C                                   | D                        | E                          | F                                                     | G                                                        | H            | I                            | J       | K                | L                       | M               | N           | O           | P           | Q            | R                       | S               | T           | U           | V           | W            |
| Item #                                                                                                              | Project Name                      | Obligation Type                     | Agreement Execution Date | Agreement Termination Date | Payee                                                 | Description                                              | Project Area | Total Outstanding Obligation | Retired | ROPS 26-27 Total | ROPS 26-27A (Jul - Dec) |                 |             |             |             | 26-27A Total | ROPS 26-27B (Jan - Jun) |                 |             |             |             | 26-27B Total |
|                                                                                                                     |                                   |                                     |                          |                            |                                                       |                                                          |              |                              |         |                  | Fund Sources            |                 |             |             |             |              | Fund Sources            |                 |             |             |             |              |
|                                                                                                                     |                                   |                                     |                          |                            |                                                       |                                                          |              |                              |         |                  | Bond Proceeds           | Reserve Balance | Other Funds | RPTTF       | Admin RPTTF |              | Bond Proceeds           | Reserve Balance | Other Funds | RPTTF       | Admin RPTTF |              |
|                                                                                                                     |                                   |                                     |                          |                            |                                                       |                                                          |              | \$58,003,243                 |         | \$13,777,173     | \$-                     | \$5,363,462     | \$261,664   | \$1,673,524 | \$125,966   | \$7,424,616  | \$-                     | \$-             | \$365,000   | \$5,987,557 | \$-         | \$6,352,557  |
| 6                                                                                                                   | Loan from Housing for SERAF       | SERAF/ ERAF                         | 05/05/ 2010              | 11/30/2036                 | Housing Authority for deposit into Housing Asset Fund | Statutory Obligation FY 2009-10 SERAF - Merged Proj Area | Merge        | 1,570,491                    | N       | \$450,000        | -                       | -               | 261,664     | 188,336     | -           | \$450,000    | -                       | -               | -           | -           | -           | \$-          |
| 7                                                                                                                   | Loan from Housing for SERAF       | SERAF/ ERAF                         | 03/02/ 2011              | 02/28/2034                 | Housing Authority for deposit into Housing Asset Fund | Statutory Obligation FY 2010-11 SERAF - Proj Area No 1   | PA 1         | 521,581                      | N       | \$-              | -                       | -               | -           | -           | -           | \$-          | -                       | -               | -           | -           | -           | \$-          |
| 8                                                                                                                   | Loan from Housing for SERAF       | SERAF/ ERAF                         | 03/02/ 2011              | 11/30/2036                 | Housing Authority for deposit into Housing Asset Fund | Statutory Obligation FY 2010-11 SERAF - Merged Proj Area | Merge        | 1,867,705                    | N       | \$-              | -                       | -               | -           | -           | -           | \$-          | -                       | -               | -           | -           | -           | \$-          |
| 13                                                                                                                  | 2010 Tax Alloc Ref Notes(\$27.5M) | Bonds Issued On or Before 12/ 31/10 | 12/23/ 1998              | 03/01/2026                 | AC Warnack Trust/ Shaughne S. Warnack Trust           | Notes issued for non-housing projects                    | PA 1         | -                            | Y       | \$-              | -                       | -               | -           | -           | -           | \$-          | -                       | -               | -           | -           | -           | \$-          |
| 23                                                                                                                  | 2002 Tax Alloc Bonds (\$5.3M)     | Bonds Issued On or Before 12/ 31/10 | 08/20/ 2002              | 12/01/2032                 | US Bank                                               | Bonds issued for non-housing projects                    | Merge        | 6,590,000                    | N       | \$970,000        | -                       | 970,000         | -           | -           | -           | \$970,000    | -                       | -               | -           | -           | -           | \$-          |
| 24                                                                                                                  | 2002 Tax Alloc Bonds (\$5.3M)     | Reserves                            | 08/20/ 2002              | 12/01/2032                 | US Bank                                               | Bond Covenants - H&S Code Sec 34171(d)(1)(A)             | Merge        | 970,000                      | N       | \$970,000        | -                       | -               | -           | -           | -           | \$-          | -                       | -               | 365,000     | 605,000     | -           | \$970,000    |
| 30                                                                                                                  | Bond Administration Fees          | Fees                                | 06/15/ 1993              | 09/01/2034                 | US Bank                                               | Fiscal Agent/ Trustee fees on Bond issues                | Merge        | 93,000                       | N       | \$12,000         | -                       | -               | -           | 8,200       | -           | \$8,200      | -                       | -               | -           | 3,800       | -           | \$3,800      |
| 32                                                                                                                  | Arbitrage Calculation Reports     | Fees                                | 07/16/ 2002              | 09/01/2034                 | BondLogistix LLC                                      | Arbitrage rebate calc svcs                               | Merge        | 18,000                       | N       | \$1,750          | -                       | -               | -           | -           | -           | \$-          | -                       | -               | -           | 1,750       | -           | \$1,750      |
| 35                                                                                                                  | Bond Disclosure Reports (A-0695)  | Fees                                | 05/24/ 2004              | 09/01/2034                 | NBS                                                   | Disclosure reporting services                            | Merge        | 72,000                       | N       | \$9,000          | -                       | -               | -           | -           | -           | \$-          | -                       | -               | -           | 9,000       | -           | \$9,000      |
| 37                                                                                                                  | Agency Financial Audit (A-2844)   | Fees                                | 07/01/ 2009              | 09/01/2034                 | Eide Bailly                                           | Audit services - annually required by bond               | Merge        | 115,000                      | N       | \$13,000         | -                       | -               | -           | 6,500       | -           | \$6,500      | -                       | -               | -           | 6,500       | -           | \$6,500      |

| A      | B                                         | C                    | D                        | E                          | F                              | G                                                                                                                                  | H            | I                            | J       | K                | L                       | M               | N           | O     | P           | Q            | R                       | S               | T           | U     | V           | W            |
|--------|-------------------------------------------|----------------------|--------------------------|----------------------------|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------|--------------|------------------------------|---------|------------------|-------------------------|-----------------|-------------|-------|-------------|--------------|-------------------------|-----------------|-------------|-------|-------------|--------------|
| Item # | Project Name                              | Obligation Type      | Agreement Execution Date | Agreement Termination Date | Payee                          | Description                                                                                                                        | Project Area | Total Outstanding Obligation | Retired | ROPS 26-27 Total | ROPS 26-27A (Jul - Dec) |                 |             |       |             | 26-27A Total | ROPS 26-27B (Jan - Jun) |                 |             |       |             | 26-27B Total |
|        |                                           |                      |                          |                            |                                |                                                                                                                                    |              |                              |         |                  | Fund Sources            |                 |             |       |             |              | Fund Sources            |                 |             |       |             |              |
|        |                                           |                      |                          |                            |                                |                                                                                                                                    |              |                              |         |                  | Bond Proceeds           | Reserve Balance | Other Funds | RPTTF | Admin RPTTF |              | Bond Proceeds           | Reserve Balance | Other Funds | RPTTF | Admin RPTTF |              |
|        |                                           |                      |                          |                            |                                | documents H&S Code Sec 34171(d)(1)(A)                                                                                              |              |                              |         |                  |                         |                 |             |       |             |              |                         |                 |             |       |             |              |
| 39     | Prop Tax Consulting Svcs (A-3220) - Merge | Fees                 | 09/01/2010               | 09/01/2034                 | HdL Coren & Cone               | Property Tax Consulting Services - data required for annual Bond Disclosures H&S Code Sec 34171(d)(1)(A)                           | Merge        | 110,000                      | N       | \$12,000         | -                       | -               | -           | 6,000 | -           | \$6,000      | -                       | -               | -           | 6,000 | -           | \$6,000      |
| 62     | Property Assessments                      | Property Maintenance | 07/01/2026               | 06/30/2027                 | COP - Streetlight Maint Dist   | Streetlight Maint. Dist. Assessments - Costs of maintaining assets prior to disposition, allowable by H&S Code Sec 34171(d)(1)(F). | PA 1         | -                            | Y       | \$-              | -                       | -               | -           | -     | -           | \$-          | -                       | -               | -           | -     | -           | \$-          |
| 65     | Property Assessments/ Spec Taxes          | Property Maintenance | 07/01/2026               | 06/30/2027                 | CFD 05-1                       | Special Tax Assessment - CFD 05-1 - Costs of maintaining assets prior to disposition, allowable by H&S Code Sec 34171(d)(1)(F).    | Merge        | -                            | Y       | \$-              | -                       | -               | -           | -     | -           | \$-          | -                       | -               | -           | -     | -           | \$-          |
| 66     | Property Assessments - PA 1               | Property Maintenance | 07/01/2026               | 06/30/2027                 | COP-Park Maint & Rec Impv Dist | Park Maint & Rec Impv Assessments - Costs of maintaining assets prior to disposition, allowable by H&S Code Sec 34171(d)(1)(F).    | PA 1         | -                            | Y       | \$-              | -                       | -               | -           | -     | -           | \$-          | -                       | -               | -           | -     | -           | \$-          |
| 68     | Property Assessments - PA 1               | Property Maintenance | 07/01/2026               | 06/30/2027                 | AV Mosquito & Vector Control   | Mosquito Abatement Assessments - Costs of maintaining assets prior to disposition, allowable by H&S Code Sec 34171(d)(1)(F).       | PA 1         | -                            | Y       | \$-              | -                       | -               | -           | -     | -           | \$-          | -                       | -               | -           | -     | -           | \$-          |

| A      | B                                             | C                                    | D                        | E                          | F                                       | G                                                                               | H            | I                            | J       | K                | L                       | M               | N           | O       | P           | Q            | R                       | S               | T           | U         | V           | W            |
|--------|-----------------------------------------------|--------------------------------------|--------------------------|----------------------------|-----------------------------------------|---------------------------------------------------------------------------------|--------------|------------------------------|---------|------------------|-------------------------|-----------------|-------------|---------|-------------|--------------|-------------------------|-----------------|-------------|-----------|-------------|--------------|
| Item # | Project Name                                  | Obligation Type                      | Agreement Execution Date | Agreement Termination Date | Payee                                   | Description                                                                     | Project Area | Total Outstanding Obligation | Retired | ROPS 26-27 Total | ROPS 26-27A (Jul - Dec) |                 |             |         |             | 26-27A Total | ROPS 26-27B (Jan - Jun) |                 |             |           |             | 26-27B Total |
|        |                                               |                                      |                          |                            |                                         |                                                                                 |              |                              |         |                  | Fund Sources            |                 |             |         |             |              | Fund Sources            |                 |             |           |             |              |
|        |                                               |                                      |                          |                            |                                         |                                                                                 |              |                              |         |                  | Bond Proceeds           | Reserve Balance | Other Funds | RPTTF   | Admin RPTTF |              | Bond Proceeds           | Reserve Balance | Other Funds | RPTTF     | Admin RPTTF |              |
| 76     | DDA Transit Vlg Townhomes (A-1977)            | OPA/DDA/ Construction                | 07/10/ 2007              | 12/31/2061                 | Palmdale Transit Village Townhomes, LLC | Transit Village townhome development                                            | Housing      | -                            | Y       | \$-              | -                       | -               | -           | -       | -           | \$-          | -                       | -               | -           | -         | -           | \$-          |
| 80     | DDA Transit Vlg Townhomes (A-1977)            | OPA/DDA/ Construction                | 07/10/ 2007              | 12/31/2061                 | Palmdale Transit Village Townhomes, LLC | Reimbursement to Developer of Parks & Rec Impact Fees                           | Housing      | -                            | Y       | \$-              | -                       | -               | -           | -       | -           | \$-          | -                       | -               | -           | -         | -           | \$-          |
| 160    | Commission charges                            | Property Dispositions                | 07/01/ 2026              | 06/30/2027                 | Various                                 | Costs of commission relating to sale of Successor Agency land to developers     | PA1/ Merge   | -                            | Y       | \$-              | -                       | -               | -           | -       | -           | \$-          | -                       | -               | -           | -         | -           | \$-          |
| 161    | Escrow Services                               | Property Dispositions                | 07/01/ 2026              | 06/30/2027                 | Various                                 | Escrow Service costs relating to sale of Successor Agency land to developers    | PA1/ Merge   | -                            | Y       | \$-              | -                       | -               | -           | -       | -           | \$-          | -                       | -               | -           | -         | -           | \$-          |
| 162    | Title Services                                | Property Dispositions                | 07/01/ 2026              | 06/30/2027                 | Various                                 | Title Service costs relating to sale of Successor Agency land to developers     | PA1/ Merge   | -                            | Y       | \$-              | -                       | -               | -           | -       | -           | \$-          | -                       | -               | -           | -         | -           | \$-          |
| 163    | Appraisal Services                            | Property Dispositions                | 07/01/ 2026              | 06/30/2027                 | Various                                 | Appraisal Service costs relating to sale of Successor Agency land to developers | PA1/ Merge   | -                            | Y       | \$-              | -                       | -               | -           | -       | -           | \$-          | -                       | -               | -           | -         | -           | \$-          |
| 170    | Agency Adminstrative Cost Allowance           | Admin Costs                          | 07/01/ 2026              | 06/30/2027                 | City of Palmdale                        | SA Overhead and Administrative Costs                                            | PA1/ Merge   | 125,966                      | N       | \$125,966        | -                       | -               | -           | -       | 125,966     | \$125,966    | -                       | -               | -           | -         | -           | \$-          |
| 175    | Tax Allocation Refunding Bonds, 2016 Series A | Refunding Bonds Issued After 6/27/12 | 04/26/ 2016              | 09/01/2034                 | US Bank                                 | Bonds issued to refund 1998, 1999 and 2003 Bonds                                | PA1/ Merge   | 15,560,781                   | N       | \$2,940,000      | -                       | 1,990,406       | -           | 663,469 | -           | \$2,653,875  | -                       | -               | -           | 286,125   | -           | \$286,125    |
| 176    | Tax Allocation Refunding Bonds, 2016 Series A | Reserves                             | 04/26/ 2016              | 09/01/2034                 | US Bank                                 | Reserve for Next ROPS Period Debt Service per Indenture                         | PA1/ Merge   | 1,182,094                    | N       | \$1,182,094      | -                       | -               | -           | -       | -           | \$-          | -                       | -               | -           | 1,182,094 | -           | \$1,182,094  |
| 177    | Tax Allocation Refunding Bonds, 2016          | Refunding Bonds Issued After         | 06/23/ 2016              | 09/01/2034                 | US Bank                                 | Bonds issued to refund 2003C, 2003D,                                            | PA1/ Merge   | 25,832,787                   | N       | \$3,717,525      | -                       | 2,403,056       | -           | 801,019 | -           | \$3,204,075  | -                       | -               | -           | 513,450   | -           | \$513,450    |

| A      | B                                             | C               | D                        | E                          | F       | G                                                       | H            | I                            | J       | K                | L                       | M               | N           | O     | P           | Q            | R                       | S               | T           | U         | V           | W            |
|--------|-----------------------------------------------|-----------------|--------------------------|----------------------------|---------|---------------------------------------------------------|--------------|------------------------------|---------|------------------|-------------------------|-----------------|-------------|-------|-------------|--------------|-------------------------|-----------------|-------------|-----------|-------------|--------------|
| Item # | Project Name                                  | Obligation Type | Agreement Execution Date | Agreement Termination Date | Payee   | Description                                             | Project Area | Total Outstanding Obligation | Retired | ROPS 26-27 Total | ROPS 26-27A (Jul - Dec) |                 |             |       |             | 26-27A Total | ROPS 26-27B (Jan - Jun) |                 |             |           |             | 26-27B Total |
|        |                                               |                 |                          |                            |         |                                                         |              |                              |         |                  | Fund Sources            |                 |             |       |             |              | Fund Sources            |                 |             |           |             |              |
|        |                                               |                 |                          |                            |         |                                                         |              |                              |         |                  | Bond Proceeds           | Reserve Balance | Other Funds | RPTTF | Admin RPTTF |              | Bond Proceeds           | Reserve Balance | Other Funds | RPTTF     | Admin RPTTF |              |
|        | Series B                                      | 6/27/12         |                          |                            |         | 2004A, 2004 Sub, 2005E, 2005F and 2009 Bonds            |              |                              |         |                  |                         |                 |             |       |             |              |                         |                 |             |           |             |              |
| 178    | Tax Allocation Refunding Bonds, 2016 Series B | Reserves        | 06/23/ 2016              | 09/01/2034                 | US Bank | Reserve for Next ROPS Period Debt Service per Indenture | PA1/ Merge   | 3,373,838                    | N       | \$3,373,838      | -                       | -               | -           | -     | -           | \$-          | -                       | -               | -           | 3,373,838 | -           | \$3,373,838  |

**Palmdale**  
**Recognized Obligation Payment Schedule (ROPS 26-27) - Report of**  
**Cash Balances July 1, 2023 through June 30, 2024**  
(Report Amounts in Whole Dollars)

| Pursuant to Health and Safety Code section 34177 (I), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. |                                                                                                                                                            |                                    |                                   |                                                                     |                              |                     |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------------|---------------------------------------------------------------------|------------------------------|---------------------|----------|
| A                                                                                                                                                                                                                                                                                                      | B                                                                                                                                                          | C                                  | D                                 | E                                                                   | F                            | G                   | H        |
|                                                                                                                                                                                                                                                                                                        | ROPS 23-24 Cash Balances<br>(07/01/23 - 06/30/24)                                                                                                          | Fund Sources                       |                                   |                                                                     |                              |                     | Comments |
|                                                                                                                                                                                                                                                                                                        |                                                                                                                                                            | Bond Proceeds                      |                                   | Reserve Balance                                                     | Other Funds                  | RPTTF               |          |
|                                                                                                                                                                                                                                                                                                        |                                                                                                                                                            | Bonds issued on or before 12/31/10 | Bonds issued on or after 01/01/11 | Prior ROPS RPTTF and Reserve Balances retained for future period(s) | Rent, grants, interest, etc. | Non-Admin and Admin |          |
|                                                                                                                                                                                                                                                                                                        |                                                                                                                                                            |                                    |                                   |                                                                     |                              |                     |          |
| 1                                                                                                                                                                                                                                                                                                      | Beginning Available Cash Balance (Actual 07/01/23)<br>RPTTF amount should exclude "A" period distribution amount.                                          | 545,145                            | 2                                 | 365,000                                                             | 156,321                      | 378,547             |          |
| 2                                                                                                                                                                                                                                                                                                      | Revenue/Income (Actual 06/30/24)<br>RPTTF amount should tie to the ROPS 23-24 total distribution from the County Auditor-Controller                        | 18,738                             | 7                                 |                                                                     | 261,664                      | 10,679,759          |          |
| 3                                                                                                                                                                                                                                                                                                      | Expenditures for ROPS 23-24 Enforceable Obligations (Actual 06/30/24)                                                                                      | 15,524                             | 8                                 |                                                                     | 55,087                       | 10,909,658          |          |
| 4                                                                                                                                                                                                                                                                                                      | Retention of Available Cash Balance (Actual 06/30/24)<br>RPTTF amount retained should only include the amounts distributed as reserve for future period(s) | 548,359                            | 1                                 |                                                                     | 101,234                      | 102,259             |          |
| 5                                                                                                                                                                                                                                                                                                      | ROPS 23-24 RPTTF Prior Period Adjustment<br>RPTTF amount should tie to the Agency's ROPS 23-24 PPA form submitted to the CAC                               |                                    | No entry required                 |                                                                     |                              | 46,389              |          |
| 6                                                                                                                                                                                                                                                                                                      | Ending Actual Available Cash Balance (06/30/24)<br>C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)                                                       | \$-                                | \$-                               | \$365,000                                                           | \$261,664                    | \$-                 |          |

**Palmdale**  
**Recognized Obligation Payment Schedule (ROPS 26-27) - Notes**  
**July 1, 2026 through June 30, 2027**

| Item # | Notes/Comments          |
|--------|-------------------------|
| 6      |                         |
| 7      |                         |
| 8      |                         |
| 13     |                         |
| 23     |                         |
| 24     |                         |
| 30     |                         |
| 32     |                         |
| 35     |                         |
| 37     |                         |
| 39     |                         |
| 62     | Property has been sold. |
| 65     | Property has been sold  |
| 66     | Property has been sold  |
| 68     | Property has been sold  |
| 76     |                         |
| 80     |                         |
| 160    |                         |
| 161    |                         |
| 162    |                         |
| 163    |                         |
| 170    |                         |
| 175    |                         |
| 176    |                         |
| 177    |                         |
| 178    |                         |

SUCCESSOR AGENCY  
TO THE COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF PALMDALE  
CALIFORNIA  
RESOLUTION NO. SA 2025-005

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY  
REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE APPROVING  
THE ADMINISTRATIVE BUDGET FOR THE PERIOD OF JULY 1, 2026  
THROUGH JUNE 30, 2027 (ADMINISTRATIVE BUDGET 2026-27).

**WHEREAS**, The Community Redevelopment Agency of the City of Palmdale (“Redevelopment Agency”) was a redevelopment agency in the City of Palmdale (“City”), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with SECTION 33000) of Division 24 of the California Health and Safety Code) (“Redevelopment Law”); and

**WHEREAS**, The Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

**WHEREAS**, Assembly Bill 1X 26 (“AB 26”) was signed by the Governor on June 28, 2011 and upheld to be constitutional by the California Supreme Court on December 29, 2011; and

**WHEREAS**, AB 26 made certain changes to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code), including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) (“Part 1.85”) to Division 24 of the California Health and Safety Code (“Health and Safety Code”); and

**WHEREAS**, On February 1, 2012, as a result of the Supreme Court’s decision, all California redevelopment agencies were dissolved, successor agencies were established as successor agencies to the former redevelopment agencies pursuant to Health and Safety Code Section 34173, and successor agencies are tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and winding down the affairs of the former redevelopment agencies; and

**WHEREAS**, On June 27, 2012, the Governor of California signed Assembly Bill 1484 (“AB 1484”) into law, making several substantive and technical amendments to AB 26 (AB 26 and AB 1484 together referred to as the “Dissolution Bills”); and

**WHEREAS**, On January 4, 2012, the City Council adopted Resolution No. CC 2012-002 declaring itself as the Successor Agency to the Community Redevelopment Agency of the City of Palmdale (“Successor Agency”) upon the dissolution of the Redevelopment Agency; and

**WHEREAS**, On April 4, 2012 the City Council, acting in its capacity as the Successor Agency, adopted Resolution No. CC 2012-041 SA naming itself the "Successor Agency to the Community Redevelopment Agency of the City of Palmdale", the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

**WHEREAS**, pursuant to Health and Safety Code Section 34179 (q), commencing on and after July 1, 2018, the County of Los Angeles, where more than 40 oversight boards were created by the Dissolution Act, shall have five consolidated oversight boards, each encompassing the five supervisorial districts; and

**WHEREAS**, the Fifth Supervisorial District Consolidated Oversight Board ("Fifth District Consolidated Oversight Board") has jurisdiction over the Successor Agency of the Former Redevelopment Agency to the City of Palmdale; and

**WHEREAS**, the Fifth District Consolidated Oversight Board will hold a regular/special meeting on or about January 8, 2026; and

**WHEREAS**, Health and Safety Code Section 34177(j) ("Section 34177(j)") requires the Successor Agency to prepare an administrative budget for the period July 1, 2026 through June 30, 2027 and submit the administrative budget to the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board for approval. The administrative budget shall include all of the following: (i) estimated amounts for Successor Agency administrative costs for the upcoming annual fiscal period; (ii) proposed sources of payment for Successor Agency administrative costs; and (iii) proposals for arrangements for administrative and operations services provided by the City or other entity; and

**WHEREAS**, Health and Safety Code Section 34177(k) ("Section 34177(k)") requires the Successor Agency to provide to the Los Angeles County Auditor-Controller for the period July 1, 2026 through June 30, 2027 the administrative cost estimates from its approved administrative budget that are to be paid from property tax revenues (i.e. former tax increment revenues) deposited in the County's Redevelopment Property Tax Trust Fund established for the Successor Agency; and

**WHEREAS**, Health & Safety Code SECTION 34179.7 (o) (1), requires the Successor Agency to prepare a forward-looking, annual Recognized Obligation Payment Schedule (ROPS) listing the enforceable obligations of the former Redevelopment Agency that are due in the next annual period and submitting an oversight board approved annual ROPS to the Department of Finance and Auditor-Controller by February 1, 2026; and

**WHEREAS**, Health & Safety Code Section 34171(b)(3) states that, the administrative cost allowance shall be up to 3 percent of the actual property tax

distributed to the successor agency by the county auditor-controller in the preceding fiscal year for payment of approved enforceable obligations, reduced by the successor agency's administrative cost allowance and loan repayments made to the city pursuant to Section 34191.4(b) during the preceding fiscal year, subject to a minimum of \$250,000, unless such amount is reduced by the Oversight Board or by agreement between the successor agency and the State Department of Finance ("Department of Finance"); and

**WHEREAS**, Staff of the Successor Agency seeks the Successor Agency's approval of the administrative budget for the period of July 1, 2026 through June 30, 2027 ("Administrative Budget 2026-27"), in the form attached to this Resolution as Exhibit A, and the Successor Agency's authorization to submit the approved Administrative Budget 2026-27 to the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board for its approval and to forward the information required by Section 34177(k) to the Los Angeles County Auditor-Controller; and

**WHEREAS**, All other legal prerequisites to the adoption of this Resolution have occurred.

NOW THEREFORE, BE IT RESOLVED, THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

**SECTION 1.** The Board of Directors hereby finds and determines that the foregoing recitals are true and correct.

**SECTION 2.** The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency of any rights the Successor Agency may have to challenge the effectiveness and/or legality of all or any portion of the Dissolution Bills through administrative or judicial proceedings.

**SECTION 3.** The Successor Agency's Administrative Budget 2026-27, which is attached hereto as Exhibit A, is hereby approved and adopted.

**SECTION 4.** The Executive Director, or designee, is hereby authorized and directed to: i) submit the approved Administrative Budget 2026-27 to the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board for its review and approval; and ii) submit to the Los Angeles County Auditor-Controller the administrative cost estimates from Administrative Budget 2026-27 that are to be paid from property tax revenues deposited in the County's Redevelopment Property Tax Trust Fund established for the Successor Agency; and iii) take any and all other actions and execute any and all such other documents as are necessary, convenient or appropriate to comply with the Dissolution Bills and to effectuate the intent of this Resolution on behalf of the Successor Agency

**SECTION 5.** This Resolution shall take effect immediately upon its adoption

**SECTION 6.** The Agency Secretary shall certify the adoption of this resolution.

**PASSED, APPROVED and ADOPTED** this 2nd day of December, 2025.

Approved as to form:

\_\_\_\_\_  
Laura Bettencourt, Vice Chair

ATTEST:

\_\_\_\_\_  
Alexandra Severino  
General Counsel

\_\_\_\_\_  
Rochelle Scott,  
Agency Secretary

I, Rochelle Scott, Agency Secretary of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the Successor Agency at a regular meeting of said Agency held on the 2nd day of December, 2025, by the following roll call vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_ ABSENT: \_\_\_\_\_

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

\_\_\_\_\_  
Rochelle Scott, Agency Secretary

**Exhibit A to Resolution No. SA 2025-005**

Successor Agency to the Community Redevelopment Agency  
of the City of Palmdale Administrative Budget  
For the Period of July 1, 2026 through June 30, 2027

| Item                                      |              |             | Successor Agency  | Notes                                                                                        |
|-------------------------------------------|--------------|-------------|-------------------|----------------------------------------------------------------------------------------------|
| <b>Direct Project Management Cost</b>     |              |             |                   |                                                                                              |
| <b>Required Bond Documents</b>            |              |             |                   |                                                                                              |
| Salaries & Benefits                       |              |             | <b>\$ 21,929</b>  |                                                                                              |
| <b>Operations Department</b>              | <b>Hours</b> | <b>Rate</b> |                   |                                                                                              |
| Director of Operations                    | 10           | \$ 351      | \$ 3,510          |                                                                                              |
| Deputy Director Finance                   | 30           | \$ 267      | \$ 8,011          |                                                                                              |
| Senior Financial Analyst                  | 40           | \$ 170      | \$ 6,814          |                                                                                              |
| Senior Account Clerk                      | 20           | \$ 108      | \$ 2,158          |                                                                                              |
| Purchasing Senior Buyer                   | 10           | \$ 144      | \$ 1,437          |                                                                                              |
| Total Direct Cost                         |              |             | <b>\$ 21,929</b>  |                                                                                              |
| <b>Administrative Cost</b>                |              |             |                   |                                                                                              |
| Salaries & Benefits                       |              |             | <b>\$ 56,937</b>  |                                                                                              |
| <b>City Manager's Office</b>              | <b>Hours</b> | <b>Rate</b> |                   |                                                                                              |
| City Manager                              | 10           | \$ 454      | \$ 4,539          |                                                                                              |
| Deputy City Manager                       | 10           | \$ 320      | \$ 3,202          |                                                                                              |
| <b>Operations Department</b>              |              |             |                   |                                                                                              |
| Director of Operations                    | 20           | \$ 351      | \$ 7,020          |                                                                                              |
| Deputy Director Finance                   | 20           | \$ 267      | \$ 5,340          |                                                                                              |
| Senior Financial Analyst                  | 55           | \$ 170      | \$ 9,350          |                                                                                              |
| Senior Account Clerk                      | 60           | \$ 108      | \$ 6,480          |                                                                                              |
| <b>City Attorney's Office</b>             |              |             |                   |                                                                                              |
| City Attorney                             | 15           | \$ 350      | \$ 5,250          |                                                                                              |
| Senior Administrative Assistant           | 25           | \$ 122      | \$ 3,044          |                                                                                              |
| <b>City Clerk's Office</b>                |              |             |                   |                                                                                              |
| City Clerk                                | 20           | \$ 212      | \$ 4,237          |                                                                                              |
| City Clerk                                | 40           | \$ 212      | \$ 8,474          |                                                                                              |
| Cont Svc-Professional Svcs                |              |             | \$ 5,000          |                                                                                              |
| Cont Svc - Document Center & Copier Lease |              |             | \$ 600            |                                                                                              |
| Banking Fees/Checking Account             |              |             | \$ 1,000          |                                                                                              |
| Liability Insurance                       |              |             | \$ 4,000          |                                                                                              |
| Rent                                      |              |             | <b>\$ 37,500</b>  | Related to Bond Issuance on Building Construction. Bonds maturing on September 1, 2029. Keep |
| Total Administrative Cost                 |              |             | <b>\$ 105,037</b> |                                                                                              |
| Total Direct and Administrative Cost      |              |             | <b>\$ 126,966</b> |                                                                                              |

Related to Bond Issuance on Building  
Construction. Bonds maturing on September 1,  
2029. Keep



# City Council Staff Report

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**DATE:** DECEMBER 2, 2025

**TO:** HONORABLE MAYOR PRO TEM AND CITY COUNCIL

**FROM:** OPERATIONS DEPARTMENT  
FINANCE DIVISION

**DISTRICT:** ALL

**SUBJECT:** RECEIVE AND FILE THE SPECIAL TAX ANNUAL REPORT FOR CFD 2003-1 (ANAVERDE), CFD 05-1 (TRADE AND COMMERCE), CFD 16-1 (JOSHUA RANCH WATER SUPPLY AND MAINTENANCE SERVICES), CFD 2022-1 (CITYWIDE MAINTENANCE AND SERVICES), CFD 2022-2 (RITTER RANCH MAINTENANCE SERVICES), AND CFD 2022-3 (RITTER RANCH PHASE 1 PUBLIC FACILITIES) IN ACCORDANCE WITH SENATE BILL 165, SECTION 53410 OF THE CALIFORNIA GOVERNMENT CODE

## **RECOMMENDATION**

Staff recommend that the City Council:

1. Receive and file the Special Tax Annual Report for CFD 2003-1 (Anaverde), CFD 05-1 (Trade and Commerce), CFD 16-1 (Joshua Ranch Water Supply and Maintenance Services), CFD 2022-1 (Citywide Maintenance Services), CFD 2022-2 (Ritter Ranch Maintenance Services), and CFD 2022-3 (Ritter Ranch Phase 1 Public Facilities) in accordance with Senate Bill 165, Section 53410 of the California Government Code.

## **BACKGROUND**

The Special Tax Annual Report is prepared in accordance with Government Code Sections 50075.1 and 53410, which were established under Senate Bill 165, the Local Agency Special Tax and Bond Accountability Act. These requirements apply to any local special tax or bond measure approved by voters on or after January 1, 2001.

Under this Act, voter-approved special tax and bond measures must:

- Clearly identify the specific purposes of the tax or bond;
- Ensure all proceeds are used only for those stated purposes;
- Establish a separate account to receive all related revenues; and,

- Provide an annual report detailing how the proceeds were collected, managed, and spent.

## **DISCUSSION**

The Local Agency Special Tax and Bond Accountability Act apply to all special tax and bond funds issued on or after January 1, 2001. As a result, the following Community Facilities Districts (CFDs) fall under these requirements:

- CFD No. 2003-1 (Anaverde) – Bonds issued February 23, 2005;
- CFD No. 05-1 (Trade and Commerce) – Bonds issued August 2, 2005;
- CFD No. 16-1 (Joshua Ranch Water Supply and Maintenance Services) – Bonds issued February 3, 2016;
- CFD No. 2022-1 (Citywide Maintenance and Services) – Formed July 13, 2022;
- CFD No. 2022-2 (Ritter Ranch Maintenance Services) – Formed October 24, 2022; and,
- CFD No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) – Formed October 24, 2022.

These districts are therefore subject to the Act's accountability and reporting requirements. The attached report complies with Senate Bill 165, which states:

“The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain all of the following:

- The amount of funds collected and expended; and,
- The status of any project required or authorized to be funded as identified in the subdivision (a) of Section 50075.1 (and) 53410”.

## **FISCAL IMPACT**

\$0; There is no fiscal impact associated with this action.

## **STRATEGIC PLAN**

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

- C. Involve and expand engagement to enhance public oversight and transparency.

Report to Mayor Pro Tem and City Council  
Re: Receive and File Special Tax Annual Report 2025  
December 2, 2025  
Page 3

|                                        |                                        |
|----------------------------------------|----------------------------------------|
| Prepared by:                           | Janelle Samson, Director of Operations |
| Certified as to availability of Funds: | Janelle Samson, Director of Operations |
| Approved by:                           | Salvador Mendez, Interim City Manager  |
| Approved as to form:                   | Alexandra Severino, City Attorney      |

## **ATTACHMENTS**

Rpt. Special Tax Annual Report 2025

## LOCAL AGENCY SPECIAL TAX AND BOND ACCOUNTABILITY ACT

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Senate Bill 165, filed with the Secretary of State on September 19, 2000, enacted the Local Agency Special Tax and Bond Accountability Act (the “Act”). This Act requires that any local special tax or local bond measure subject to voter approval contain a statement indicating the specific purposes of the special tax, require that the proceeds of the special tax be applied to those purposes, require the creation of an account into which the proceeds shall be deposited, and require an annual report containing specified information concerning the use of the proceeds. The Act only applies to any local special tax measure or local bond measure adopted on or after January 1, 2001 in accordance with Section 50075.1 or Section 53410 of the California Government Code.

Some of the requirements of the Act are handled at the formation of the Special Tax District and others are handled through annual reports. This Section of this report intends to comply with Sections 50075.3 and 53411 of the California Government Code that states:

“The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain all of the following:

1. The amount of funds collected and expended.
2. The status of any project required or authorized to be funded as identified in subdivision (a) of Sections 50075.1 [and] 53410.”

The requirements of the Act apply to the funds for the following districts.

### **\$15,565,000 Improvement Area A Community Facilities District No. 2003-1 (Anaverde Public Improvements) 2019 Special Tax Refunding Bonds**

Dated: 08/01/2019

#### **PURPOSE OF SPECIAL TAX**

Bonds were issued to: (1) refinance outstanding bonds issued for the Improvement Area, (2) fund a reserve fund for the Bonds, and (3) pay costs of issuing Bonds.

The Special Tax finances the following improvements: storm drain, roadway, park and landscape, water, sewer as well as dry utilities, and construction of a City maintenance facility and a weather station.

The improvements are ongoing.

## COLLECTIONS AND EXPENDITURES

| Fund Name                   | Initial Deposit | Total Amount Collected <sup>(1)</sup> | 6/30/2025 Balance | Amount Expended <sup>(2)</sup> |
|-----------------------------|-----------------|---------------------------------------|-------------------|--------------------------------|
| Bond Fund <sup>(3)</sup>    | \$0.00          | \$37,159,154.55                       | \$1,315,051.41    | \$35,844,103.14                |
| Cost of Issuance Fund       | 208,356.94      | 0.00                                  | 0.00              | 208,356.94                     |
| Improvement Fund            | 361,000.00      | 0.00                                  | 15,151.61         | 345,848.39                     |
| Reserve Fund <sup>(4)</sup> | 724,052.09      | 0.00                                  | 722,959.79        | 0.00                           |

(1) Aggregate amount collected since Fiscal Year 2004/05.

(2) Bond Fund Amount Expended is the difference between Total Amount Collected and 6/30/2025 Balance.

(3) Includes administrative expense funds.

(4) Does not include the Reserve Policy held in the amount equal to 50% of the reserve requirement as of the closing date of the bonds.

### **\$10,442,992 Community Facilities District No. 05-1 (Trade and Commerce Center Area) 2021 Special Tax Refunding Bonds**

Date: June 17, 2021

## PURPOSE OF SPECIAL TAX

Bonds were issued to refund the Series 2005 and Series 2007 Special Tax Refunding Bonds, Series A which were issued to refund: (1) a portion of the City's outstanding Limited Obligation Improvement Bonds, 10th Street West Assessment District No. 88-1 Series 1989-A, and (2) the outstanding special tax bonds for Community Facilities District No. 99-1 (Trade and Commerce Center Area), and (3) a portion of the City's outstanding Limited Obligation Improvement Bonds, 7th Street West Assessment District No. 90-2, Series 1990-A.

The projects funded by the Special Tax include: roadways and streets construction and improvements, including traffic signals, off ramps, sidewalks, gutters, street lights; storm drain, and sanitary and domestic sewer facilities.

The projects are complete.

## COLLECTIONS AND EXPENDITURES

| Fund Name                | Initial Deposit | Total Amount Collected <sup>(1)</sup> | 6/30/2025 Balance | Amount Expended <sup>(2)</sup> |
|--------------------------|-----------------|---------------------------------------|-------------------|--------------------------------|
| Bond Fund <sup>(3)</sup> | \$0.00          | \$19,953,646.85                       | \$1,273,410.36    | \$18,680,236.49                |
| Costs of Issuance Fund   | 148,037.74      | 0.00                                  | 0.00              | 148,037.74                     |
| Reserve Fund             | 639,057.15      | 0.00                                  | 647,108.59        | 0.00                           |

(1) Aggregate amount collected since Fiscal Year 2006/07.

(2) Bond Fund Amount Expended is the difference between Total Amount Collected and 6/30/2025 Balance.

(3) Includes administrative expense funds.

**Community Facilities District No. 16-1**  
**(Joshua Ranch Water Supply & Maintenance Services)**

Date: February 3, 2016

**PURPOSE OF SPECIAL TAX**

A Special Tax is levied annually to pay for the following water rights, services, and related costs: acquisition rights to potable water to serve single family homes in phases four and five of the Joshua Ranch development; annual purchase price of the water rights; expenses of the Antelope Valley – East Kern Water Agency to transport the water; and all direct and incidental costs of landscape and drainage maintenance of the Flood Control Facility.

The project is ongoing.

**COLLECTIONS AND EXPENDITURES**

| Fund              | 7/1/2024<br>Balance | Amount<br>Collected <sup>(1)</sup> | 6/30/2025<br>Balance | Expended<br>Amount | Service<br>Status |
|-------------------|---------------------|------------------------------------|----------------------|--------------------|-------------------|
| Operating<br>Fund | \$2,172,284.05      | \$7,077,641.63                     | \$2,949,661.79       | \$6,300,263.89     | Ongoing           |
| Reserve<br>Fund   | 55,485.25           | 0.00                               | 55,485.25            | 0.00               | Open              |

(1) Aggregate amount collected since Fiscal Year 2016/17.

**Community Facilities District No. 2022-1**  
**(Citywide Maintenance and Services)**

Formation Date: July 13, 2022

**Purpose of Special Tax**

The District was formed to fund maintenance and services for maintenance and lighting of parks, parkways, streets, roads, and open space as well as maintenance of landscaping, storm drains, and appurtenances located within the City. The Special Tax may be levied in perpetuity.

The projects are ongoing on an annual basis.

**Collections and Expenditures**

| Fund Name        | 06/30/2024<br>Balance | Amount<br>Collected <sup>(1)</sup> | 06/30/2025<br>Balance | Amount<br>Expended |
|------------------|-----------------------|------------------------------------|-----------------------|--------------------|
| Special Tax Fund | (\$140,039.58)        | \$274,385.77                       | \$102,858.41          | \$31,487.78        |

(1) Aggregate amount collected since Fiscal Year 2023/24. Does not account for subsequent refunds provided.

## **Community Facilities District No. 2022-2 (Ritter Ranch Maintenance Services)**

Formation Date: October 24, 2022

### **Purpose of Special Tax**

The District was formed to fund maintenance and services including but not limited to: maintenance and lighting of streets, roadways, parks, parkways, trails, and open space; flood and storm protection services; police protection, fire protection and suppression services; ambulance and paramedic services; maintenance and irrigation of landscaping in public rights of way. The Special Tax may be levied in perpetuity.

The projects are ongoing on an annual basis.

### **Collections and Expenditures**

| <b>Fund Name</b> | <b>06/30/2024<br/>Balance</b> | <b>Amount<br/>Collected</b> | <b>06/30/2025<br/>Balance</b> | <b>Amount<br/>Expended</b> |
|------------------|-------------------------------|-----------------------------|-------------------------------|----------------------------|
| Special Tax Fund | \$0.00                        | \$52,604.31                 | \$49,026.63                   | \$3,577.68                 |

## **Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities)**

Formation Date: October 24, 2022

### **Purpose of Special Tax**

The District was formed to fund domestic water facilities, street improvements, sanitary sewer facilities, storm control facilities, installation of landscaping and related irrigation improvements in public rights of way, construction and development of parks, parkways and trails and installation of walls and fencing in public rights of way and related appurtenances, recreational facilities, water system improvements, flood control facilities, fire control and suppression facilities, sanitation district facilities, along with bond related expenses, administrative fees, and reimbursement of costs related to the formation of the district. The Special Tax may be levied for up to 60 years from the initial levy of the special tax, but no later than the Fiscal Year 2083/84.

The projects are ongoing.

### **Collections and Expenditures**

| <b>Fund Name</b> | <b>06/30/2024<br/>Balance</b> | <b>Amount<br/>Collected</b> | <b>06/30/2025<br/>Balance</b> | <b>Amount<br/>Expended</b> |
|------------------|-------------------------------|-----------------------------|-------------------------------|----------------------------|
| Special Tax Fund | \$0.00                        | \$87,133.94                 | \$82,412.16                   | \$4,721.78                 |



# City Council Staff Report

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**DATE:** DECEMBER 2, 2025

**TO:** HONORABLE MAYOR PRO TEM AND CITY COUNCIL

**FROM:** OPERATIONS DEPARTMENT  
INFORMATION TECHNOLOGY DIVISION

**DISTRICT:** ALL

**SUBJECT:** APPROVE AGREEMENT WITH QUEST TECHNOLOGY  
MANAGEMENT FOR NETWORK HARDWARE AND SECURITY  
SERVICES FOR A TOTAL NOT TO EXCEED AMOUNT OF \$259,855  
FOR A TERM OF THREE YEARS WITH OPTION TO EXTEND TWO  
ADDITIONAL ONE YEAR TERMS

## **RECOMMENDATION**

Staff recommend that the City Council:

1. Approve Agreement No. A-9585 with Quest Technology Management for network hardware and security services for a total not to exceed amount of \$259,855 for a term of three years with option to extend two additional one year terms and,
2. Authorize the Interim City Manager or his designee to execute Agreement A-9585 with Quest Technology Management, including minimal and/or non-substantial changes.

## **BACKGROUND**

The Information Technology (IT) Division is continually working to modernize the City's technology infrastructure to improve the reliability, security, and efficiency of its network. Currently, all City facilities use physical connections that route through City Hall in a traditional "hub-and-spoke" design. As a result, any disruption at City Hall can impact network access to City facilities.

As the City adopts more cloud-based applications and remote-access services, the limitations of this structure have become more significant. To address these challenges, IT has evaluated modern solutions that combine network connectivity and cybersecurity within a single cloud-based platform. The industry standard for this model is Secure Access Service Edge (SASE), which strengthens system resilience and centralizes security management.

## **DISCUSSION**

Transitioning to a SASE-based network architecture will improve operational reliability, enhance public service delivery, and reduce long-term technology costs. Each facility will utilize its own internet connection instead of routing all network traffic through City Hall. This distributed model removes the current single point of failure, minimizes the impact of outages, and improves overall network performance, especially as more systems move to cloud-hosted platforms.

Following a thorough evaluation of available solutions, staff identified Cato's SASE Cloud as the option that best aligns with the City's long-term modernization strategy goals. Implementing this architecture supports the City's cloud-first strategy and provides a secure, scalable, and resilient foundation for critical public services into the future.

## **FISCAL IMPACT**

\$259,855; Funds are budgeted and available in FY 2025-26 in the IT Data Center account. Subsequent years will be proposed through the annual budget process.

| Description       | Cost      |
|-------------------|-----------|
| Year 1            | \$95,035  |
| Year 2            | \$82,410  |
| Year 3            | \$82,410  |
| Year 4 (optional) | \$82,410  |
| Year 5 (optional) | \$82,410  |
| Total             | \$259,855 |

## **STRATEGIC PLAN**

Goal III: Ensure long-term fiscal health of the city and maintain funding for services.

- A. Manage resources, costs, and liabilities to ensure the City's long-term fiscal health.

|                                        |                                        |
|----------------------------------------|----------------------------------------|
| Prepared by:                           | Janelle Samson, Director of Operations |
| Certified as to availability of Funds: | Janelle Samson, Director of Operations |
| Approved by:                           | Salvador Mendez, Interim City Manager  |
| Approved as to form:                   | Alexandra Severino, City Attorney      |

## **ATTACHMENTS**

Agrmt No. A-9585  
Agrmt No. AR2505 (NASPO)

**AGREEMENT NO. A-9585  
CONTRACT FOR SERVICES  
BETWEEN THE CITY OF PALMDALE AND QUEST TECHNOLOGY  
MANAGEMENT**

**This CONTRACT for services** ("Contract" herein) is made and entered into by and between the City of Palmdale, a public body corporate and politic, (hereinafter called "CITY"), and QUEST TECHNOLOGY MANAGEMENT, a CORP, (hereinafter called "CONTRACTOR"). This Contract shall become effective on the date of the last signatory.

**RECITALS**

WHEREAS, CONTRACTOR represents that CONTRACTOR has the expertise and is qualified to perform the services described in this Contract.

NOW THEREFORE, CITY and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

**1 CITY PROJECT MANAGER**

To provide the services required by this Contract, CONTRACTOR shall act under the authority and approval of Stuart Thompson/IT Manager Director/designee, who shall oversee this Contract, the work performed by CONTRACTOR, assist CONTRACTOR with any necessary information, audit billings, and approve payments. The CONTRACTOR shall channel all contacts and requests through the City project manager.

**2 DESCRIPTION OF WORK**

2.1 CONTRACTOR shall provide the following services in a manner satisfactory to CITY:

Lease equipment to converge networking and security capabilities into a single, cohesive, and scalable platform that can protect all city users and resources, regardless of their location.

See detailed information. Attachment #1

2.2 CONTRACTOR shall have no claim for compensation for any services or work, which has not been authorized by CITY's Authorization to Proceed.

2.3 CONTRACTOR shall not accept any change of scope, or change in contract provisions, to this Contract unless issued in writing, as a contract change order or amendment and signed by CITY. Any extensions of time must be mutually agreed upon in writing and executed by both parties.

2.4 CONTRACTOR shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the CONTRACTOR as applicable to this contract.

2.5 All work supplied under this Contract shall be fully guaranteed by CONTRACTOR for a minimum period of n/a days from the date of acceptance by CITY. Any defects of design, workmanship, or materials that would result in non-compliance with the Contract specifications shall be fully corrected by CONTRACTOR (including parts and labor) without cost to CITY. The written warranty shall be included with the delivered products to the using Department.

2.6 CITY shall provide to CONTRACTOR, without charge, all data, program information, including reports, records, maps, and other information, now in CITY's possession, which may facilitate the timely performance of the work.

### 3 CONTRACTOR'S KEY PERSONNEL

3.1 **Key Staff.** CITY reserves the right to review and approve CONTRACTOR'S staff including all subcontractors to be assigned to any project by CONTRACTOR during the term of this Contract.

This Contract has been awarded to CONTRACTOR based partially on the key personnel proposed to perform the services required herein. CONTRACTOR shall not change nor substitute any of these key staff for work on this Contract without prior written approval by CITY.

CONTRACTOR's Team and Key Personnel are as follows:

Kerry Drehabl - Sales

This Services Contract has been awarded to CONTRACTOR based on its representation that those personnel and subcontractors submitted as part of its bid and listed above will perform the portions of the work listed above.

CONTRACTOR shall not deviate nor substitute any of these team members without prior written approval by CITY.

3.2 **Subcontractors.** During the performance of the Agreement, CONTRACTOR may engage such additional SUBCONTRACTORS as may be required for the timely completion of this Agreement. In the event of subcontracting, the sole responsibility for fulfillment of all terms and conditions of this Agreement rests with CONTRACTOR.

CONTRACTOR shall not enter into any Subcontract under this Contract for the performance of this Contract without the advance written approval of CITY. The subcontract shall incorporate by reference the terms and conditions of this Contract.

3.3 **Direct Responsibility.** All services required under this Contract shall be performed by CONTRACTOR, or under CONTRACTOR's direct supervision, and all

personnel shall possess the qualifications, permits and licenses required by State and local law to perform such services.

3.3.1 CONTRACTOR shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Contract, and compliance with all reasonable performance standards established by CITY.

3.3.2 CONTRACTOR shall be responsible for payment of all CONTRACTOR's employees' and subcontractor's wages and benefits and shall comply with all requirements pertaining to the employer's liability, workers' compensation, unemployment insurance, and Social Security.

3.3.3 CONTRACTOR shall indemnify and hold harmless CITY, and its respective officers, agents and employees from and against all claims, demands, damages or costs arising from CONTRACTOR's acts or omissions with respect to any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices.

3.4 Standards of Performance. CONTRACTOR shall be responsible for the completeness and accuracy of its services and work and documents resulting there from, and CITY shall not be responsible for discovering deficiencies therein. CONTRACTOR shall correct any such deficiencies or errors without additional compensation and without cost to CITY, except to the extent any such deficiency is directly attributable to deficiencies in CITY-furnished information.

## **4 CONTRACT TERM**

The term of this Contract is Three (3) Years, commencing on the effective date, with CITY reserving the option to extend the agreement for 2 additional terms of one year each.

## **5 ACCEPTANCE AND DOCUMENTATION**

Each task shall be reviewed and approved by the Contract Project Manager to determine acceptable completion.

5.1 **Records.** The CONTRACTOR shall retain and shall contractually require each SUBCONTRACTOR to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract.

5.2 **Property of CITY.** All materials, including reports, computer programs and other deliverables, supplied or created under this Contract are the sole property of CITY. CONTRACTOR is not entitled to a patent or copyright on those materials and

may not transfer the patent or copyright to anyone else. CONTRACTOR shall not use or release these materials without the prior written consent of CITY.

**5.3 Products.** All equipment, materials, parts, and other components incorporated in the work or services performed pursuant to this Contract shall be new, or the latest model and of the most suitable grade for the purpose intended. All work shall be performed in a skilled and workmanlike manner.

## **6 PRICE**

CITY shall pay to CONTRACTOR an amount not to exceed Two Hundred Fifty Nine Thousand Eight Hundred Fifty Five dollars (\$259855) for the completion of all the work and services described in Section 2, which sum shall include all costs or expenses incurred by CONTRACTOR, payable as follows:

Annual - upon receipt of invoice

**6.1** An application for payment form must be submitted to CITY which shall include the following: a clear, detailed invoice reflecting work being billed for, a summary sheet showing percentage of work completed to date, amount/percent billed to date and current status of all tasks within a project; any/all backup documentation supporting the above items. Work schedule updates must also be included with the payment requests.

**6.2** CONTRACTOR shall maintain adequate records and shall permit inspection and audit by CITY of CONTRACTOR's charges under this Contract. CONTRACTOR shall make such records available to CITY during normal business hours upon reasonable notice. Nothing herein shall convert such records into public records, and they will be available only to CITY and any specified public agencies. Such records shall be maintained by CONTRACTOR for one (1) year following completion of the work under this Contract unless a longer period of time is required by state or federal law, in which event CONTRACTOR shall retain its records for the time required by such laws.

**6.3 Payment.** A separate invoice shall be issued for each shipment of material or service performed, and no payment will be issued prior to receipt of material and/or completion of specified services and receipt of a correct invoice.

## **7 TAXES**

**7.1** CONTRACTOR shall pay all sales, consumer, use, and other similar taxes required to be paid by CONTRACTOR in accordance with state and local laws.

**7.2** CONTRACTOR is an independent contractor and shall have no power or authority to incur any debt, obligation, or liability on behalf of CITY. No person employed by CONTRACTOR or acting on its behalf, in connection with this Contract shall be considered the Agent or employee of CITY.

7.3 CONTRACTOR shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

7.4 When equipment, materials or supplies generally taxable to CONTRACTOR are eligible for a tax exemption due to the nature of the work, CONTRACTOR shall assist the City in applying for and obtaining such tax credits and exemptions, which shall be paid or credited to the City.

## **8 PATENT FEES AND ROYALTIES**

CONTRACTOR shall pay all license fees and royalties and assume all costs incident to the use, in the performance of the work or the incorporation in the work of any invention, design, process, program, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, program, product or device is specified in the contract documents for use in the performance of the work and if, to the actual knowledge of CITY, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by CITY in the contract documents. CONTRACTOR shall indemnify and hold harmless CITY and anyone directly or indirectly employed by CITY from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights or copyrights incident to the use in the performance of the work, or resulting from the incorporation in the work of any invention, design, process, program, product or device not specified in the contract documents, and shall defend all such claims in connection with any alleged infringement of such rights.

## **9 INDEMNIFICATION**

To the fullest extent permitted by law, CONTRACTOR and any subcontractors working on its behalf agree to indemnify CITY, its officers, employees, agents and elected and appointed boards (hereinafter "Indemnified Parties") for any loss, claim, demand, cause of action, cost, expense, damage, obligation or liability which arises out of or is in any way connected with the performance of any work under this agreement, including any acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of CONTRACTOR, or its subcontractors, and regardless of any acts, omissions or negligence (whether active or passive) of any person or entity indemnified hereunder. At their own expense, CONTRACTOR and, as applicable, any subcontractors working on its behalf, shall defend any suit, claim or action against the Indemnified Parties founded upon such loss, claim, demand, cause of action, cost, expense, damage, obligation or liability. CONTRACTOR shall ensure that the contract of any subcontractor working under this agreement contain an indemnity agreement, requiring the subcontractor to indemnify and defend the Indemnified Parties pursuant the terms set forth above. CONTRACTOR shall indemnify the Indemnified Parties, and save it harmless from any and all loss, damage, costs, expenses and attorney's fees suffered or incurred on account of any

breach of the aforesaid obligations and covenants, and any other provision or covenant of this agreement.

## 10 INSURANCE

10.1 CONTRACTOR, at its expense, shall maintain in effect at all times during the performance of work under this Contract not less than the following coverage and limits of insurance, which shall be maintained with insurers listed "A" or better in the Best's Insurance Guide and authorized to do business in the State of California.

**Proof of Insurance, as identified in Section 10.8, must be reviewed and accepted by the City Attorney.**

### 10.1.1 Workers' Compensation and Employer's Liability

- Workers' Compensation -- coverage as required by the State of California
- Employer's Liability
  - \$1,000,000 each accident
  - \$1,000,000.00 policy limit bodily injury
  - \$1,000,000.00 each employee bodily injury by disease

### 10.1.2 Commercial General Liability

- \$1,000,000.00 limit on a per occurrence basis
- \$2,000,000.00 general aggregate limit

### 10.1.3 Commercial Automobile Liability

- \$1,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

### 10.1.4 Professional Liability (Errors & Omissions)\*

- \$1,000,000.00 per occurrence

### 10.1.5 Cyber Liability\*

- \$5,000,000.00 limit on a per occurrence basis

10.2 All of CONTRACTOR's policies shall contain an endorsement providing that written notice shall be given to CITY at least thirty (30) calendar days prior to termination, cancellation, or reduction of coverage in the policy.

10.3 Policies providing for bodily injury and property damage coverage shall contain the following:

- A. An endorsement extending coverage to the City as an additional insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificates shall state: "The City of Palmdale, Successor Agency to the Community Redevelopment Agency of the City of Palmdale,

Housing Authority, Industrial Development Authority, Airport Authority, their officers, agents, employees and volunteers are named as additional insured”.

B. “Severability of Interest” Clause.

10.4 Promptly upon execution of this Contract, and prior to commencement of any work, CONTRACTOR shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONTRACTOR has the required coverage and showing the required named insured. Within five (5) days of written request from CITY, CONTRACTOR shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

10.5 The requirements as to the types and limits of insurance to be maintained by CONTRACTOR are not intended to and shall not in any manner limit or qualify CONTRACTOR’s liabilities and obligations under this Contract.

10.6 Any policy or policies of insurance that CONTRACTOR elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer’s right of subrogation against CITY.

10.7 All insurance coverage must be maintained throughout the duration of this Contract.

10.8 Acceptable Proof of Insurance:

10.8.1 ACORD Certificate of Insurance listing all coverage, limits, deductibles and insured; and endorsements for all applicable coverage if agent has authority to issue it; or additional insured Form CG20100704 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

10.8.2 Binders of insurance for all coverage. Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements and a corresponding Certificate of Insurance listing all insurers and coverage must be submitted to the City Attorney.

10.8.3 \*When professional (E&O) liability coverage and/or Cyber Liability is provided on a “claims made basis”, CONSULTANT will continue to renew the insurance for a period of five (5) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONSULTANT, or its officers, employees, or agents during the time this Agreement was in effect.

10.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONTRACTOR fails to maintain the required

insurance for any period of time or fails to comply with any of the insurance requirements listed above.

10.10 CONTRACTOR shall require any and all subcontractors working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of CONTRACTOR shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be CONTRACTOR's sole risk. CONTRACTOR's insurance requirements in Section 10 will not be impacted and/or limited by such deviation.

## **11 TERMINATION WITHOUT CAUSE**

City reserves the right to terminate this Contract or any part thereof for its sole convenience with fifteen (15) days written notice. In the event of such termination, CONTRACTOR shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and subcontractors to cease such work. CONTRACTOR shall also surrender to CITY all finished or unfinished documents, processes, programs and other supplies and materials, which shall be City's property. As compensation in full for services performed to the date of such termination, the CONTRACTOR shall receive an amount equal to the value of the work completed as of the termination date in accordance with the fee schedule or as negotiated between the parties. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Contract.

## **12 TERMINATION FOR CAUSE**

If CITY determines that CONTRACTOR has failed to supply an adequate working force, or to provide services of proper quality, or has failed in any other respect to satisfactorily perform the services specified in this Contract, CITY shall give written notice to CONTRACTOR specifying all defaults to be remedied within thirty (30) days. Such notice shall set forth the basis for CITY's dissatisfaction and suggest corrective measures. If, after thirty days, CONTRACTOR has failed to implement appropriate corrective measures, CITY may elect to terminate this Contract in whole or in part.

12.1 In the event CITY terminates this Contract, in whole or in part, for cause, CITY may procure, upon such terms and in such manner, as it may deem appropriate, services similar to those terminated.

12.2 CONTRACTOR shall provide all finished or unfinished documents, data, studies, software, drawings, programs, processes, maps, photographs, reports, etc., prepared by CONTRACTOR within fifteen (15) working days after notice of termination. Upon such termination, CONTRACTOR shall be paid an amount equal to the value of the services provided and work performed as of the date of termination, taking into consideration the costs associated with hiring another CONTRACTOR to

complete the services. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to both completed work and work in progress, to complete and incomplete documents when such are delivered to CITY, and to authorized reimbursement expenses. The above is in addition to any other remedies available by law or equity to CITY.

12.3 If, after notice of termination of the Contract under the provisions of this Section 12, it is determined, for any reason, that CONTRACTOR was not in default, or that the default was excusable, then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 11.

### **13 DISPUTE RESOLUTION**

All claims, disputes, and other matters in question between CITY and CONTRACTOR arising out of or relating to this Contract or the breach thereof shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

### **14 OWNERSHIP OF PRODUCT**

All product, data, documents, programs and software including, but not limited to, research, field notes, investigations, analysis, studies, processes, software, instructions for use and other manuals, whether complete or incomplete, which are prepared or produced in the performance of this Contract are to be, and remain the property of CITY and shall be delivered to or left with CITY upon the completion or termination of this Agreement. CONTRACTOR shall furnish CITY, upon its request, originals and reproducible and electronic copies of product, data reports, studies and of all other documents listed above. Electronic copies shall be provided in an unprotected format which allows CITY to copy, reproduce and makes changes as CITY deems necessary.

14.1 OWNERSHIP OF INTELLECTUAL PROPERTY. The Services performed hereunder are work made for hire and City shall exclusively own, in perpetuity and worldwide, all rights to and flowing from the work, including any work product, performed under this Agreement. Contractor assigns to City any and all rights Contractor could have, may have, or does have, in the work or the work product performed under this Agreement, and City shall have all right, title, and interest in said matters, including the right to secure and maintain the copyright, trademark, or patent of said matters in the name of the City. Independent Contractor consents to the use of Contractor's name in conjunction with the sale, use, performance, and distribution of said matters, for any purpose and in any medium.

### **15 DELEGATION AND ASSIGNMENT**

15.1 CONTRACTOR shall not delegate or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY; provided, however, that claims for money due or to become due to CONTRACTOR from CITY

under this Contract may be assigned to a bank, trust company or other financial institution without such approval.

15.2 Any assignment, delegation or subcontract shall be made in the name of CONTRACTOR and shall not bind or purport to bind CITY and shall not release CONTRACTOR from any obligations under this Contract including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegates and subcontractors. No such assignment, delegation or subcontract shall result in any increase in the amount of total compensation payable to CONTRACTOR under this Contract.

## **16 NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY**

16.1 In performance of this Contract, CONTRACTOR shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status. CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

16.2 The provisions of subsection 16.1 above shall be included in all solicitations or advertisements placed by or on behalf of CONTRACTOR for personnel to perform any services under this Contract. CITY shall have access to all documents, data and records of CONTRACTOR and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section, and all applicable provisions of Executive Order No. 11246 which is incorporated herein by this reference. A copy of Executive Order No. 11246 is available for inspection at, and on file with, the Palmdale City Clerk's Office.

## **17 FINANCIAL INTEREST CERTIFICATION**

17.1 CONTRACTOR warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no officer or employee of the CITY has any interest, financially or otherwise, in CONTRACTOR's firm.

17.2 For breach or violation of this warranty, CITY shall have the right to annul this Contract without liability or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

## **18 CONFLICT OF INTEREST**

18.1 CONTRACTOR stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Contract or which would cause CONTRACTOR to be "financial interested" (as provided in California Government Code Section 1090 et seq. or 87100 et seq.) in any contract or decision made by CITY on any matter.

18.2 CONTRACTOR shall not employ any City official or employee to perform any work required pursuant to this Contract.

18.3 To the extent required by the City Manager or his designee, CONTRACTOR shall complete and file with the City Clerk a Form 700 Statement of Economic Interests disclosing any reportable property interests, income, gifts, investments, or business positions.

## **19 COMPLIANCE WITH LAW**

19.1 CONTRACTOR shall comply with all state and federal laws, including but not limited to, the requirement to hire only those persons authorized by federal law to work in the United States. If CONTRACTOR uses any subcontractors to complete this Contract, this same requirement shall be included in all subcontracts and strictly enforced by CONTRACTOR.

19.2 The law of the state of California shall govern this Contract. The venue of any legal action, either formal or informal, shall be the County of Los Angeles.

19.3 If applicable, CONTRACTOR acknowledges and understands it must comply with the prevailing wage requirements as set forth in Exhibit "A" attached hereto and incorporated herein by reference, as well as the execution of a Worker's Compensation Certificate attached hereto as Exhibit "B" and incorporated herein by reference.

## **20 NOTICES**

Any notice required under this Contract shall be in writing, addressed to the appropriate party at its address on the signature page and given personally or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

## 21 ENTIRE AGREEMENT AND AMENDMENTS

21.1 This Contract is the complete Agreement between the parties and supersedes all prior proposals, agreements, and understandings between the parties and may not be modified or terminated orally.

21.2 No attempted waiver of any of the provisions hereof, nor any modification in the nature, extent or duration of the work to be performed by CONTRACTOR hereunder, shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

21.3 The failure of any party to enforce against another party any provision of this Contract shall not constitute a waiver of that party's right to enforce such a provision at a later time, and shall not serve to vary the terms of this Contract.

## 22 ATTORNEY'S FEES

If any action at law or in equity is brought to enforce or interpret any provisions of this Contract, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

**In Witness Whereof**, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

\_\_\_\_\_  
Salvador Mendez  
Interim City Manager

*Janelle Samson*  
\_\_\_\_\_  
Nov 17, 2025, 6:26 PM PST

ADDRESS FOR NOTICE:  
CITY OF PALMDALE  
38250 Sierra Hwy., Suite A  
Palmdale, CA 93550

APPROVE AS TO FORM:

\_\_\_\_\_  
Alexandra Severino  
City Attorney

ATTEST:

\_\_\_\_\_  
Roxanne Faber  
City Clerk

QUEST TECHNOLOGY MANAGEMENT:

*Adam Burke*  
\_\_\_\_\_  
Nov 18, 2025, 3:20 PM PST

Adam Burke  
VP Sales & Partnerships

ADDRESS FOR NOTICE:  
QUEST TECHNOLOGY MANAGEMENT  
9000 Foothills Blvd., Suite 100  
Roseville, CA 95747-4411

----- INTERNAL USE ONLY -----

- Certificate(s) and Endorsement(s) attached
- Confirmed business name on contract with certificate(s)
- Attached Agreement Checklist and met all requirements

## Record of Signing

For  
Name  
Title

*Janelle Samson*

**Signed on Nov 17, 2025 6:26 PM PST**

Secured by Concord™  
DocumentID: 031dRHR7eLileST2RtmOtc  
SigningID: 031dRHR7A895l99m4NAkUt  
UTC Signing time: 2025-11-18 02:26:34 UTC  
IP Address: 206.171.111.149  
Email: jsamson@cityofpalmdale.org

For  
Name  
Title

*Adam Burke*

**Signed on Nov 18, 2025 3:20 PM PST**

Secured by Concord™  
DocumentID: 031dRHR7eLileST2RtmOtc  
SigningID: 031dw36tljyAZhRyDmhR72  
UTC Signing time: 2025-11-18 23:20:20 UTC  
IP Address: 207.54.7.173  
Email: adam\_burke@questsys.com



Signed with <https://www.concord.app/>

**CLOUD SOLUTIONS 2016-2026**  
Led by the State of Utah

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Master Agreement #: AR2505

Contractor: **QUEST MEDIA & SUPPLIES INC.**

Participating Entity: **STATE OF XXXXX**

The following products or services are included in this contract portfolio:

- Removable Example: All products and accessories listed on the Contractor page of the NASPO ValuePoint website.

The following products or services are not included in this agreement:

- Removable Example: Product modifications.
- Removable Example: Installation services.

**Master Agreement Terms and Conditions:**

1. Scope: This addendum covers **Cloud Solutions** led by the State of *Utah* for use by state agencies and other entities located in the Participating State *[or State Entity]* authorized by that State's statutes to utilize State contracts with the prior approval of the State's Chief Procurement Official.

*[Removable Instruction: Participating States should ensure that paragraph 2 properly defines the scope of participation. The model language in paragraph enables participation by all political subdivisions, institutions of higher education, and other entities included in the state's statewide contract program.]*

2. Participation: This NASPO ValuePoint Master Agreement may be used by all state agencies, institutions of higher institution, political subdivisions and other entities authorized to use statewide contracts in the State of *[xxxxxxx]*. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official.
3. Access to Cloud Solutions Services Requires State CIO Approval: Unless otherwise stipulated in this Participating Addendum, specific services accessed through the NASPO ValuePoint cooperative Master Agreements for Cloud Solutions by state executive branch agencies are subject to the authority and prior approval of the State Chief Information Officer's Office. The State Chief Information Officer means the individual designated by the state Governor within the Executive Branch with enterprise-wide responsibilities for leadership and management of information technology resources of a state.
4. Primary Contacts: The primary contact individuals for this Participating Addendum are as follows (or their named successors):

**CLOUD SOLUTIONS 2016-2026**

Led by the State of Utah

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Contractor

|            |  |
|------------|--|
| Name:      |  |
| Address:   |  |
| Telephone: |  |
| Fax:       |  |
| Email:     |  |

Participating Entity

|            |  |
|------------|--|
| Name:      |  |
| Address:   |  |
| Telephone: |  |
| Fax:       |  |
| Email:     |  |

**5. PARTICIPATING ENTITY MODIFICATIONS OR ADDITIONS TO THE MASTER AGREEMENT**

These modifications or additions apply only to actions and relationships within the Participating Entity.

Participating Entity must check one of the boxes below.

☐ No changes to the terms and conditions of the Master Agreement are required.

☐ The following changes are modifying or supplementing the Master Agreement terms and conditions.

*[Removable Instruction: Insert text here to address specific changes to the terms and conditions. Indicate which section numbers of the Master Agreement are modified. If no changes are required, check the box above and delete this paragraph.]*

6. Subcontractors: All contactors, dealers, and resellers authorized in the State of [xxxxxx], as shown on the dedicated Contractor (cooperative contract) website, are approved to provide sales and service support to participants in the NASPO ValuePoint Master Agreement. The contractor's dealer participation will be in accordance with the terms and conditions set forth in the aforementioned Master Agreement.
7. Orders: Any order placed by a Participating Entity or Purchasing Entity for a product and/or service available from this Master Agreement shall be deemed to be a sale under (and governed by the prices and other terms and conditions) of the Master Agreement unless the parties to the order agree in writing that another contract or agreement applies to such order.

**CLOUD SOLUTIONS 2016-2026**  
Led by the State of Utah

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IN WITNESS WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

|                       |             |
|-----------------------|-------------|
| Participating Entity: | Contractor: |
| Signature:            | Signature:  |
| Name:                 | Name:       |
| Title:                | Title:      |
| Date:                 | Date:       |

*[Additional signatures may be added if required by the Participating Entity]*

For questions on executing a participating addendum, please contact  
[info@naspovaluepoint.org](mailto:info@naspovaluepoint.org).

***Please email fully executed PDF copy of this document  
to  
[PA@naspovaluepoint.org](mailto:PA@naspovaluepoint.org)  
to support documentation of participation and posting  
in appropriate data bases.***



# City Council Staff Report

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**DATE:** DECEMBER 2, 2025

**TO:** HONORABLE MAYOR PRO TEM AND CITY COUNCIL

**FROM:** OPERATIONS DEPARTMENT  
SAFETY DIVISION

**DISTRICT:** ALL

**SUBJECT:** APPROVE AGREEMENT WITH CITADEL EHS, INC., FOR A COMPREHENSIVE SAFETY/INJURY ILLNESS PREVENTION PROGRAM ASSESSMENT FOR THE CITY OF PALMDALE, FOR A TOTAL NOT TO EXCEED AMOUNT OF \$150,000 FOR A TERM OF ONE (1) YEAR

## **RECOMMENDATION**

Staff recommend that the City Council:

1. Approve Agreement No. A-9613 with Citadel EHS, Inc., for a comprehensive safety/injury illness prevention program assessment for the City of Palmdale, for a total not to exceed amount of \$150,000 for a term of one (1) year; and,
2. Authorize the Interim City Manager or his designee to execute Agreement No. A-9613 with Citadel EHS, Inc., including minimal and/or non-substantial changes.

## **BACKGROUND**

California Labor Code section 6400 requires employers to provide and maintain conditions that protect workers from injury and illness, a mandate enforced through the California Occupational Safety and Health Act and the accompanying Cal/OSHA regulations. The City, as a public employer in the State of California, has a duty to provide its employees with a safe and healthful workplace.

To meet these responsibilities, the City must regularly evaluate and update its safety policies, procedures, and training programs. Ongoing assessment is essential to ensure compliance with state and federal regulations, respond to emerging workplace risks, and maintain effective systems for preventing employee injuries and mitigating risk.

## **DISCUSSION**

To support the need for ongoing evaluation, the City issued Request for Proposal (RFP) No. 26-001-1410 on August 14, 2025. The RFP was released through the PlanetBids procurement platform and publicly advertised on the City's website and in the Antelope Valley Press.

The RFP seeks a comprehensive assessment and gap analysis of the City's safety program. This review will examine existing policies, procedures, training practices, hazard controls, and record-keeping systems. The assessment will also compare the City's program to the requirements of the California Labor Code, Title 8 Cal/OSHA regulations, and relevant Government Code provisions.

The City received five proposals, summarized below:

| Vendor/Consultant                                   | Location        |
|-----------------------------------------------------|-----------------|
| Citadel EHS, Inc                                    | Valencia, Ca    |
| Eastern Research Group                              | Concord, MA     |
| Ehs International, Inc                              | Lake Forest, CA |
| Leidos Engineering, LLC                             | San Diego, CA   |
| Aspen Risk Management Group Inc., a Tristar Company | San Diego, CA   |

A five-member evaluation committee reviewed all submitted proposals using the criteria outlined in the RFP. Each proposal was scored based on the following factors:

•**Project Management and Methodology:** Clarity, thoroughness, and feasibility of the proposed approach for conducting the safety program assessment and gap analysis, including the timeline, workflow, and quality-control measures.

•**Project Initiation:** The proposer's plan for launching the project, including communication protocols, project scheduling, and the firm's ability to quickly understand the City's operational environment.

•**Project Staffing:** Qualifications, experience, and availability of key personnel, with emphasis on technical expertise related to Cal/OSHA compliance and municipal operations.

•**Cost:** Overall pricing structure, cost-effectiveness, and alignment with the City's budget.

Based on the scoring results, the committee determined that Citadel EHS, Inc. submitted the most responsive and comprehensive proposal, offering a strong technical approach, highly qualified staff, and competitive pricing.

### **FISCAL IMPACT**

\$150,000; Funds are budgeted and available in FY 2025-26 under Risk Management, Professional Services account.

### **STRATEGIC PLAN**

Goal 1: Maintain effective public safety and protection for life, property and the environment.

- A. Provide comprehensive and innovative safety services to prevent crime and promote a safe community.
- B. Be prepared to protect life, property, and the environment in the event of catastrophic disasters and emergencies.
- C. Use a variety of methods to communicate timely, useful, and trusted information about city programs, services and policies.

|                                        |                                        |
|----------------------------------------|----------------------------------------|
| Prepared by:                           | Janelle Samson, Director of Operations |
| Certified as to availability of Funds: | Janelle Samson, Director of Operations |
| Approved by:                           | Salvador Mendez, Interim City Manager  |
| Approved as to form:                   | Alexandra Severino, City Attorney      |

### **ATTACHMENTS**

Agrmt No. A-9613 with Citadel EHS, Inc.

**AGREEMENT NO. A-9613  
CONTRACT FOR SERVICES  
BETWEEN THE CITY OF PALMDALE AND CITADEL EHS, INC**

**This CONTRACT for services** ("Contract" herein) is made and entered into by and between the City of Palmdale, a public body corporate and politic, (hereinafter called "CITY"), and CITADEL EHS, INC, a Corporation, (hereinafter called "CONTRACTOR"). This Contract shall become effective on the date of the last signatory.

**RECITALS**

WHEREAS, CONTRACTOR represents that CONTRACTOR has the expertise and is qualified to perform the services described in this Contract.

NOW THEREFORE, CITY and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

**1 CITY PROJECT MANAGER**

To provide the services required by this Contract, CONTRACTOR shall act under the authority and approval of the Operations Director/designee, who shall oversee this Contract, the work performed by CONTRACTOR, assist CONTRACTOR with any necessary information, audit billings, and approve payments. The CONTRACTOR shall channel all contacts and requests through the City project manager.

**2 DESCRIPTION OF WORK**

2.1 CONTRACTOR shall provide the following services in a manner satisfactory to CITY:

Perform a comprehensive assessment of the City's Safety/Injury and Illness Prevention Program, with the objective of identifying organizational strengths, weaknesses, and gaps, and developing a cohesive, structured, and sustainable program. The assessment shall lead to actionable strategies to strengthen the City's capacity to ensure compliance with all applicable federal, state, and local regulations, including OSHA, and Cal/OSHA.

The safety program should meet the operational needs of a full-service municipal government, including departments such as Public Works, Parks and Recreation, Development Services, Public Safety, and Administrative Services.

Please refer to ATCH A for the RFP and ATCH B for the proposal details.

2.2 CONTRACTOR shall have no claim for compensation for any services or work, which has not been authorized by CITY's Authorization to Proceed.

2.3 CONTRACTOR shall not accept any change of scope, or change in contract provisions, to this Contract unless issued in writing, as a contract change order or amendment and signed by CITY. Any extensions of time must be mutually agreed upon in writing and executed by both parties.

2.4 CONTRACTOR shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the CONTRACTOR as applicable to this contract.

2.5 All work supplied under this Contract shall be fully guaranteed by CONTRACTOR for a minimum period of 365 days from the date of acceptance by CITY. Any defects of design, workmanship, or materials that would result in non-compliance with the Contract specifications shall be fully corrected by CONTRACTOR (including parts and labor) without cost to CITY. The written warranty shall be included with the delivered products to the using Department.

2.6 CITY shall provide to CONTRACTOR, without charge, all data, program information, including reports, records, maps, and other information, now in CITY's possession, which may facilitate the timely performance of the work.

### **3 CONTRACTOR'S KEY PERSONNEL**

3.1 **Key Staff.** CITY reserves the right to review and approve CONTRACTOR'S staff including all subcontractors to be assigned to any project by CONTRACTOR during the term of this Contract.

This Contract has been awarded to CONTRACTOR based partially on the key personnel proposed to perform the services required herein. CONTRACTOR shall not change nor substitute any of these key staff for work on this Contract without prior written approval by CITY.

CONTRACTOR's Team and Key Personnel are as follows:

Scott Brehmer  
Natasha Stratton  
Rudy Castro  
Adrian Olivares

This Services Contract has been awarded to CONTRACTOR based on its representation that those personnel and subcontractors submitted as part of its bid and listed above will perform the portions of the work listed above.

CONTRACTOR shall not deviate nor substitute any of these team members without prior written approval by CITY.

**3.2 Subcontractors.** During the performance of the Agreement, CONTRACTOR may engage such additional SUBCONTRACTORS as may be required for the timely completion of this Agreement. In the event of subcontracting, the sole responsibility for fulfillment of all terms and conditions of this Agreement rests with CONTRACTOR.

CONTRACTOR shall not enter into any Subcontract under this Contract for the performance of this Contract without the advance written approval of CITY. The subcontract shall incorporate by reference the terms and conditions of this Contract.

**3.3 Direct Responsibility.** All services required under this Contract shall be performed by CONTRACTOR, or under CONTRACTOR's direct supervision, and all personnel shall possess the qualifications, permits and licenses required by State and local law to perform such services.

**3.3.1** CONTRACTOR shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Contract, and compliance with all reasonable performance standards established by CITY.

**3.3.2** CONTRACTOR shall be responsible for payment of all CONTRACTOR's employees' and subcontractor's wages and benefits and shall comply with all requirements pertaining to the employer's liability, workers' compensation, unemployment insurance, and Social Security.

**3.3.3** CONTRACTOR shall indemnify and hold harmless CITY, and its respective officers, agents and employees from and against all claims, demands, damages or costs arising from CONTRACTOR's acts or omissions with respect to any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices.

## **4 CONTRACT TERM**

The term of this Contract is ONE (1) YEAR, commencing on the effective date, with CITY reserving the option to extend the agreement for ONE additional terms of one year each.

## **5 ACCEPTANCE AND DOCUMENTATION**

Each task shall be reviewed and approved by the Contract Project Manager to determine acceptable completion.

**5.1 Records.** The CONTRACTOR shall retain and shall contractually require each SUBCONTRACTOR to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract.

5.2 **Property of CITY.** All materials, including reports, computer programs and other deliverables, supplied or created under this Contract are the sole property of CITY. CONTRACTOR is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. CONTRACTOR shall not use or release these materials without the prior written consent of CITY.

5.3 **Products.** All equipment, materials, parts, and other components incorporated in the work or services performed pursuant to this Contract shall be new, or the latest model and of the most suitable grade for the purpose intended. All work shall be performed in a skilled and workmanlike manner.

## 6 PRICE

CITY shall pay to CONTRACTOR an amount not to exceed one hundred fifty thousand dollars (\$150000) for the completion of all the work and services described in Section 2, which sum shall include all costs or expenses incurred by CONTRACTOR, payable as follows:

See ATCH B

6.1 An application for payment form must be submitted to CITY which shall include the following: a clear, detailed invoice reflecting work being billed for, a summary sheet showing percentage of work completed to date, amount/percent billed to date and current status of all tasks within a project; any/all backup documentation supporting the above items. Work schedule updates must also be included with the payment requests.

6.2 CONTRACTOR shall maintain adequate records and shall permit inspection and audit by CITY of CONTRACTOR's charges under this Contract. CONTRACTOR shall make such records available to CITY during normal business hours upon reasonable notice. Nothing herein shall convert such records into public records, and they will be available only to CITY and any specified public agencies. Such records shall be maintained by CONTRACTOR for one (1) year following completion of the work under this Contract unless a longer period of time is required by state or federal law, in which event CONTRACTOR shall retain its records for the time required by such laws.

6.3 **Payment.** A separate invoice shall be issued for each shipment of material or service performed, and no payment will be issued prior to receipt of material and/or completion of specified services and receipt of a correct invoice.

## 7 TAXES

7.1 CONTRACTOR shall pay all sales, consumer, use, and other similar taxes required to be paid by CONTRACTOR in accordance with state and local laws.

7.2 CONTRACTOR is an independent contractor and shall have no power or authority to incur any debt, obligation, or liability on behalf of CITY. No person employed by CONTRACTOR or acting on its behalf, in connection with this Contract shall be considered the Agent or employee of CITY.

7.3 CONTRACTOR shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

7.4 When equipment, materials or supplies generally taxable to CONTRACTOR are eligible for a tax exemption due to the nature of the work, CONTRACTOR shall assist the City in applying for and obtaining such tax credits and exemptions, which shall be paid or credited to the City.

## **8 PATENT FEES AND ROYALTIES**

CONTRACTOR shall pay all license fees and royalties and assume all costs incident to the use, in the performance of the work or the incorporation in the work of any invention, design, process, program, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, program, product or device is specified in the contract documents for use in the performance of the work and if, to the actual knowledge of CITY, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by CITY in the contract documents. CONTRACTOR shall indemnify and hold harmless CITY and anyone directly or indirectly employed by CITY from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights or copyrights incident to the use in the performance of the work, or resulting from the incorporation in the work of any invention, design, process, program, product or device not specified in the contract documents, and shall defend all such claims in connection with any alleged infringement of such rights.

## **9 INDEMNIFICATION**

To the fullest extent permitted by law, CONTRACTOR and any subcontractors working on its behalf agree to indemnify CITY, its officers, employees, agents and elected and appointed boards (hereinafter "Indemnified Parties") for any loss, claim, demand, cause of action, cost, expense, damage, obligation or liability which arises out of or is in any way connected with the performance of any work under this agreement, including any acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of CONTRACTOR, or its subcontractors, and regardless of any acts, omissions or negligence (whether active or passive) of any person or entity indemnified hereunder. At their own expense, CONTRACTOR and, as applicable, any subcontractors working on its behalf, shall defend any suit, claim or action against the Indemnified Parties founded upon such loss, claim, demand, cause of action, cost, expense, damage, obligation or liability. CONTRACTOR shall

ensure that the contract of any subcontractor working under this agreement contain an indemnity agreement, requiring the subcontractor to indemnify and defend the Indemnified Parties pursuant the terms set forth above. CONTRACTOR shall indemnify the Indemnified Parties, and save it harmless from any and all loss, damage, costs, expenses and attorney's fees suffered or incurred on account of any breach of the aforesaid obligations and covenants, and any other provision or covenant of this agreement.

## **10 INSURANCE**

10.1 CONTRACTOR, at its expense, shall maintain in effect at all times during the performance of work under this Contract not less than the following coverage and limits of insurance, which shall be maintained with insurers listed "A" or better in the Best's Insurance Guide and authorized to do business in the State of California.

**Proof of Insurance, as identified in Section 10.8, must be reviewed and accepted by the City Attorney.**

### 10.1.1 Workers' Compensation and Employer's Liability

- Workers' Compensation -- coverage as required by the State of California
- Employer's Liability
  - \$1,000,000 each accident
  - \$1,000,000.00 policy limit bodily injury
  - \$1,000,000.00 each employee bodily injury by disease

### 10.1.2 Commercial General Liability

- \$1,000,000.00 limit on a per occurrence basis
- \$2,000,000.00 general aggregate limit

### 10.1.3 Commercial Automobile Liability

- \$1,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

### 10.1.4 Professional Liability (Errors & Omissions)\*

- \$1,000,000.00 per occurrence

10.2 All of CONTRACTOR's policies shall contain an endorsement providing that written notice shall be given to CITY at least thirty (30) calendar days prior to termination, cancellation, or reduction of coverage in the policy.

10.3 Policies providing for bodily injury and property damage coverage shall contain the following:

- A. An endorsement extending coverage to the City as an additional insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificates shall state: "The City of Palmdale, Successor

Agency to the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, Housing Authority, Industrial Development Authority, Airport Authority, their officers, agents, employees and volunteers are named as additional insured”.

B. “Severability of Interest” Clause.

10.4 Promptly upon execution of this Contract, and prior to commencement of any work, CONTRACTOR shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONTRACTOR has the required coverage and showing the required named insured. Within five (5) days of written request from CITY, CONTRACTOR shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

10.5 The requirements as to the types and limits of insurance to be maintained by CONTRACTOR are not intended to and shall not in any manner limit or qualify CONTRACTOR’s liabilities and obligations under this Contract.

10.6 Any policy or policies of insurance that CONTRACTOR elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer’s right of subrogation against CITY.

10.7 All insurance coverage must be maintained throughout the duration of this Contract.

10.8 Acceptable Proof of Insurance:

10.8.1 ACORD Certificate of Insurance listing all coverage, limits, deductibles and insured; and endorsements for all applicable coverage if agent has authority to issue it; or additional insured Form CG20100704 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

10.8.2 Binders of insurance for all coverage. Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements and a corresponding Certificate of Insurance listing all insurers and coverage must be submitted to the City Attorney.

10.8.3 \*When professional (E&O) liability coverage is provided on a “claims made basis”, CONSULTANT will continue to renew the insurance for a period of five (5) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONSULTANT, or its officers, employees, or agents during the time this Agreement was in effect.

10.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONTRACTOR fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

10.10 CONTRACTOR shall require any and all subcontractors working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of CONTRACTOR shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be CONTRACTOR's sole risk. CONTRACTOR's insurance requirements in Section 10 will not be impacted and/or limited by such deviation.

## **11 TERMINATION WITHOUT CAUSE**

City reserves the right to terminate this Contract or any part thereof for its sole convenience with fifteen (15) days written notice. In the event of such termination, CONTRACTOR shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and subcontractors to cease such work. CONTRACTOR shall also surrender to CITY all finished or unfinished documents, processes, programs and other supplies and materials, which shall be City's property. As compensation in full for services performed to the date of such termination, the CONTRACTOR shall receive an amount equal to the value of the work completed as of the termination date in accordance with the fee schedule or as negotiated between the parties. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Contract.

## **12 TERMINATION FOR CAUSE**

If CITY determines that CONTRACTOR has failed to supply an adequate working force, or to provide services of proper quality, or has failed in any other respect to satisfactorily perform the services specified in this Contract, CITY shall give written notice to CONTRACTOR specifying all defaults to be remedied within thirty (30) days. Such notice shall set forth the basis for CITY's dissatisfaction and suggest corrective measures. If, after thirty days, CONTRACTOR has failed to implement appropriate corrective measures, CITY may elect to terminate this Contract in whole or in part.

12.1 In the event CITY terminates this Contract, in whole or in part, for cause, CITY may procure, upon such terms and in such manner, as it may deem appropriate, services similar to those terminated.

12.2 CONTRACTOR shall provide all finished or unfinished documents, data, studies, software, drawings, programs, processes, maps, photographs, reports, etc., prepared by CONTRACTOR within fifteen (15) working days after notice of termination. Upon such termination, CONTRACTOR shall be paid an amount equal to

the value of the services provided and work performed as of the date of termination, taking into consideration the costs associated with hiring another CONTRACTOR to complete the services. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to both completed work and work in progress, to complete and incomplete documents when such are delivered to CITY, and to authorized reimbursement expenses. The above is in addition to any other remedies available by law or equity to CITY.

12.3 If, after notice of termination of the Contract under the provisions of this Section 12, it is determined, for any reason, that CONTRACTOR was not in default, or that the default was excusable, then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 11.

### **13 DISPUTE RESOLUTION**

All claims, disputes, and other matters in question between CITY and CONTRACTOR arising out of or relating to this Contract or the breach thereof shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

### **14 OWNERSHIP OF PRODUCT**

All product, data, documents, programs and software including, but not limited to, research, field notes, investigations, analysis, studies, processes, software, instructions for use and other manuals, whether complete or incomplete, which are prepared or produced in the performance of this Contract are to be, and remain the property of CITY and shall be delivered to or left with CITY upon the completion or termination of this Agreement. CONTRACTOR shall furnish CITY, upon its request, originals and reproducible and electronic copies of product, data reports, studies and of all other documents listed above. Electronic copies shall be provided in an unprotected format which allows CITY to copy, reproduce and makes changes as CITY deems necessary.

14.1 OWNERSHIP OF INTELLECTUAL PROPERTY. The Services performed hereunder are work made for hire and City shall exclusively own, in perpetuity and worldwide, all rights to and flowing from the work, including any work product, performed under this Agreement. Contractor assigns to City any and all rights Contractor could have, may have, or does have, in the work or the work product performed under this Agreement, and City shall have all right, title, and interest in said matters, including the right to secure and maintain the copyright, trademark, or patent of said matters in the name of the City. Independent Contractor consents to the use of Contractor's name in conjunction with the sale, use, performance, and distribution of said matters, for any purpose and in any medium.

### **15 DELEGATION AND ASSIGNMENT**

15.1 CONTRACTOR shall not delegate or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY; provided,

however, that claims for money due or to become due to CONTRACTOR from CITY under this Contract may be assigned to a bank, trust company or other financial institution without such approval.

15.2 Any assignment, delegation or subcontract shall be made in the name of CONTRACTOR and shall not bind or purport to bind CITY and shall not release CONTRACTOR from any obligations under this Contract including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegates and subcontractors. No such assignment, delegation or subcontract shall result in any increase in the amount of total compensation payable to CONTRACTOR under this Contract.

## **16 NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY**

16.1 In performance of this Contract, CONTRACTOR shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status. CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

## **17 FINANCIAL INTEREST CERTIFICATION**

17.1 CONTRACTOR warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no officer or employee of the CITY has any interest, financially or otherwise, in CONTRACTOR's firm.

17.2 For breach or violation of this warranty, CITY shall have the right to annul this Contract without liability or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

## **18 CONFLICT OF INTEREST**

18.1 CONTRACTOR stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it

will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Contract or which would cause CONTRACTOR to be “financial interested” (as provided in California Government Code Section 1090 et seq. or 87100 et seq.) in any contract or decision made by CITY on any matter.

18.2 CONTRACTOR shall not employ any City official or employee to perform any work required pursuant to this Contract.

18.3 To the extent required by the City Manager or his designee, CONTRACTOR shall complete and file with the City Clerk a Form 700 Statement of Economic Interests disclosing any reportable property interests, income, gifts, investments, or business positions.

## **19 COMPLIANCE WITH LAW**

19.1 CONTRACTOR shall comply with all state and federal laws, including but not limited to, the requirement to hire only those persons authorized by federal law to work in the United States. If CONTRACTOR uses any subcontractors to complete this Contract, this same requirement shall be included in all subcontracts and strictly enforced by CONTRACTOR.

19.2 The law of the state of California shall govern this Contract. The venue of any legal action, either formal or informal, shall be the County of Los Angeles.

19.3 If applicable, CONTRACTOR acknowledges and understands it must comply with the prevailing wage requirements as set forth in Exhibit “A” attached hereto and incorporated herein by reference, as well as the execution of a Worker’s Compensation Certificate attached hereto as Exhibit “B” and incorporated herein by reference.

## **20 NOTICES**

Any notice required under this Contract shall be in writing, addressed to the appropriate party at its address on the signature page and given personally or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

## **21 ENTIRE AGREEMENT AND AMENDMENTS**

21.1 This Contract is the complete Agreement between the parties and supersedes all prior proposals, agreements, and understandings between the parties and may not be modified or terminated orally.

21.2 No attempted waiver of any of the provisions hereof, nor any modification in the nature, extent or duration of the work to be performed by CONTRACTOR

hereunder, shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

21.3 The failure of any party to enforce against another party any provision of this Contract shall not constitute a waiver of that party's right to enforce such a provision at a later time, and shall not serve to vary the terms of this Contract.

## 22 ATTORNEY'S FEES

If any action at law or in equity is brought to enforce or interpret any provisions of this Contract, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

**In Witness Whereof**, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

CITADEL EHS, INC:

\_\_\_\_\_  
Salvador Mendez  
Interim City Manager

*Janelle Samson*  
\_\_\_\_\_  
Nov 25, 2025, 3:59 PM PST

ADDRESS FOR NOTICE:  
CITY OF PALMDALE  
38250 Sierra Highway  
Palmdale, CA 93550

*Scott Brehmer*  
\_\_\_\_\_  
Nov 25, 2025, 4:06 PM PST

\_\_\_\_\_  
Scott Brehmer  
Principal

ADDRESS FOR NOTICE:  
CITADEL EHS, INC  
1725 Victory Blvd  
Glendale, CA 91201

APPROVE AS TO FORM:

\_\_\_\_\_  
Alexandra Severino  
City Attorney

ATTEST:

\_\_\_\_\_  
Roxanne Faber  
City Clerk

----- INTERNAL USE ONLY -----

- Certificate(s) and Endorsement(s) attached
- Confirmed business name on contract with certificate(s)
- Attached Agreement Checklist and met all requirements

## Record of Signing

For  
Name  
Title

Janelle Samson

**Signed on Nov 25, 2025 3:59 PM PST**

Secured by Concord™  
DocumentID: 031hwOHkNiAlrHqX9hGG  
SigningID: 031hwOHjhPB7MptCahCf93  
UTC Signing time: 2025-11-25 23:59:48 UTC  
IP Address: 206.171.111.149  
Email: jsamson@cityofpalmdale.org

For  
Name  
Title

Scott Brehmer

**Signed on Nov 25, 2025 4:06 PM PST**

Secured by Concord™  
DocumentID: 031hwOHkNiAlrHqX9hGG  
SigningID: 031hwZ2TtS2fl2d8zsl4ze  
UTC Signing time: 2025-11-26 00:06:51 UTC  
IP Address: 12.88.178.30  
Email: sbrehmer@citadelehs.com



Signed with <https://www.concord.app/>



# City Council Staff Report

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**DATE:** DECEMBER 2, 2025

**TO:** HONORABLE MAYOR PRO TEM AND CITY COUNCIL

**FROM:** HOUSING DEPARTMENT

**DISTRICT:** ALL

**SUBJECT:** APPROVE AGREEMENT WITH BENEVATE, LLC, FOR IMPLEMENTATION OF SOFTWARE RELATED TO GRANT MANAGEMENT AND ONGOING GRANT COMPLIANCE OVERSIGHT, FOR A TOTAL NOT TO EXCEED AMOUNT OF \$217,000 FOR A TERM OF THREE (3) YEARS

## **RECOMMENDATION**

Staff recommend that the City Council:

1. Approve Agreement No. A-9636 with Benevate, LLC, for implementation of software related to grant management and ongoing grant compliance oversight for a total not to exceed amount of \$217,000 for three (3) years; and,
2. Authorize the Interim City Manager or his designee to execute Agreement No. A-9636 with Benevate, LLC, including minimal and/or non-substantive changes.

## **BACKGROUND**

Many City projects and Housing Authority programs are funded and supported by a variety of federal, state, and local grant sources, each with its own unique reporting and compliance requirements. To meet these obligations, the City currently relies on multiple outside consultants to manage communication, document preparation, and required filings. This decentralized approach has proven costly, inefficient, and resource-intensive.

To improve efficiency and strengthen overall grant compliance, the City issued Request for Proposal (RFP) No. 26-002-7100 seeking a comprehensive software solution capable of managing the City's and its subrecipients' compliance and reporting requirements across all funding sources.

## **DISCUSSION**

RFP No. 26-002-7100 was released in July 2025. Interested firms were required to submit qualifications and demonstrate their ability to provide full-cycle grant management—from application through reporting, compliance, and closeout—along with financial oversight, team coordination, data security, vendor support, FedRAMP certification, access controls, encryption, third-party security reviews, incident response, and data isolation.

A total of 329 software firms were notified, and the City received eight proposals for consideration, as summarized below:

| Vendor/Consultant                | Location         |
|----------------------------------|------------------|
| Advances Business Software       | Plano, TX        |
| Benevate, LLC. (Neighborly)      | Atlanta, GA      |
| Concourse Tech, Inc.             | New York, NY     |
| Desire Innovations               | San Jose, CA     |
| Dulles Technology Partners, Inc. | Leesburg, VA     |
| FSH Technology                   | Philadelphia, PA |
| Successmetrics Corp.             | Moraga, CA       |
| Sysintellects                    | Plano, TX        |

A three-member evaluation committee reviewed all proposals in accordance with the RFP criteria. Proposals were scored on:

- **Staffing and Management Plan** – qualifications of key personnel and proposed oversight structure;
- **Firm Qualifications and Experience** – demonstrated ability to provide similar services for public agencies;
- **Technical Proposal** – capacity, expertise in grant management software, and ability to meet RFP requirements; and,
- **Cost Proposal** – overall value and budget alignment.

After initial scoring, the top two firms were invited to provide software demonstrations. Based on the full evaluation, the committee selected Benevate, LLC and its Neighborly Software as the most responsive and comprehensive proposal, offering strong technical capabilities, qualified staff, and competitive pricing.

Neighborly Software will serve as a centralized grant management and reporting platform, streamlining communication, tracking, compliance documentation, and internal workflows for City-administered grant programs.

The proposed agreement fees are outlined as follows:

| Annual Subscription Fees           | Annual Total   |
|------------------------------------|----------------|
| User Subscription Fee for One Year | \$45,000.00    |
| Snowflake Data Warehouse Access    | \$10,000.00    |
| One-Time Fees                      | One-Time Total |
| Implementation of Program(s)       | \$52,000.00    |

There is no charge for external users who apply for grants or upload compliance documents. The City has identified 12 programs, with capacity for three additional programs during the agreement term, and 15 administrative users.

### **FISCAL IMPACT**

\$217,000; Funds are budgeted and available in FY 2025-26 under grant administration and general fund accounts.

### **STRATEGIC PLAN**

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

- A. Manage resources, costs, and liabilities to ensure the City's long-term fiscal health

|                                        |                                        |
|----------------------------------------|----------------------------------------|
| Prepared by:                           | Sophia Reyes, Director of Housing      |
| Certified as to availability of Funds: | Janelle Samson, Director of Operations |
| Approved by:                           | Salvador Mendez, Interim City Manager  |
| Approved as to form:                   | Alexandra Severino, City Attorney      |

### **ATTACHMENTS**

Agrmt No. A-9636, Software Agreement with Benevate, LLC

### AGREEMENT A-9636

| Customer Information                                                            |                                                                                       |
|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>Account Name:</b> City of Palmdale, CA                                       | <b>Initial Service Term:</b> Three (3) Years from Effective Date with annual renewals |
| <b>Address:</b> 38250 Sierra Highway, Palmdale, CA 93550                        |                                                                                       |
| <b>Billing Contact Name &amp; Title:</b><br>Sophia Reyes<br>Director of Housing | <b>Phone:</b> 661/267-5126<br><br><b>Email:</b> sreyes@cityofpalmdaleca.gov           |
| <b>Alternate Contact Name &amp; Title:</b><br>Krystal Hinojosa<br>Analyst       | <b>Phone:</b> 661/267-5100<br><br><b>Email:</b> khinojosa@cityofpalmdaleca.gov        |

### PURCHASE SUMMARY

| Annual Subscription Fees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Unit Price  | Quantity* | Annual Total   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------|----------------|
| User Subscription Fee for One Year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | \$3,000.00  | 15        | \$45,000.00    |
| Snowflake Data Warehouse access                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | \$10,000.00 | 1         | \$10,000.00    |
| Services Included: <ul style="list-style-type: none"> <li>• Hosted Software to Administer Program(s)</li> <li>• Client Success Manager</li> <li>• Technical Support (Monday – Friday: 8:00 a.m. to 8:00 p.m. EST)</li> <li>• Hosting/Security in Microsoft Tier IV Data Center</li> <li>• Data Storage, Backup, and Recovery</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |             |           |                |
| One-Time Fees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Unit Price  | Quantity  | One-Time Total |
| Implementation of Program(s) (listed below)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | \$4,000.00  | 15        | \$52,000.00    |
| Services include System Configuration, Program Design, and Administrator Training for the following programs: <ol style="list-style-type: none"> <li>1. Down Payment Assistance</li> <li>2. Home Repair</li> <li>3. Tenant-Based Rental Assistance</li> <li>4. City Grant Programs (Parks, City)</li> <li>5. Homeless Prevention and Rapid Rehousing</li> <li>6. Community Development Block Grant</li> <li>7. HOME Investment Partnerships Program</li> <li>8. Development including Density Bonus (includes ongoing compliance)</li> <li>9. County Local Solutions Fund Grants</li> <li>10. Public Works Grants</li> <li>11. City Grants, including Earmarks and other-directed grants</li> <li>12. Public Safety Grants</li> <li>13. Allocation for 3 programs that are identified during the term of the agreement.</li> </ol> |             |           |                |



|                         |              |
|-------------------------|--------------|
|                         |              |
| Subtotals               |              |
| Annual Fees Subtotal:   | \$55,000.00  |
| One-Time Fees Subtotal: | \$52,000.00  |
| THREE YEAR TOTAL:       | \$217,000.00 |

\*A minimum of three (3) users is required to maintain a portal.

## SAAS SUBSCRIPTION AND SERVICES AGREEMENT

This SaaS Subscription and Services Agreement (“Agreement”) is entered into on this 2nd day of December 2025 (the “Effective Date”) between Benevate, LLC, with its principal place of business located at 3423 Piedmont Rd. NE, Atlanta, GA 30305 (“Company”), and the Customer listed above (referred to as the “Customer”) (collectively referred to as the “Parties”). This Agreement includes and incorporates the above Order Form, the Terms and Conditions below, and Exhibits A-B attached hereto.

### TERMS AND CONDITIONS

#### 1. DEFINITIONS.

- a. “Confidential Information” means all information, in any form, that either Party discloses (“Discloser”) to the other (“Recipient”) relating to the business of Discloser, whether furnished before or after the Effective Date of this Agreement, including, without limitation, information related to pricing, products, services, security, and any implementing regulations or guidelines, proprietary business practices, policies, finances, procedures, sales, costs, liabilities, markets, strategies, concepts, methods or employees, that is not generally ascertainable from public or published information or sources, and all analyses, compilations, data, studies, notes, memoranda or other documents prepared by Discloser based on such Confidential Information.
- b. “Customer Data” means all non-public information or data that is inputted into the Customer’s Portal by the Customer or the Customer’s end users.
- c. “Documentation” means the applicable training materials, user guides, publicly available marketing and/or proposal materials, and other similar information, or other documents disseminated under or governed by confidentiality obligations which pertain to the Software or Services provided by Company, which may be updated by Company at any time without notice to include information about new features and incorporate feedback to help Company’s customers understand how to use the Software and Services. Documentation accessible to Subscription Users through the Portal, requiring a Username and Password, is considered Company’s Confidential Information.
- d. “Effective Date” means the date stated above. If the date is left blank, then the Effective Date shall be the last signature date on the Signature Page.
- e. “Professional Services” refers to non-standard, fee-based services that are not included as part of the Company’s standard Software or Services offering. These services are available upon request (and approval) and are defined in a mutually agreed-upon Statement of Work or Addendum. Examples of Professional Services include, but are not limited to:
  - Customized training sessions tailored to the Customer’s unique workflows or user groups
  - Professional development services
  - Power BI consulting or report development
  - Data migration assistance beyond standard import templates
  - Custom integrations or configurations
- f. “Services” means standard onboarding, technical support services, hosting, security, data storage, Software access, and other add-on services purchased by the Customer, but shall exclude Professional Services. Standard implementation services are included as well with the purchase of a new program.
- g. “Software” means the proprietary web-based products referred to as Neighborly Software, including, but not limited to, the source code, object code or underlying structure, ideas, know-how or algorithms, documentation, or data related to the Services provided by Company, or its licensors identified on an Order Form and subsequently made available to Customer by Company in accordance with an Order Form or this Agreement.
- h. “Subscription User” or “User” means those individuals designated and authorized by the Customer to use one of the purchased subscriptions to access the Software available through a specified Portal, using his or her login credentials (email address and password), which may only be used by that single, named user.

## **2. SOFTWARE AND SERVICES.**

- a. During the Term of this Agreement, Company will provide Customer access to, and use of, the Software, Services, and Documentation by enabling a portal for Customer to access through a web browser (the "Portal").
- b. This Agreement does not contemplate any customized products, services, work-for-hire, or code developed exclusively for Customer that would result in ownership rights for the Customer. If the Parties agree that Company shall provide such non-standard Professional Services, the description of the services and applicable ownership rights with respect to such non-standard Professional Services will be set forth in a separately executed Professional Services Agreement.
- c. Company will make available to Customer all updates and any documentation for such updates to the Services. Company will use commercially reasonable efforts to ensure that (i) new features or enhancements to existing features are synchronized with the previous version, and (ii) updates will not degrade the performance, functionality, or operation of the Services. General maintenance of the system is completed on a regular basis to ensure optimal performance of the Services.
- d. Service Levels and Support. Company will use commercially reasonable efforts to maintain Service Availability at a minimum level of 99.5% and will provide Support Services, in each case as described in the Service Level Terms attached as Exhibit "A."
- e. Data Storage. All Customer Data will be stored, processed, and maintained solely in data centers located in the United States.
- f. Backup and Recovery of Customer Data. Company is responsible for maintaining a backup of the Customer Data and for an orderly and timely recovery. Company shall maintain a contemporaneous backup of Customer Data that can be recovered within a reasonable period of time.

## **3. CUSTOMER RESTRICTIONS AND RESPONSIBILITIES.**

- a. Customer will not, directly, or indirectly: (i) reverse engineer, decompile, disassemble, or otherwise attempt to discover the source code, object code or underlying structure, ideas, know-how or algorithms relevant to the services or any software, documentation, or data related to the Services; (ii) modify, adapt, translate, or create derivative works based on the Services or the Software; (iii) use the Software to store or transmit infringing, libelous, or otherwise unlawful or tortious material, or to store or transmit material in violation of third-party privacy rights; (iv) interfere with or disrupt the security, integrity, availability, or performance of the Software; (v) attempt to gain unauthorized access to any service or content within the Software or its related systems or networks; and/or (vii) copy a service or any part, feature, function or user interface thereof; nor access any service or content in order to build a competitive product or software.
- b. Automated Access Prohibited. Except as expressly authorized in writing by Company, Customer shall not, and shall not permit any third party to, access or use the Software through any automated means, including but not limited to bots, scripts, scrapers, or artificial intelligence agents, whether for data extraction, model training, monitoring, or any other purpose. Customer shall ensure that all access to the Software is initiated and performed solely by human end users using a supported web browser or Company-approved application programming interface (API).
- c. Customer represents, covenants, and warrants that Customer will use the Software in compliance with all applicable laws and regulations. Customer hereby agrees to hold harmless Company against any damages, losses, liabilities, settlements and expenses (including without limitation costs and attorneys' fees) in connection with any claim or action that arises from an alleged violation of the foregoing.
- d. Customer acknowledges and agrees that the Software is a tool provided by Company to support and streamline the administrative processes associated with Customer's grant programs. Customer retains full responsibility for the design, structure, eligibility criteria, delivery, and administration of such programs, including compliance with all applicable laws, regulations, and funding requirements. Company does not assume control over or responsibility

for any aspect of Customer's program design or administration. Customer is responsible for notifying Company of any changes to compliance requirements or program parameters that may affect the Software configuration or functionality.

- e. Each Subscription User must create a username and password to access the Software. Subscription Users are prohibited from sharing their login credentials with anyone else or allowing others to use their credentials to access the Software. The authorized number of Subscription Users is specified in the Order or as otherwise requested and approved in writing during the Term.
- f. Customer is responsible for the actions and activities of its Subscription Users and must promptly inform Company of any changes to user status, including when access should be modified or deactivated. Customer must also notify Company immediately if it becomes aware of any lost, stolen, or compromised login credentials, or any actual or suspected security breach involving such credentials. Company is not liable for any claims, damages, or losses resulting from the actions, omissions, or misuse of the Software by Subscription Users, including unauthorized access or other conduct.
- g. Customer shall be responsible for obtaining and maintaining any equipment and ancillary services needed to connect to, access or otherwise use the Services, including, without limitation, modems, hardware, servers, software, operating systems, networking, web servers and the like.

#### **4. CONFIDENTIALITY; PROPRIETARY RIGHTS**

- a. **Duty Not to Disclose Confidential Information.** In connection with the Agreement, Recipient, and its employees and agents, may have access to the Confidential Information of the Discloser. Recipient shall, and shall ensure that its employees and agents shall, keep the Confidential Information of the Discloser in strict confidence and use it only for the purpose of performing its duties under this Agreement. Recipient will not directly or indirectly disclose, publish, disseminate, make available or otherwise communicate in any way, to any third person not having a need to know in order to perform its duties under this Agreement, any Confidential Information of the Discloser, without the Discloser's prior written consent. Recipient will have appropriate safeguards in place within its organization to restrict access to Confidential Information to only those individuals as needed in connection with the performance of this Agreement. Recipient will take care of Confidential Information using at least the same standard of care it would use with its own confidential information, but in no event shall Recipient use less than reasonable care in protecting such Confidential Information.
- b. **Mandatory Disclosures.** In the event that Recipient is required by a binding order of a governmental agency or court of competent jurisdiction to disclose any Confidential Information of the Discloser, it shall, if legally permitted, provide the Discloser with prompt written notice (via e-mail that is acknowledged as received) to allow the Discloser an opportunity to appear and object prior to Recipient's compliance with requested disclosure. The written notice shall provide Discloser with sufficient information describing the content of the information to be disclosed. If such objection is unsuccessful, then Recipient shall produce only such Confidential Information as is required by the court order or governmental action.
- c. Customer shall own all rights, title, and interest in and to the Customer Data, as well as any data that is based on or derived from the Customer Data and provided to Customer as part of the Services.
- d. Company shall own and retain all rights, title and interest in and to (a) the Services and Software, all improvements, enhancements, or modifications thereto, (b) any software, applications, inventions, or other technology developed in connection with implementation of services or support, and (c) all intellectual property rights related to any of the foregoing.
- e. Notwithstanding anything to the contrary, Company shall have the right to collect and analyze data and other information relating to the provision, use and performance of various aspects of the Services and related systems and technologies (including, without limitation, information concerning Customer Data and data derived therefrom), and Company will be free (during and after the term hereof) to (i) use such information and data to

improve and enhance the Services and (ii) disclose such data solely in aggregate or other de-identified form in connection with its business.

## 5. PAYMENT OF FEES

- a. **Payment Terms.** Customer shall pay Company the fees listed in the Purchase Summary of the Order Form. An invoice for the fees will be sent to the Customer following the Effective Date. All invoices are due within thirty (30) days from the date of the invoice.
- b. **Suspension of Service for Late Payments.** If the Customer fails to pay any invoice in full within thirty (30) days from the due date, the Company shall have the right to suspend the Services until payment is received. Suspension of Services in accordance with this subsection shall not be deemed a breach of this Agreement.
- c. **Addition of Users.** During the Initial Service Term, the Customer may add additional Users based on the pricing stated in the Order Form on a pro rata basis.
- d. **One-Time Fees.** All one-time fees (including new programs) will be charged at the Company's current rates at the time the service is requested.
- e. **Additional Implementation Fees.** Implementation fees are based on a mutually agreeable Implementation Schedule (based on the number of programs purchased). Customer agrees to allocate the time and personnel necessary to complete implementation during this period. Unless the Parties agree to an alternative schedule, in writing, implementations extending beyond the allocated time will be subject to a weekly charge of \$1,000.00 per additional week.
- f. **Renewal Subscription Fee Increases.** Standard Neighborly Software subscription fees shall automatically increase by five percent (5%) upon each annual renewal. All other recurring fees (including, but not limited to, IDIS, Data Warehouse, and similar add-on services) are not subject to the fixed increase and instead will be based on the Company's then-current pricing. The Company reserves the right to adjust such fees listed in the Order Form at the end of the Initial Service Term or any subsequent renewal term. Notice of any fee adjustment will be provided to the Customer via invoice (delivered by e-mail) at least sixty (60) days prior to the end of the applicable term.
- g. **Taxes.** The fees do not include any taxes, including, without limitation, sales, use or excise tax. If Customer is a tax-exempt entity, you agree to provide Company with a tax-exempt certificate. Otherwise, Company will pay all applicable taxes to the proper authorities and Customer will reimburse Company for such taxes (this excludes Company's income taxes, both federal and state, as applicable, arising from Company's performance of this Agreement).
- h. The parties acknowledge that appropriation of funds is a governmental function which the Customer cannot contractually commit itself in advance to perform and this Agreement does not constitute such commitment. The Customer's obligation to pay under this Agreement is contingent upon Customer's annual appropriation of funds for such purpose, and the non-appropriation of funding for such purpose in any fiscal year shall immediately relieve both parties of their respective obligations hereunder, as of the last day for which funds have been appropriated. The Customer shall immediately notify the Company in writing (via e-mail), upon determining that sufficient funds will not be budgeted and appropriated in any fiscal year under this Agreement.

## 6. TERM AND TERMINATION

- a. **Term and Automatic Renewal.** Subject to earlier termination as provided below, the term of the Agreement shall commence on the Effective Date and shall cover the Initial Service Term as specified in the Order Form and shall **automatically renew** for additional one (1) year periods following the Initial Service Term (collectively, the "Term"), unless either party requests termination at least thirty (30) days prior to the end of the then-current term.
- b. **Termination for Cause.** Either party may terminate this Agreement if the other party:

- (i) commits a material breach and fails to remedy that breach within fifteen (15) days from receiving written notice of the breach; or
  - (ii) becomes insolvent or seeks protection under any bankruptcy, receivership, trust deed, creditors arrangement, composition, or comparable proceeding, or if any such proceeding is instituted against the other party and is not dismissed within sixty (60) days; provided however that in such event, termination will not require notice to the other party.
- c. Termination Procedures. Upon termination for any reason, the Parties shall proceed with the following procedures: (i) Company will immediately disable access to the applicable Portal; (ii) Customer will provide contact information necessary to facilitate the return of the Customer Data within thirty (30) days following termination; (iii) Company shall return the Customer Data via the Secure File Transfer Protocol promptly upon receipt of necessary information from Customer to facilitate the return; and (iv) Customer Data will be deleted sixty (60) days from the date that the Customer Data is returned. If Customer fails to cooperate in facilitating the return of the Customer Data, Company reserves the right to delete the Customer Data ninety (90) days after the termination of the Agreement. Customer is solely responsible for ensuring that the Customer Data is downloaded, stored, and reviewed. Customer acknowledges and agrees that Company has no obligations whatsoever with regard to the Customer Data following the final destruction. Upon request, Company will provide Customer with a Certification of Data Destruction. This Section shall survive the termination of this Agreement.
- d. Optional Data Retention. If Customer desires for Company to retain the Customer Data beyond sixty (60) days from the date of the final extraction, Customer must make that request, in writing (via email), and receive an acknowledgement of said request. Requests that do not receive an acknowledgement or requests that are made after the sixty (60) day window are not considered valid. The minimum cost for continued data retention is \$6,000.00 for six (6) months.

## **7. WARRANTY AND DISCLAIMER**

- a. Company Warranty. Company represents and warrants the following: (a) the Documentation sufficiently describes features, functionality, and operation of the Software as applicable; (b) the Software, as applicable, materially conforms to the Documentation and is free from material defects in workmanship; (c) the Software does not contain any viruses or other malicious threats, programs, features, or devices ("Viruses") that could harm Customer, and Company uses commercially reasonable efforts to prevent and eradicate such Viruses. Furthermore, consistent with prevailing industry standards, Company shall maintain the Software in a manner which minimizes errors and interruptions and shall perform the Services in a professional and workmanlike manner. Notwithstanding the foregoing, the Software may be temporarily unavailable for scheduled maintenance or for unscheduled emergency maintenance, or because of other causes beyond Company's reasonable control, but Company shall use reasonable efforts to provide advance notice in writing or by e-mail of any scheduled service disruption.
- b. DISCLAIMER. EXCEPT AS EXPRESSLY SET FORTH HEREIN AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, COMPANY DISCLAIMS ALL WARRANTIES, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. COMPANY DOES NOT WARRANT THAT THE SERVICES WILL BE ERROR-FREE OR UNINTERRUPTED OR GUARANTEE THE RESULTS THAT MAY BE OBTAINED FROM USE OF THE SOFTWARE. THE LIMITED WARRANTIES PROVIDED HEREIN ARE THE SOLE AND EXCLUSIVE WARRANTIES PROVIDED BY THE COMPANY.

## **8. DATA SECURITY BREACH NOTIFICATION AND RESPONSE**

The Company maintains appropriate technical and organizational measures to protect Customer Data from accidental loss, unauthorized access, use, alteration, or disclosure. In the event of any compromise or suspected compromise of the security, confidentiality, or integrity of Customer Data, or of the physical, technical, administrative, or organizational safeguards related to its protection, the Company shall, as applicable: (i) notify the Customer as soon as

practicable, but no later than forty-eight (48) hours after becoming aware of the occurrence; (ii) cooperate with the Customer in investigating the occurrence, including providing access to relevant, existing documentation and information necessary to meet applicable legal or regulatory obligations; and (iii) take commercially reasonable steps to mitigate the effects of the incident and comply with any applicable legal obligations.

## 9. INDEMNITY

- a. Company will indemnify, defend, and hold harmless the Customer against all claims, suits and actions asserted by an unaffiliated third-party against the Customer for liabilities, damages and costs, including reasonable attorneys' fees, incurred in the defense of any claim brought against Customer alleging that the Software infringes or misappropriates a third-party's U.S. registered patent right, trademark, or copyright (an "Infringement Claim"). Company's indemnity obligation under this section shall not extend to claims that arise from any of the following:
  - (1) Any unauthorized modification of the Software by Customer where the Software would not be infringing without such modifications.
  - (2) Customized portions of the Software designed in accordance with written specifications provided by Customer where the Software would not be infringing but for Company's compliance with such written specifications.
  - (3) The combined use by Customer of the Software with other components, products, or services not provided by Company where the Software would not be infringing but for such combination.
  - (4) Workflows, analytic applications, algorithms, or other applications or programming built by Customer or created by or on behalf of Customer without Company's approval.
- b. The indemnification obligations set forth in this Section are subject to the following conditions:
  - (1) Customer provides Company with prompt written notice of any Infringement Claim;
  - (2) Company is permitted to assume sole control over the defense and settlement of the Infringement Claim;
  - (3) Customer provides reasonable cooperation and assistance in the defense of such claim, at Company's expense.
  - (4) Customer does not settle or compromise any Infringement Claim without the prior written consent of Company.
- c. If the Software becomes, or in Company's reasonable opinion is likely to become, the subject of an Infringement Claim, Company may, at its sole option and expense: (i) obtain the right for Customer to continue using the Software; (ii) replace or modify the Software to make it non-infringing while maintaining substantially similar functionality; or (iii) if neither (i) nor (ii) is commercially reasonable, terminate Customer's license to the affected Software and refund any prepaid, unused fees for the remaining subscription term.
- d. The Company's total liability under this Section shall not exceed the limits of insurance coverage required to be maintained under this Agreement.

## 10. LIMITATION OF LIABILITY

- a. NOTWITHSTANDING ANYTHING TO THE CONTRARY, EXCEPT FOR LIABILITY RESULTING FROM (1) A PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS; (2) A PARTY'S INDEMNIFICATION OBLIGATIONS; OR (3) A PARTY'S WILLFUL MISCONDUCT OR FRAUD, IN NO EVENT SHALL EITHER PARTY BE RESPONSIBLE OR LIABLE FOR ANY INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED, TO LEGAL FEES AND EXPENSES), WHETHER FORESEEABLE OR UNFORESEEABLE, THAT MAY ARISE OUT OF OR IN CONNECTION WITH THIS AGREEMENT UNDER ANY THEORY INCLUDING, BUT NOT LIMITED TO, BREACH OF CONTRACT, BREACH OF WARRANTY OR NEGLIGENCE.

- b. EXCEPT FOR LIABILITY RESULTING FROM (1) A PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS; (2) A PARTY'S INDEMNIFICATION OBLIGATIONS; OR (3) A PARTY'S WILLFUL MISCONDUCT OR FRAUD, IN NO EVENT WILL THE AGGREGATE LIABILITY OF EITHER PARTY EXCEED THE GREATEST AMOUNT OF THE FEES PAID OR OWED BY EITHER PARTY UNDER THIS AGREEMENT DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO THE CLAIM. THE LIMITATIONS IN THIS SECTION FORMED A BASIS FOR ENABLING EACH PARTY TO OFFER AND ACCEPT THE TERMS HEREIN.
- c. The Parties shall have an affirmative obligation to mitigate their respective losses (howsoever arising) recoverable from the other Party under or in connection with this Agreement.

## 11. INSURANCE

During the course of performing its duties under this Agreement, Company agrees to maintain the following levels of insurance: (a) Commercial General Liability of at least \$2,000,000 in aggregate and \$1,000,000 each occurrence; (b) Professional Liability (E&O) of at least \$5,000,000; (c) Cyber Liability of at least \$5,000,000; (d) Commercial Auto Insurance for Hired and Non-Owned vehicles of at least \$1,000,000; and (e) Workers Compensation complying with applicable statutory requirements. Company will provide Customer with copies of certificates of insurance upon Customer's written request.

## 12. DISPUTE RESOLUTION

With the exception of actions for injunctive relief for actions arising under the Confidentiality provisions of Section 4 of this Agreement, the Parties intend that any and every dispute by and between them, including but not limited to any dispute arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, be resolved first by resorting to mediation, to be conducted in a mutually agreeable location in accordance with the laws of the State of California.

## 13. NOTICE

All notices required or permitted under this Agreement shall be in writing and deemed given: (i) when delivered personally or by nationally recognized overnight courier; (ii) when sent by email; or (iii) forty-eight (48) hours after deposit in the U.S. mail, certified or registered, postage prepaid. Email is the preferred method of notice. Each Party shall provide notice to the other of any change in address, email address, or designated recipient. Unless otherwise updated in accordance with this Section, notices shall be sent to the following addresses:

**For the Company:**

Jason Rusnak, President

3423 Piedmont Rd, NE

Atlanta, GA 30305

Phone: 703-864-7231

Email: [Jason.Rusnak@NeighborlySoftware.com](mailto:Jason.Rusnak@NeighborlySoftware.com)

Sarah Bohentin

Email: [Sarah.Bohentin@NeighborlySoftware.com](mailto:Sarah.Bohentin@NeighborlySoftware.com)

**For the Customer:**

City Clerk

38250 Sierra Highway

Phone: 661.267-5100

Email: [CityClerk@cityofpalmdaleca.gov](mailto:CityClerk@cityofpalmdaleca.gov)

#### **14. MISCELLANEOUS**

- a. Severability. If any provision of this Agreement is found to be unenforceable or invalid, that provision will be limited or eliminated to the minimum extent necessary so that this Agreement will otherwise remain in full force and effect and enforceable.
- b. Waivers. No waiver of any provision of this Agreement or consent to any action shall constitute a waiver of any other provision of this Agreement or consent to any other action. No waiver or consent shall constitute a continuing waiver or consent or commit a Party to provide a future waiver. Any provision of this Agreement may be waived only with the written consent of the Parties.
- c. Permissible Use. Company is permitted to use the Customer's name and logo solely for marketing or promoting the provided services subject to terms and conditions of this Agreement.
- d. Entire Agreement & Amendments. This Agreement is the complete and exclusive statement of the mutual understanding of the parties and supersedes and cancels all previous written and oral agreements, communications and other understandings relating to the subject matter of this Agreement, and that all waivers and modifications must be in a writing signed by both parties, except as otherwise provided herein.
- e. Assignment. This Agreement is not assignable, transferable, or sub-licensable by either Party without the other Parties prior written consent, except as such assignment, transfer or sublicense is in connection with a merger, acquisition, or similar change of control event.
- f. Relationship. No agency, partnership, joint venture, or employment is created as a result of this Agreement and the Parties do not have any authority of any kind to bind the other Party in any respect whatsoever.
- g. Force Majeure. Neither Party shall be liable hereunder by reason of any failure or delay in the performance of its obligations hereunder (except for the payment of amounts due) to the extent caused by strikes, shortages, riots, insurrection, fires, flood, storm, explosions, pandemics, acts of God, terror, war, governmental action, labor conditions, earthquakes, material shortages or any other cause which is beyond the reasonable control of such party. Upon an occurrence of an event of force majeure, Company cannot ensure uninterrupted or error free service or access to the Software or Services and there may be periods where access is delayed, limited or unavailable. Company shall use commercially reasonable efforts to provide the Software or Services to Customer in accordance with its Business Continuity and Disaster Recovery Plan a copy of which will be provided upon written request.

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURE PAGE FOLLOWS**

- a. Applicable Law. This Agreement, and all matters arising out of or relating to it, including any disputes, claims, or causes of action, shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflict of laws principles.

**BENEVATE, LLC**

**CITY OF PALMDALE, CA**

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

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

Name: J. Jason Rusnak

Name: Salvador Mendez

Title: President, Benevate, LLC

Title: Interim City Manager

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

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

APPROVE AS TO FORM:

\_\_\_\_\_  
Alexandra Severino  
City Attorney

ATTEST:

\_\_\_\_\_  
Roxanne Faber  
City Clerk

## **EXHIBIT A**

### **Service Level Terms**

This Exhibit A outlines the Company's commitments regarding Support Services, problem resolution, and Service Availability for the Software. Company may update these Service Level Terms from time to time to reflect improvements, clarifications, or changes in its standard practices; provided, however, that no such update will materially reduce the overall commitments made to Customer. Company will provide Customer with written notice (which may include electronic notice) of any such updates.

#### **1. Definitions.**

- a. "Scheduled Downtime" means planned maintenance windows during which the Software or Services are unavailable. Scheduled Downtime is excluded from the Service Availability calculation.
- b. "Service Availability" means the percentage of total time in a calendar month that the Software is available for use, excluding any Scheduled Downtime and the exclusions set forth in Section 6.
- c. "Support Services" means technical support provided by Company personnel to Customer's designated administrators for issue resolution, bug reporting, and related technical assistance.
- d. "Update" means any error correction, bug fix, patch, enhancement, improvement, update, upgrade, new release, or other modification to the Software or Services provided by Company under the Agreement, including any updates required to maintain compliance with applicable law.

#### **2. Service Availability.**

- a. Service Availability Commitment. Company will use commercially reasonable efforts to maintain availability of the Software at 99.5% uptime, measured monthly.
- b. Scheduled Maintenance. Updates and maintenance will ordinarily be performed outside of Support Hours. Notification may not be provided unless downtime is expected. If major Updates must occur during Support Hours due to necessity, Company will provide notice to Customer as soon as reasonably practicable.

#### **3. Support Services.**

- a. Availability. Support Services are available during Support Hours, defined as 8:00 a.m. to 8:00 p.m. ET, Monday through Friday, excluding Company Holidays.
- b. Procedure. Customer may initiate a support request through Company's designated support channels. Each request must include sufficient details regarding the issue to enable Company to assess and respond. Company will use commercially reasonable efforts to respond to all support requests in accordance with Section 4 (Issue Resolution).
- c. Conditions for Providing Support. Company's obligation to provide Support Services is conditioned on Customer: (i) providing all information reasonably necessary to identify and reproduce the issue (including error messages, logs, and steps to recreate the problem, as applicable); and (ii) making available appropriate Customer personnel to assist in troubleshooting, particularly where the issue relates to Customer's specific configurations.

4. **Issue Resolution.** Company will use commercially reasonable efforts to respond to support issues in accordance with the severity levels below.

| Severity Level                | Description                                                                                                                                                                                  | Response Metric                                                                 |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| <b>Level 1<br/>(Critical)</b> | Issue renders the Software unavailable or unusable, resulting in a complete loss of business operations with no available workaround.                                                        | Response within 1 business hour of notification. Telephone escalation required. |
| <b>Level 2<br/>(High)</b>     | A major functionality of the Software is significantly impaired or unavailable. The Software remains operational but important features are not usable, and no reasonable workaround exists. | Response within 4 business hours of notification.                               |
| <b>Level 3<br/>(Medium)</b>   | Issue does not significantly impact the operation of the Software, or a reasonable workaround exists.                                                                                        | Response within 8 business hours of notification.                               |
| <b>Level 4<br/>(Low)</b>      | General inquiries or minor issues that do not materially impact normal operations.                                                                                                           | Response within 2 business days.                                                |

5. **Remedies.** If Customer reasonably believes that Company has failed to achieve its Service Availability commitment in any given calendar month, Customer must (i) have reported the issue with Service Availability during the month in which it occurred, and (ii) submit a written request for a Service Availability report within ten (10) days after the end of such month. Upon receipt of a timely request, Company will provide a report detailing its actual Service Availability performance for the applicable month.

If the report confirms that Company failed to meet the Service Availability commitment, Customer's sole and exclusive remedy shall be a service credit applied against future Subscription Fees, calculated as follows:

| Monthly Uptime Percentage | Service Credit                                |
|---------------------------|-----------------------------------------------|
| < 99.5% ≥ 99.0%           | 5% of prorated Subscription Fees for 1 month  |
| < 99.0% ≥ 98.0%           | 10% of prorated Subscription Fees for 1 month |
| < 98.0% ≥ 95.0%           | 25% of prorated Subscription Fees for 1 month |
| < 95.0%                   | 50% of prorated Subscription Fees for 1 month |

6. **Exclusions.** The Service Availability calculation expressly excludes, and Company shall have no liability for, any lack of availability or performance issues resulting from: (1) Scheduled Downtime; (2) a Force Majeure event; (3) Customer's misuse, negligence, misconduct, or failure to pay Fees when due; (4) issues arising from Customer's equipment, connectivity, or unsupported environments, including user desktops or browsers; (5) third-party hardware, software, or services not provided or controlled by Company; or (6) any other causes beyond Company's reasonable control.

## **EXHIBIT B**

### **Supplemental Terms and Conditions: Data Warehouse**

These Supplemental Terms and Conditions are incorporated into and form part of the Agreement between the Parties based on the Customer's purchase of the Data Warehouse subscription. In the event of a conflict between these Supplemental Terms and the Agreement, these Supplemental Terms shall govern solely with respect to the Data Warehouse subscription.

#### **1. Purpose and Functionality**

The Company will provide the Customer with access to a Snowflake-powered Data Warehouse containing the Customer Data. The Data Warehouse provides near real-time access to offline datasets through a direct connector, supporting use with Business Intelligence (BI) tools, Extract-Transform-Load (ETL) tools, and other data services. This access enables the Customer to measure and demonstrate its impact within the communities it serves.

#### **2. Support and Professional Services**

The Data Warehouse subscription includes access to standard support services consistent with Neighborly Software's current support model for ancillary offerings. However, it does not include individualized assistance beyond the native functionality available within the platform. Any support involving configuration, customization, integration, or data analysis is considered professional services. Such professional services are not included in the Data Warehouse subscription and will only be provided under a separate written agreement and subject to additional fees.

#### **3. Usage Limitations**

The company does not impose an explicit cap on Data Warehouse usage. However, usage is subject to Snowflake's platform limitations, which include a limit of five (5) credits per day. Snowflake credits represent units of resource consumption and are incurred only when resources are actively used such as when a virtual warehouse is operating, the cloud services layer is processing tasks, or serverless features are utilized.

#### **Customer Responsibilities and Acknowledgements**

- a. **Access to Customer Data.** Data Warehouse users will have access to Customer Data from a read-only Snowflake Data Warehouse via a direct data connector. All such users will have full access to the entire repository of Customer Data maintained and stored in Neighborly Software. Customer acknowledges the inherent risks associated with unrestricted access to its data and accepts full responsibility for establishing and maintaining appropriate technical and organizational safeguards, internal controls, and information security measures.
- b. **Security Controls.** Customer is responsible for implementing and maintaining security measures that are appropriate to the risks associated with the processing of Customer Data, particularly in preventing unauthorized access or disclosure after the data leaves Neighborly Software. This includes, but is not limited to, safeguarding Customer Data when it is exported to spreadsheets, stored on internal systems, imported into third-party tools or repositories, or accessed through external business intelligence platforms.
- c. **User Management and Security Responsibilities.** Customer is solely responsible for managing the status of all Data Warehouse users, including initiating, modifying, and deactivating user access as necessary. Login credentials may not be shared under any circumstances. Customer is also responsible for the security of user credentials and must immediately inform Company of any lost, stolen, or compromised login credentials, as well as any actual or suspected security breaches involving such credentials. The Company does not assume responsibility for monitoring or updating user statuses. However, support will be provided upon request should the Customer require assistance with these actions.

- d. Data Warehouse Users.** Customer is solely responsible for the actions and activities of its Data Warehouse Users. Company will not be liable for any claims, damages, or losses resulting from the actions, omissions, or misuse of the Data Warehouse by Data Warehouse Users, including unauthorized access or other conduct—whether intentional or negligent.

#### **4. Security Disclaimer**

Company takes commercially reasonable measures to protect Customer Data while it is stored and maintained within its system. However, once Customer Data is exported or integrated into external environments, Company has no control over and disclaims all liability for the security of such data. This disclaimer does not affect Company's security obligations within its own environment.

#### **5. Customer-Controlled Access Risk**

Company shall not be responsible for any breach, unauthorized access, or data loss caused by Customer's misconfiguration of user permissions, lack of internal controls, or improper data handling after export from Neighborly Software.

#### **6. Amendment and Termination**

Company may amend these Supplemental Terms and Conditions from time to time with written notice to Customer. Continued use of the Platform following notice of such changes constitutes acceptance. Either party may terminate access to the Platform in accordance with the termination provisions in the Agreement.



# City Council Staff Report

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**DATE:** DECEMBER 2, 2025

**TO:** HONORABLE MAYOR PRO TEM AND CITY COUNCIL

**FROM:** PUBLIC WORKS DEPARTMENT  
CAPITAL IMPROVEMENT PROGRAM DIVISION

**DISTRICT:** 3, 4

**SUBJECT:** ACCEPT NOTICE OF COMPLETION (NOC) FOR PN 904, FY 2024-2025 LOCAL STREET ASPHALT RUBBER AGGREGATE MEMBRANE (ARAM) CAPE SEAL PROJECT

## **RECOMMENDATION**

Staff recommend that the City Council:

1. Accept the NOC for PN 904, FY 2024-2025 Local Street ARAM Cape Seal Project; and,
2. Authorize the Interim City Manager or his designee to file the NOC and release the security for the completed park project improvements.

## **BACKGROUND**

Project No. 904 provided ARAM cape sealing on approximately 605,000 square feet of local streets located at or near Avenue S and 47<sup>th</sup> Street East, Avenue S and 52<sup>nd</sup> Street East, and Avenue S-8 and 45<sup>th</sup> Street East. The goal of the project is to extend the service life of the streets by an additional five to seven years.

ARAM cape seals are a sustainable pavement surface treatment ideal for local streets in moderately distressed conditions. An additional 55,500 square feet of cul-de-sacs and intersection stop points received a mill and asphalt-concrete overlay treatment to provide greater strength for the heavy wheel turning and shear stresses associated with these areas.

## **DISCUSSION**

The NOC is presented by Section 16.110.060 of Palmdale's Municipal Code. This action will accept the public improvements as complete and initiate the City's release of applicable securities posted for this project by the City's subdivision regulations.

### **FISCAL IMPACT**

\$0; There is no fiscal impact associated with this action. Project cost totaled \$1,474,200 and was funded using Road Maintenance and Rehabilitation (SB-1) funds.

### **STRATEGIC PLAN**

Goal III: Invest in infrastructure to improve community livability.

- C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

|                                        |                                                   |
|----------------------------------------|---------------------------------------------------|
| Prepared by:                           | Leonardo Torres, P.E.<br>Director of Public Works |
| Certified as to availability of Funds: | Janelle Samson, Director of Operations            |
| Approved by:                           | Salvador Mendez, Interim City Manager             |
| Approved as to form:                   | Alexandra Severino, City Attorney                 |

### **ATTACHMENTS**

NOC  
Site Map ARAM Cape Seal Area 1  
Site Map ARAM Cape Seal Area 2  
Project Photos

RECORDING REQUESTED BY:  
City of Palmdale  
Public Works Department

WHEN RECORDED MAIL TO:  
City of Palmdale  
Office of the City Clerk  
38300 Sierra Highway, Suite C  
Palmdale, CA 93550

PURSUANT TO CIVIL CODE SECTION  
C.C. 3093

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**NOTICE OF COMPLETION**

NOTICE IS HEREBY GIVEN:

1. The City of Palmdale, a municipal corporation, is the owner in fee, of certain public improvement known as FY 2024-2025 Local Street ARAM Cape Seal Project, City Project Number PN 904.
2. The City's address is 38300 Sierra Highway, Palmdale, California 93550.
3. The general location of said public improvement is the area bounded by East Avenue S, East Avenue R-12, 47<sup>th</sup> Street East, & 55<sup>th</sup> Street East; and, the area bounded East Avenue S-8, East Avenue S-4, Serendipity Way, & 45<sup>th</sup> Street East, within Palmdale, California 93352.
4. On August 7, 2024, a construction contract for said public improvement was awarded to Manhole Adjusting, Inc., 9500 Beverly Road, Pico Rivera, CA 90660.
5. Work under said contract was completed on August 29, 2025, to the satisfaction of the City of Palmdale, and the City hereby accepts the project as complete.

Dated: December 2, 2025

CITY OF PALMDALE

---

Lee Torres, Director of Public Works

---

**VERIFICATION**

I, the undersigned, say: I am the Director of Public Works, the declarant of the foregoing notice of completion; I have read the said notice of completion and know the contents thereof; the same is true of my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

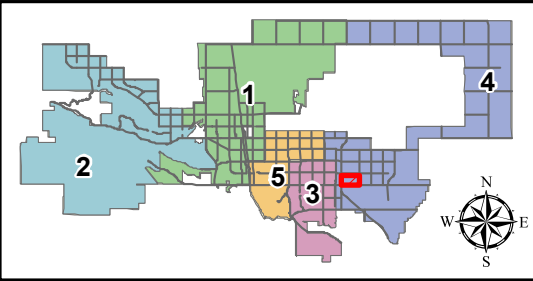
Executed on December 2, 2025, in the City of Palmdale, California.

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Lee Torres, Director of Public Works



Attachment 1



Area 1 Project Streets\*

ARAM Cape Seal

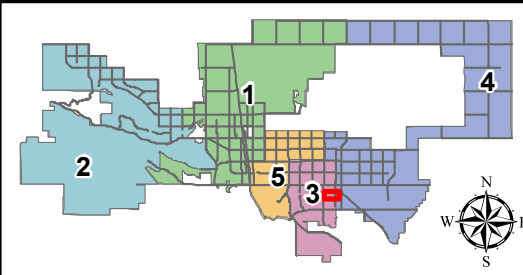
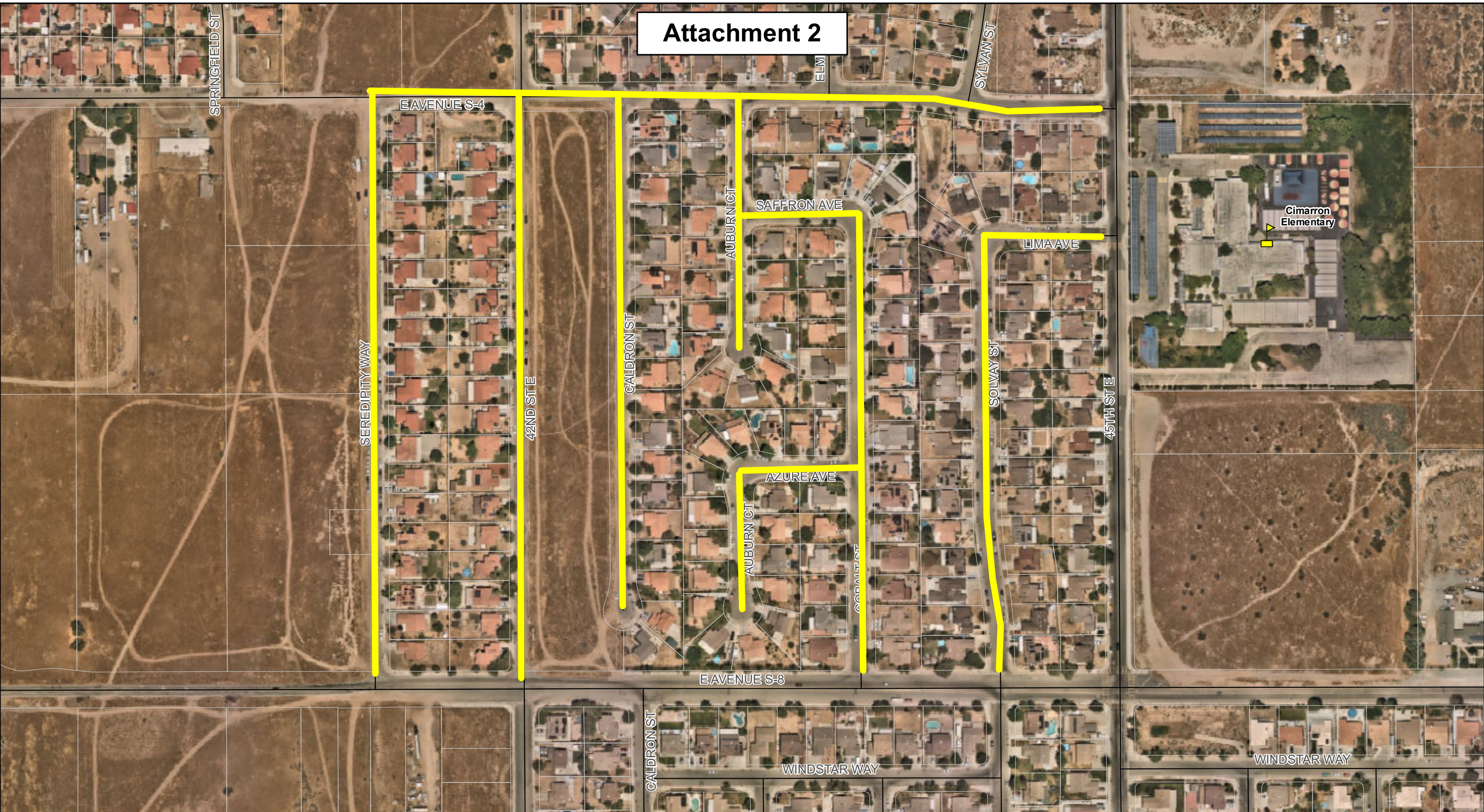
\*Not to scale.  
Yellow area is only intended to highlight the local street to receive the cape seal treatment.

- Fire Station
- Traffic Signal
- School
- Centerline
- Park
- Parcel
- City Boundary

Data Source: Copyright 2024. All rights reserved. The City of Palmdale owns and licenses geographic data from a variety of sources. The information contained herein is the proprietary property of the following owners, supplied under license, and may not be reproduced except as licensed by those owners: City of Palmdale, Los Angeles County Assessor's Office, ESRI Date & Maps, USGS, & TeleAtlas (courtesy of SCAG). Aerial imagery may be outdated and not match the actual ground condition.

0 125 250 500 750 1,000 Feet

# Attachment 2



## Area 2 Project Streets\*



ARAM Cape Seal

\*Not to scale.  
Magenta area is only intended to highlight the local street to receive the cape seal treatment.



Fire Station



Traffic Signal



School



Centerline



Park



Parcel



City Boundary

Map Revision Date: 06/20/2024

Data Source: Copyright 2024. All rights reserved. The City of Palmdale owns and licenses geographic data from a variety of sources. The information contained herein is the proprietary property of the following owners, supplied under license, and may not be reproduced except as licensed by those owners: City of Palmdale, Los Angeles County Assessor's Office, ESRI Date & Maps, USGS, & TeleAtlas (courtesy of SCAG). Aerial imagery may be outdated and not match the actual ground condition.



**PALMDALE**  
*a place to call home*  
PN 904 : FY 2024-2025 Local  
Street Cape Seal (Area 2)

# NOTICE OF COMPLETION

## PN 904 FY 2024-2025 LOCAL STREET ARAM CAPE SEAL PROJECT

ARAM Chip Seal Placement



# COMPLETED PUBLIC IMPROVEMENTS

PN 904 Slurry Seal Placement over  
ARAM Chip Seal



PN 904 Mill and Overlay at  
Intersection Stop Point



# COMPLETED PUBLIC IMPROVEMENTS

## PN 904 Before and After





# City Council Staff Report

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**DATE:** DECEMBER 2, 2025

**TO:** HONORABLE MAYOR PRO TEM AND CITY COUNCIL

**FROM:** PUBLIC WORKS DEPARTMENT  
CAPITAL IMPROVEMENT PROGRAM DIVISION

**DISTRICT:** ALL

**SUBJECT:** ACCEPT NOTICE OF COMPLETION (NOC) FOR PN 911, FY 2025-26 LOCAL STREET RESURFACING PROJECT

## **RECOMMENDATION**

Staff recommend that the City Council:

1. Accept the NOC for PN 911, FY 2025-26 Local Street Resurfacing Project; and,
2. Authorize the Interim City Manager or his designee to file the NOC and release the security for the completed park project improvements.

## **BACKGROUND**

Project No. 911 provided Asphalt Rubber Aggregate Membrane (ARAM) cape sealing, mill and overlay, slurry sealing, on approximately 2.4 million square feet of local streets. All local streets within Area No. 4, located near the intersection of Avenue R and 20th Street East, received a mill, leveling course, and asphalt overlay treatment to improve the condition of approximately 208,000 square feet of pavement. Area No. 6 received a cape seal treatment, along with replacement of the inverted shoulder, for improved drainage and appearance. The goal of the project is to extend the service life of the streets by an additional five to seven years.

ARAM cape seals are a sustainable pavement surface treatment ideal for local streets in moderately distressed conditions. An additional 250,000 square feet of local streets at various locations received a slurry seal treatment. Within these cape seal and slurry seal areas, 205,125 square feet of cul-de-sacs and intersection stop points received a mill and asphalt-concrete overlay treatment to provide greater strength for the wheel turning and associated shearing stress to the pavement surface.

## **DISCUSSION**

The NOC is presented by Section 16.110.060 of Palmdale's Municipal Code. This action will accept the public improvements as complete and initiate the City's release of applicable securities posted for this project by the City's subdivision regulations.

## **FISCAL IMPACT**

\$0; There is no fiscal impact associated with this action. Project cost totaled \$5,284,825 and was funded using Gas Tax and Prop C Local Return funds.

## **STRATEGIC PLAN**

Goal III: Invest in infrastructure to improve community livability.

- C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

|                                        |                                                   |
|----------------------------------------|---------------------------------------------------|
| Prepared by:                           | Leonardo Torres, P.E.<br>Director of Public Works |
| Certified as to availability of Funds: | Janelle Samson, Director of Operations            |
| Approved by:                           | Salvador Mendez, Interim City Manager             |
| Approved as to form:                   | Alexandra Severino, City Attorney                 |

## **ATTACHMENTS**

NOC  
Project Map  
Project Photos

RECORDING REQUESTED BY:  
City of Palmdale  
Public Works Department

WHEN RECORDED MAIL TO:  
City of Palmdale  
Office of the City Clerk  
38300 Sierra Highway, Suite C  
Palmdale, CA 93550

PURSUANT TO CIVIL CODE SECTION  
C.C. 3093

---

**NOTICE OF COMPLETION**

NOTICE IS HEREBY GIVEN:

1. The City of Palmdale, a municipal corporation, is the owner in fee, of certain public improvement known as FY 2025-2026 Local Street Resurfacing Project, City Project Number PN 911.
2. The City's address is 38300 Sierra Highway, Palmdale, California 93550.
3. The general location of said public improvement is local streets within various areas within the City of Palmdale.
4. On May 6, 2025, a construction contract for said public improvement was awarded to Manhole Adjusting, Inc., 9500 Beverly Road, Pico Rivera, CA 90660.
5. Work under said contract was completed on October 31, 2025, to the satisfaction of the City of Palmdale, and the City hereby accepts the project as complete.

Dated: December 2, 2025

CITY OF PALMDALE

---

Lee Torres, Director of Public Works

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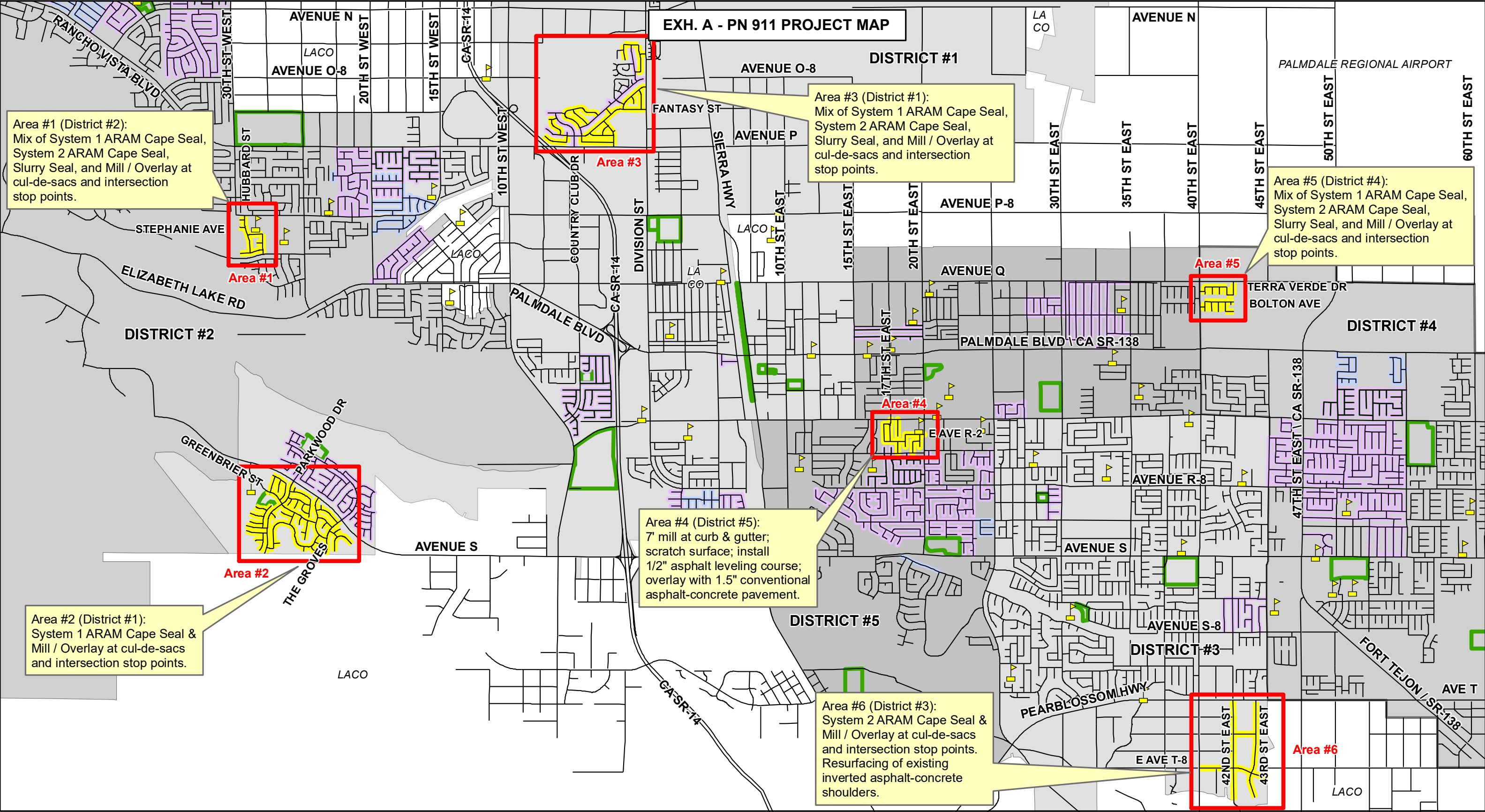
**VERIFICATION**

I, the undersigned, say: I am the Director of Public Works, the declarant of the foregoing notice of completion; I have read the said notice of completion and know the contents thereof; the same is true of my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 2, 2025, in the City of Palmdale, California.

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Lee Torres, Director of Public Works



# NOTICE OF COMPLETION PN 911 FY 2025-2026 LOCAL STREET RESURFACING PROJECT

## ARAM Chip Seal Placement



# COMPLETED PUBLIC IMPROVEMENTS

PN 911 Slurry Seal Placement over  
ARAM Chip Seal

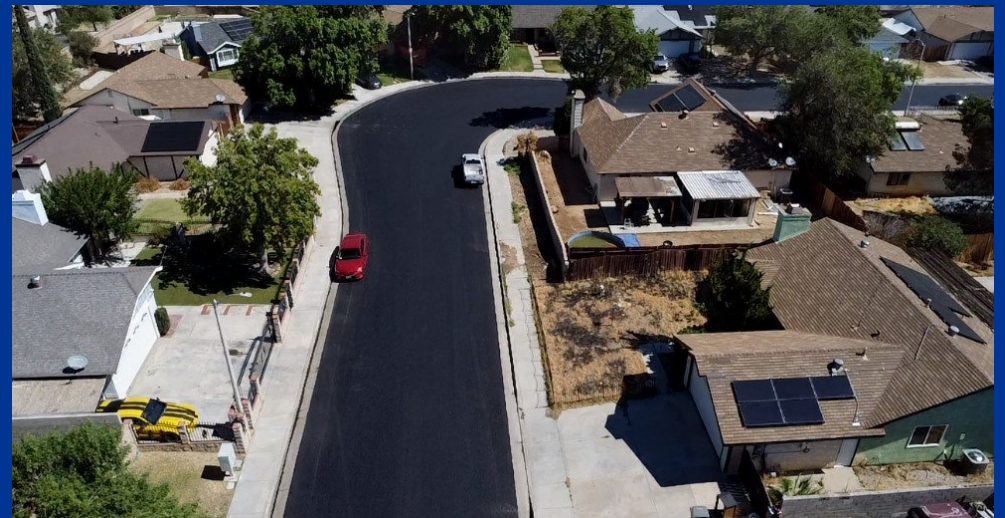
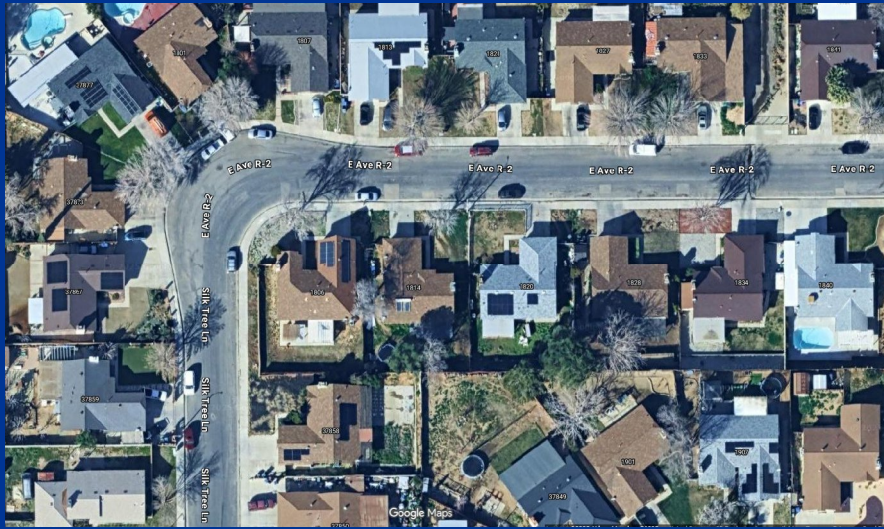


PN 911 Mill and Overlay at Cul-de-sac



# COMPLETED PUBLIC IMPROVEMENTS

## PN 911 Before and After (Area 04)





# City Council Staff Report

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**DATE:** DECEMBER 2, 2025

**TO:** HONORABLE MAYOR PRO TEM AND CITY COUNCIL

**FROM:** PUBLIC WORKS DEPARTMENT  
ENGINEERING DIVISION

**DISTRICT:** 4

**SUBJECT:** APPROVE FINAL TRACT MAP NO. 63364-1 (LOCATED AT THE  
SOUTHEAST CORNER OF PALMDALE BLVD AND 65<sup>TH</sup> STREET  
EAST)

## **RECOMMENDATION**

Staff recommend that the City Council:

1. Approve Final Tract Map No. 63364-1 (located at the southeast corner of Palmdale Blvd and 65<sup>th</sup> Street East); and,
2. Authorize the City Clerk to execute the City Clerk's Statement and Special Assessments Statement; and,
3. Authorize the Acting City Surveyor to execute the City Surveyor's Statement and file the map with the County Recorder.

## **BACKGROUND**

Final Tract Map No. 63364-1, located on the southeast corner of Palmdale Blvd and 65th Street East, is a 5.12-acre subdivision, legally creating 10 lots comprised of 9 single-family residential lots and one detention basin. This is the first of two phases of the approved tentative tract map. All the proposed lot sizes and dimensions comply with the City's Zoning Ordinance. The applicant for this development is Palmdale Grand Plaza, LLC, a California Limited Liability Company. The Planning Commission approved the tentative tract map, set to expire on December 31, 2025, under Resolution No. PC-2020-006.

## **DISCUSSION**

This final tract map is consistent with the tentative tract map, and all final map conditions of approval have been met. The Acting City Land Surveyor has reviewed the final map for technical accuracy and verified that it complies with the Subdivision Map Act.

**FISCAL IMPACT**

\$0; There is no fiscal impact associated with this action.

**STRATEGIC PLAN**

Goal III: Invest in infrastructure to improve community livability.

- A. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Prepared by:

Leonardo Torres, P.E.  
Director of Public Works

Certified as to availability of Funds:

Janelle Samson, Director of Operations

Approved by:

Salvador Mendez, Interim City Manager

Approved as to form:

Alexandra Severino, City Attorney

**ATTACHMENTS**

Final Tract Map No. 63364-1

TRACT NO. 63364-1

IN THE CITY OF PALMDALE  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

PORTIONS OF SOUTHEAST QUARTER OF SECTION 26, TOWNSHIP 6 NORTH, RANGE 11 WEST, SAN  
BERNARDINO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF LOS ANGELES,  
STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

DAVID L. COVARRUBIAS, PLS 9575  
TENTATIVE MAP EXPIRES DECEMBER 31, 2025  
10 LOTS 5.12 ACRES GROSS  
2.23 ACRES NET

OWNER'S STATEMENT

WE HEREBY STATE THAT WE ARE THE OWNERS OF OR ARE INTERESTED IN THE LANDS INCLUDED WITHIN THE SUBDIVISION SHOWN ON THIS MAP WITHIN THE DISTINCTIVE BORDER LINES, AND WE CONSENT TO THE PREPARATION AND FILING OF SAID MAP AND SUBDIVISION

WE FURTHER STATE THAT, EXCEPT AS SHOWN ON THIS MAP, WE KNOW OF NO EASEMENT OR STRUCTURE EXISTING WITHIN THE EASEMENTS HEREIN OFFERED FOR DEDICATION TO THE PUBLIC, OTHER THAN PUBLICITY OWNED WATER LINES, SEWERS OR STORM DRAINS, THAT WE WILL GRANT THE RIGHT OR INTEREST WITHIN THE BOUNDARIES OF SAID EASEMENTS OFFERED TO THE PUBLIC, EXCEPT WHERE SUCH RIGHT OT INTEREST IS EXPRESSLY MADE SUBJECT TO THE SAID EASEMENTS.

AS A DEDICATION TO THE PUBLIC USE, WHILE ALL OF PALMDALE BOULEVARD AND 65TH EAST WITHIN OR ADJACENT TO THIS SUBDIVISION REMAIN PUBLIC STREETS, WE HEREBY ABANDON ALL RIGHTS OF DIRECT VEHICULAR INGRESS AND EGRESS FROM ABUTTING LOTS TO THE SAID STREETS. IF ANY PORTION OF SAID STREETS WITHIN OR ADJACENT TO THIS SUBDIVISION IS VACATED, SUCH VACATION TERMINATES THE ABOVE DEDICATION AS TO THE PART VACATED.

WE HEREBY IRREVOCABLY OFFER TO DEDICATE REAL PROPERTY TO THE CITY OF PALMDALE;

AS EASEMENTS FOR PUBLIC PURPOSES ALL STREETS, HIGHWAYS, AND OTHER PUBLIC WAYS SHOWN ON SAID MAP.

AND WE HEREBY OFFER TO DEDICATE REAL PROPERTY TO THE CITY OF PALMDALE;

IN FEE PUBLIC PURPOSES FOR SANITARY SEWERS, STORM DRAIN SYSTEMS, APPURTENANT STRUCTURES, MAINTENANCE, AND INGRESS AND EGRESS PURPOSES WITH IN AND WITHOUT SAID SUBDIVISION CONSTRUCTED AS PART OF THE IMPROVEMENTS THEREOF.

EASEMENT FOR PUBLIC PURPOSES FOR THE PUBLIC DRAINAGE, LANDSCAPING AND MAINTENANCE PURPOSES, SO DESIGNATED ON SAID MAP AND ALL USES INCIDENT THERETO, INCLUDING THE RIGHT TO MAINTAIN THE IMPROVEMENTS AND MAKE CONNECTIONS THERewith FROM ANY ADJOINING PROPERTIES.

IN FEE SIMPLE, LOT 6 FOR PUBLIC DRAINAGE, LANDSCAPING AND MAINTENANCE PURPOSES, SO DESIGNATED ON SAID MAP AND ALL USES INCIDENT THERETO, INCLUDING THE RIGHT TO MAINTAIN THE IMPROVEMENTS AND MAKE CONNECTIONS THERewith FROM ANY ADJOINING PROPERTIES.

PALMDALE GRAND PLAZA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

BY: EBBY SHAKIB - MEMBER BY: JAMSHID GOLTCHÉ - MEMBER

BY: DANIEL SAPARZADEH - MEMBER

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

STATE OF CALIFORNIA  
COUNTY OF

ON , BEFORE ME, , NOTARY PUBLIC,  
PERSONALLY APPEARED  
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S)  
WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO  
ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED  
CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT, THE  
PERSON(S) OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE  
INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF  
CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE:

NAME OF NOTARY:

COUNTY IN WHICH COMMISSIONED:

DATE COMMISSION EXPIRES:

COMMISSION NUMBER:

I HEREBY CERTIFY THAT SECURITY IN THE AMOUNT OF \$ HAS BEEN FILED  
WITH THE EXECUTIVE OFFICER, BOARD OF SUPERVISORS OF THE COUNTY OF LOS  
ANGELES AS SECURITY FOR THE PAYMENT OF TAXES AND SPECIAL ASSESSMENTS  
COLLECTED AS TAXES ON THE LAND SHOWN ON MAP OF TRACT NO. 63364-01 AS  
REQUIRED BY LAW.

EXECUTIVE OFFICER, BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE  
OF CALIFORNIA.

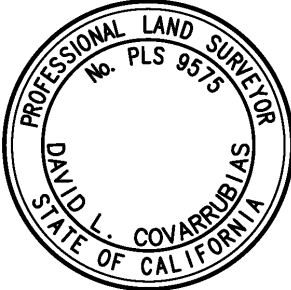
BY DEPUTY DATE

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A  
FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP  
ACT AND LOCAL ORDINANCE AT THE REQUEST OF PALMDALE GRAND PLAZA, LLC IN  
MARCH, 2023.

I HEREBY STATE THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE  
CONDITIONALLY APPROVED TENTATIVE MAP; THIS FINAL MAP CONSISTING OF 4 SHEETS;  
IS TRUE AND COMPLETE SURVEY AS SHOWN; THAT THE MONUMENTS OF THE  
CHARACTER AND LOCATIONS SHOWN HEREON ARE IN PLACE OR WILL BE IN PLACE  
WITHIN TWENTY-FOUR MONTHS FROM THE FILING DATE OF THIS MAP; THAT SAID  
MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED AND THAT THE  
TIE NOTES TO ALL CENTERLINE MONUMENTS SHOWN AS "TO BE SET" WILL BE ON FILE  
IN THE OFFICE OF THE CITY ENGINEER WITHIN TWENTY-FOUR MONTHS FROM THE FILING  
DATE SHOWN HEREON.

OCTOBER 28, 2024  
DAVID L. COVARRUBIAS, PLS 9575 DATE



CITY SURVEYOR'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP, THAT IT CONFORMS  
SUBSTANTIALLY TO THE TENTATIVE MAP AND ANY APPROVED ALTERATIONS THEREOF;  
ALL PROVISIONS OF APPLICABLE STATE LAW AND SUBDIVISION ORDINANCES OF THE  
CITY OF PALMDALE APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP  
HAVE BEEN COMPLIED WITH; AND THAT I AM SATISFIED THAT THIS MAP IS  
TECHNICALLY CORRECT.

SIGNED FREDERICK R. JONES JR. L.S. 5458 DATE  
ACTING CITY SURVEYOR, CITY OF PALMDALE



CITY CLERK'S STATEMENT

I, ROCHELLE SCOTT, CITY CLERK OF THE CITY OF PALMDALE DO HEREBY STATE THAT  
THIS MAP WAS PRESENTED FOR APPROVAL TO THE CITY OF PALMDALE CITY COUNCIL  
AT A REGULAR MEETING THEREOF, HELD ON THE DAY OF 2024,  
AND THAT THEREUPON SAID COUNCIL DID, BY AND ORDER DULY PASSED AND  
ENTERED, APPROVE SAID MAP;

AND ON BEHALF OF THE PUBLIC, SAID COUNCIL DID

ACCEPT THE OFFER OF DEDICATION THE RIGHT TO RESTRICT DIRECT VEHICULAR  
INGRESS AND EGRESS FROM ABUTTING LOTS TO PALMDALE BOULEVARD AND  
65TH STREET EAST, AS SHOWN ON SAID MAP.

ACCEPT THE OFFER OF DEDICATION AND GRANT IN FEE FOR PUBLIC PURPOSES  
FOR SANITARY SEWERS, STORM DRAIN SYSTEMS, APPURTENANT STRUCTURES,  
AND INGRESS AND EGRESS PURPOSES WITHIN AND WITHOUT SAID SUBDIVISION  
CONSTRUCTED AS PART OF THE IMPROVEMENT THEREOF.

ACCEPT THE OFFER OF DEDICATION AND GRANT OF THE EASEMENTS FOR PUBLIC  
PURPOSES EASEMENTS FOR PUBLIC DRAINAGE, LANDSCAPING, AND MAINTENANCE  
PURPOSES SO DESIGNATED ON SAID MAP AND ALL USES INCIDENT THERETO,  
INCLUDING THE RIGHT TO MAINTAIN THE IMPROVEMENTS AND MAKE CONNECTIONS  
THERewith FROM ANY ADJOINING PROPERTIES.

ACCEPT THE OFFER OF DEDICATON AND GRANT IN FEE FOR LOT 6 FOR  
DRAINAGE, LANDSCAPING, AND MAINTENANCE PURPOSES.

THE CITY OF PALMDALE CONSENTS TO THE RECORDATION OF THE WITHIN  
IRREVOCABLE OFFER TO DEDICATE FOR STREETS AS SHOWN ON SAID MAP, AND  
RESERVES THE RIGHT TO ACCEPT SAID OFFER TO DEDICATE AT A LATER DATE.  
THIS CONSENT IS NOT A PRESENT ACCEPTANCE OF THE OFFER TO DEDICATE.

ROCHELLE SCOTT  
CITY CLERK, CITY OF PALMDALE

SPECIAL ASSESSMENTS STATEMENT

I HEREBY STATE THAT ALL SPECIAL ASSESSMENTS LEVIED UNDER THE JURISDICTION OF  
THE CITY OF PALMDALE, TO WHICH THE LAND INCLUDED IN THE WITHIN SUBDIVISION OR  
ANY PART THEREOF IS SUBJECT, AND WHICH MAY BE PAID IN FULL, HAVE BEEN PAID  
FULL.

ROCHELLE SCOTT DATE  
CITY CLERK, CITY OF PALMDALE

LOS ANGELES COUNTY CERTIFICATIONS AND SEALS

I HEREBY CERTIFY THAT ALL CERTIFICATES HAVE BEEN FILED AND DEPOSITS HAVE  
BEEN MADE THAT ARE REQUIRED UNDER THE PROVISIONS OF SECTIONS 66492 AND  
66493 OF THE SUBDIVISION MAP ACT.

EXECUTIVE OFFICER, BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE  
OF CALIFORNIA

BY DEPUTY DATE

TRACT NO. 63364-1

IN THE CITY OF PALMDALE  
COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA

SIGNATURE OMISSION NOTES

THE SIGNATURE(S) OF THE PARTY(IES) NAMED HEREINAFTER AS OWNER(S) OF THE INTEREST SET FORTH, MAY BE OMITTED UNDER PROVISIONS OF SECTION 66436(a) (3)(A) (i-viii) OF THE SUBDIVISION MAP ACT, AS THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE AND SAID SIGNATURE(S) IS (ARE) NOT REQUIRED BY THE LOCAL AGENCY.

WILLIAM H. FRANKLIN AND FLORENCE A. FRANKLIN HOLDER OF AN EASEMENT FOR ROADWAY AND INCIDENTAL PURPOSES, RECORDED JULY 10, 1924 AS BOOK 3162 PAGE 350 OF OFFICIAL RECORDS.

COUNTY OF LOS ANGELES HOLDER OF AN EASEMENT FOR HIGHWAY AND INCIDENTAL PURPOSES, RECORDED AS BOOK 8172 PAGE 318 AND IN BOOK 3239 PAGE 132, BOTH OF OFFICIAL RECORDS.

ROBERT H. HARRINGTON HOLDER OF AN EASEMENT FOR ROAD AND INCIDENTAL PURPOSES, RECORDED MARCH 24, 1955 AS INSTRUMENT NO. 1171 IN BOOK 47278 PAGE 123 OF OFFICIAL RECORDS.

CITY OF PALMDALE HOLDER OF AN EASEMENT FOR THE RIGHT TO CONSTRUCT, MAINTAIN, OPERATE AND USE A PUBLIC ROAD AND INCIDENTAL PURPOSES, RECORDED MARCH 8, 1995 AS INSTRUMENT NO. 95-357594 OF OFFICIAL RECORDS. AND AN EASEMENT FOR ROAD AND INCIDENTAL PURPOSES, RECORDED JANUARY 4, 1996 AS INSTRUMENT NO. 96-18790 OF OFFICIAL RECORDS.

PALMDALE WATER DISTRICT HOLDER OF AN EASEMENT FOR WATER PIPELINES AND INCIDENTAL PURPOSES, RECORDED APRIL 28, 2005 AS INSTRUMENT NO. 05-989398 OF OFFICIAL RECORDS. AND AN EASEMENT FOR WATER PIPELINES AND INCIDENTAL PURPOSES, RECORDED NOVEMBER 19, 2012 AS INSTRUMENT NO. 20121755109 OF OFFICIAL RECORDS.

SOILS REPORT NOTE

A SOILS REPORT WAS PREPARED BY ANDRES PARR, RCE 049448, SOUTHWEST GEOTECHICAL, INC. (PR# 0405213), ON JUNE 30, 2005, AND IS ON FILE IN THE OFFICE OF THE CITY ENGINEER, AND AS UPDATED IN AN AUGUST 4, 2023 SOUTHWEST GEOTECHINCAL, INC. REPORT BY ANDRES PARR, RCE 49448

MONUMENT NOTES

- 1) TRACT BOUNDARY CORNERS REQUIRED TO BE SET 2" IRON PIPE, 6" DOWN TAGGED "PLS 9575", OR LEAD AND TACK, TAGGED "PLS 9575", OR 6" SPIKE AND WASHER, TAGGED "PLS 9575", SPIKES AND WASHERS SET IN PAVEMENT MUST BE SET DOWN 0.04'
- 2) STREET INTERSECTIONS, REQUIRED TO BE SET, SHALL BE 6" SPIKE AND WASHER TAGGED "PLS 9575". CENTERLINE SECTIONS, EC'S AND BC'S MUST HAVE A 6" SPIKE AND WASHER SET DOWN 0.04'.
- 3) LOT LINE PROLONGATIONS REQUIRES TO BE SET ON TOP OF CURB, SHALL BE LEAD AND TACK, TAGGED "PLS 9575", LEADS TACKS AND TAGS WILL SE SET AT ALL LOT LINE PROLONGATIONS ON TOP OF CURB.

BASIS OF BEARINGS

THE BEARING N 89°00'45"W OF THE CENTERLINE OF AVENUE R AS SHOWN ON THE MAP OF TRACT NO. 49147 AS RECORDED IN BOOK 1320, PAGES 1 THROUGH 6 OF MAPS, RECORDS OF LOS ANGELES COUNTY, WAS TAKEN AS THE BASIS OF BEARINGS SHOWN ON THIS MAP.

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

STATE OF CALIFORNIA  
COUNTY OF \_\_\_\_\_

ON \_\_\_\_\_ BEFORE ME, \_\_\_\_\_, NOTARY PUBLIC, PERSONALLY APPEARED \_\_\_\_\_, WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT, THE PERSON(S) OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE: \_\_\_\_\_  
NAME OF NOTARY: \_\_\_\_\_  
COUNTY IN WHICH COMMISSIONED: \_\_\_\_\_  
DATE COMMISSION EXPIRES: \_\_\_\_\_  
COMMISSION NUMBER: \_\_\_\_\_

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

STATE OF CALIFORNIA  
COUNTY OF \_\_\_\_\_

ON \_\_\_\_\_ BEFORE ME, \_\_\_\_\_, NOTARY PUBLIC, PERSONALLY APPEARED \_\_\_\_\_, WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT, THE PERSON(S) OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE: \_\_\_\_\_  
NAME OF NOTARY: \_\_\_\_\_  
COUNTY IN WHICH COMMISSIONED: \_\_\_\_\_  
DATE COMMISSION EXPIRES: \_\_\_\_\_  
COMMISSION NUMBER: \_\_\_\_\_

SCALE: 1" = 100'

SHEET 3 OF 4 SHEETS

CENTER OF SECTION 26, FOUND  
COUNTY ENGINEER BRASS CAP  
MONUMENT STAMPED "CTR SEC  
26, T6N, R11W, RE 5869" PER  
CSFB 2636-166, R1 & R2

TRACT NO. 63364-1  
IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA

RS 92-27

N 88°59'29" W  
PALMDALE BOULEVARD

1348.22' M

674.11'

13

30'

57'

NE COR OF NW 1/4 OF NW 1/4  
OF SE 1/4, SECTION 26, T6N,  
R11W, SFNF, SET S&W  
TAGGED PLS 9575

CENTER EAST 1/16 CORNER  
OF SECTION 26, FOUND COUNTY  
ENGINEER BRASS CAP MONUMENT  
STAMPED "1/16 COR. SEC 26,  
T6N, R11W, RE 5869" PER CSFB  
2636-166, R1 & R2

2664.36' M

EASEMENT NOTES:

(NUMBERS CORRESPOND TO ITEM NUMBERS IN PRELIMINARY TITLE REPORT. NOT  
ALL EXCEPTION ITEMS ARE NOTED.)

10

A 12.5 FOOT EASEMENT FOR ROADWAY AND INCIDENTAL PURPOSES GRANTED  
TO WILLIAM H. FRANKLIN AND FLORENCE A. FRANKLIN, RECORDED AS BOOK  
3162 AND PAGE 350 OF OFFICIAL RECORDS.

11A

A 12.5 FOOT EASEMENT FOR HIGHWAY AND INCIDENTAL PURPOSES GRANTED TO  
THE COUNTY OF LOS ANGELES, RECORDED AS BOOK 8172 PAGE 318 OF  
OFFICIAL RECORDS.

11B

A 30 FOOT EASEMENT FOR HIGHWAY AND INCIDENTAL PURPOSES GRANTED TO  
THE COUNTY OF LOS ANGELES, RECORDED AS BOOK 47278 PAGE 123 OF  
OFFICIAL RECORDS.

13

A 50 FOOT AND 30 FOOT EASEMENT IN A DOCUMENT ENTITLED "DECLARATION  
AND GRANT OF EASEMENT" GRANTED TO ALL OWNERS IN SECTION 26,  
RECORDED MARCH 27, 1972 AS INSTRUMENT NO. 1952 OF OFFICIAL RECORDS.

LEGEND

● INDICATES THE BOUNDARY OF THE LAND  
BEING SUBDIVIDED BY THIS MAP.

□ INDICATES FOUND MONUMENT AS NOTED.

△ INDICATES SET 2" IP TAGGED PLS 9575

○ INDICATES SPIKE AND WASHER TAGGED PLS 9575  
TO BE SET UNLESS NOTED OTHERWISE.

\* DENOTES LOT DESIGNATED FOR DETENTION BASIN

/// INDICATES VEHICULAR ACCESS RIGHTS DEDICATED TO THE  
CITY OF PALMDALE

R1 TRACT NO. 49147 BOOK 1320, PAGE 1 OF MAPS  
R2 TRACT NO. 49147-5 BOOK 1317, PAGE 81 OF MAPS

M MEASURED  
SFNF SEARCHED FOR NOT FOUND

1/64 SECTION CORNER,  
FOUND L&TAG, LS 7586 IN  
LIEU OF COUNTY SURVEYOR  
BRASS CAP MON.  
PER R1 & R2.

NOT A PART

SW COR OF SW 1/4 OF NW1/4  
OF SE 1/4 OF SEC 26, T6N,  
R11W, SBB&M, SFNF

1/16 SECTION CORNER,  
FOUND S&W LS 7586 IN  
LIEU OF 3/4" I.P. PER  
CSB 2551, R1 & R2

NOT A PART

FOUND S&W TAGGED LS  
7586 IN LIEU OF S&W  
TAGGED LS 6167 PER R1

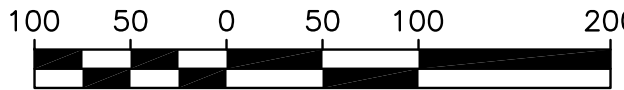
SE COR OF NW 1/4 SW1/4  
OF SE 1/4 OF OF 26,  
T6N, R11W, ESTABLISHED BY  
INTERSECTION

SOUTHWEST CORNER OF NW  
1/4 OF SW1/4 OF SE 1/4  
SEC 26, FD 2" IP,  
TAGGED LS 6167  
PER R2,

TRACT NO. 49147  
MB. 1320-1-6

SOUTHEAST 1/16 CORNER  
OF SECTION 26, FOUND  
2" IP TAGGED LS 6167,  
PER R2

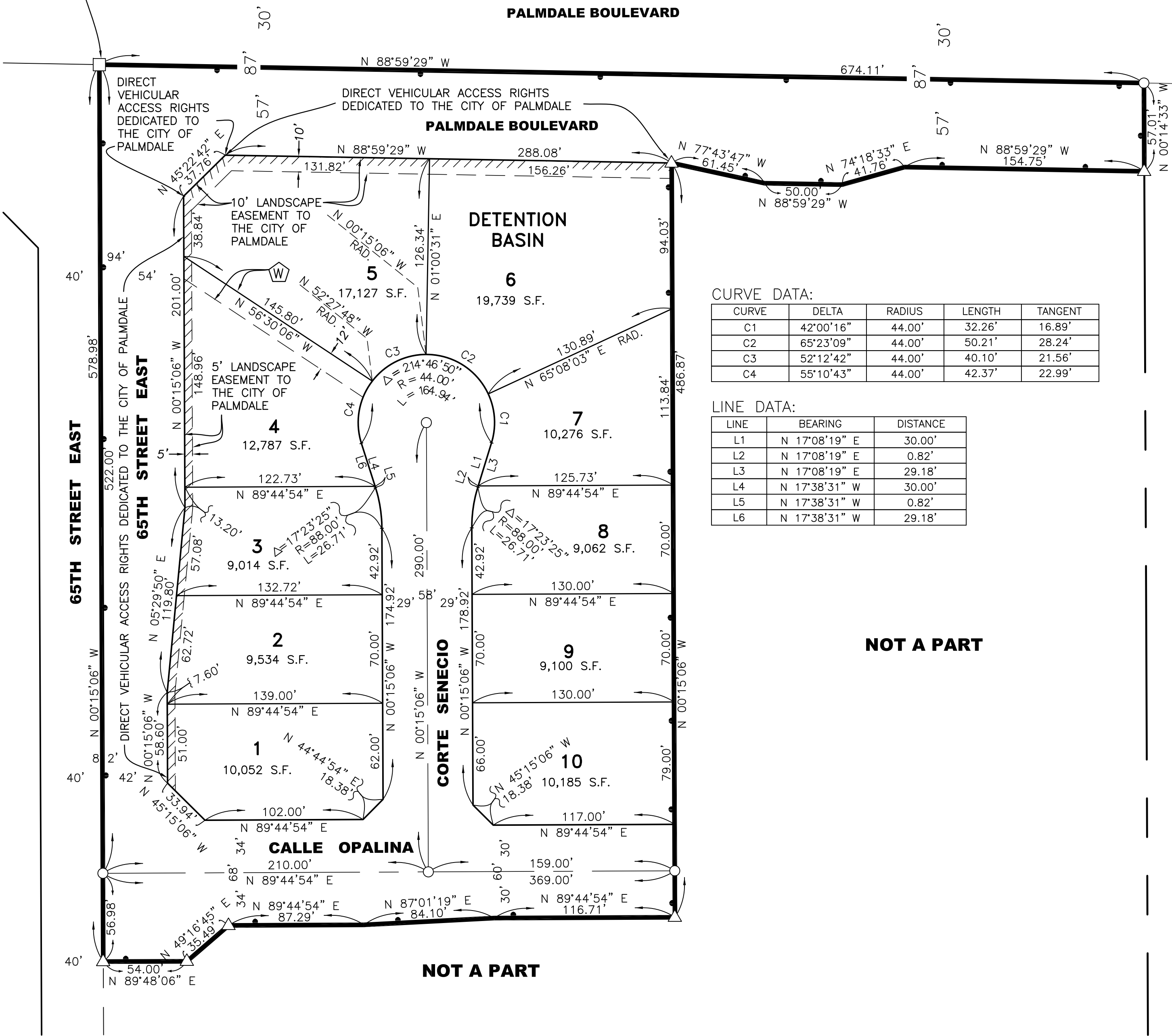
SOUTH 1/4 CORNER  
OF SECTION 26, FOUND 2" IP TAGGED  
LS 6167 PER R2



GRAPHIC SCALE  
SCALE : 1"=100'

TRACT NO. 63364-1  
IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA

CENTER OF SECTION 26, FOUND  
COUNTY ENGINEER BRASS CAP  
MONUMENT STAMPED "CTR SEC  
26, T6N, R11W, RE 5869" PER  
CSFB 2636-166, R1 & R2



CURVE DATA:

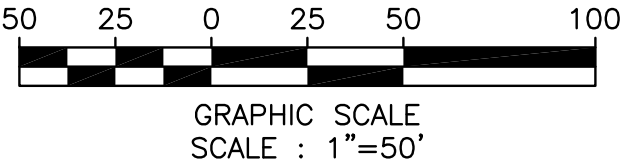
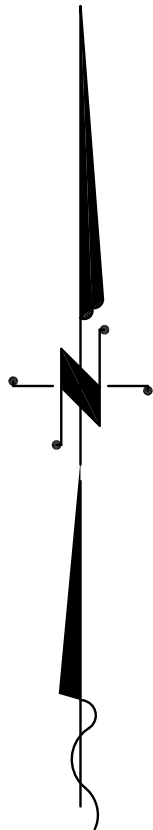
| CURVE | DELTA     | RADIUS | LENGTH | TANGENT |
|-------|-----------|--------|--------|---------|
| C1    | 42°00'16" | 44.00' | 32.26' | 16.89'  |
| C2    | 65°23'09" | 44.00' | 50.21' | 28.24'  |
| C3    | 52°12'42" | 44.00' | 40.10' | 21.56'  |
| C4    | 55°10'43" | 44.00' | 42.37' | 22.99'  |

LINE DATA:

| LINE | BEARING       | DISTANCE |
|------|---------------|----------|
| L1   | N 17°08'19" E | 30.00'   |
| L2   | N 17°08'19" E | 0.82'    |
| L3   | N 17°08'19" E | 29.18'   |
| L4   | N 17°38'31" W | 30.00'   |
| L5   | N 17°38'31" W | 0.82'    |
| L6   | N 17°38'31" W | 29.18'   |

NOT A PART

NOT A PART



LEGEND

- INDICATES THE BOUNDARY OF THE LAND BEING SUBDIVIDED BY THIS MAP.
- INDICATES FOUND MONUMENT AS NOTED.
- INDICATES SET 2" IP TAGGED PLS 9575
- INDICATES SPIKE AND WASHER TAGGED PLS 9575 TO BE SET UNLESS NOTED OTHERWISE.
- LEAD TACKS AND TAGS WILL SE SET AT ALL LOT LINE PROLONGATIONS ON TOP OF CURB.
- 12' WIDE WATERLINE EASEMENT TO BE RECORDED BY SEPARATE DOCUMENT.
- INDICATES VEHICULAR ACCESS RIGHTS DEDICATED TO THE CITY OF PALMDALE



# City Council Staff Report

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**DATE:** DECEMBER 2, 2025

**TO:** HONORABLE MAYOR PRO TEM AND CITY COUNCIL

**FROM:** PUBLIC WORKS DEPARTMENT  
ENGINEERING DIVISION

**DISTRICT:** 4

**SUBJECT:** APPROVE FINAL TRACT MAP NO. 83359 (LOCATED AT THE  
SOUTHWEST CORNER OF PALMDALE BLVD AND OAK STREET)

## **RECOMMENDATION**

Staff recommend that the City Council:

1. Approve Final Tract Map No. 83359 (located at the southwest corner of Palmdale Blvd and Oak Street);
2. Authorize the City Clerk to execute the City Clerk's Statement and Special Assessments Statement; and,
3. Authorize the Acting City Surveyor to execute the City Surveyor's Statement and file the map with the County Recorder.

## **BACKGROUND**

Final Tract Map No. 83359, located on the southwest corner of Palmdale Blvd and Oak Street, is a 20-acre subdivision, legally creating 66 single-family residential lots for the construction of 191 dwelling units comprised of 64 detached single-family residences, and 127 accessory dwelling units, and junior accessory dwelling units. All the proposed lot sizes and dimensions comply with the City's Zoning Ordinance. The applicant for this development is MAISON'S PALMDALE BLVD, 150, LP, a California Limited Partnership. The Planning Commission approved the tentative parcel map on March 14, 2024, by Resolution No. PC-2024-004.

## **DISCUSSION**

This final tract map is consistent with the tentative tract map, and all final map conditions of approval have been met. The Acting City Land Surveyor has reviewed the final map for technical accuracy and verified that it complies with the Subdivision Map Act.

**FISCAL IMPACT**

\$0; There is no fiscal impact associated with this action.

**STRATEGIC PLAN**

Goal III: Invest in infrastructure to improve community livability.

- A. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Prepared by:

Leonardo Torres, P.E.  
Director of Public Works

Certified as to availability of Funds:

Janelle Samson, Director of Operations

Approved by:

Salvador Mendez, Interim City Manager

Approved as to form:

Alexandra Severino, City Attorney

**ATTACHMENTS**

Final Tract Map No. 83359

PRELIMINARY MAP

TRACT NO. 83359

IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA

BEING A SUBDIVISION OF A PORTION OF LOT 10 OF TRACT NO. 2916, IN  
THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA,  
AS PER MAP RECORDED IN BOOK 31, PAGE 13 OF MAPS, IN THE OFFICE  
OF THE COUNTY RECORDER OF SAID COUNTY.

TENTATIVE MAP EXPIRES – MARCH 25, 2027  
FORMA ENGINEERING INC.  
SHEREEF SURUR P.L.S. 7295

66 LOTS

20.02 ACRES

OWNER'S STATEMENT

WE HEREBY STATE THAT WE ARE THE OWNERS OF OR ARE INTERESTED  
IN THE LANDS INCLUDED WITHIN THE SUBDIVISION SHOWN ON THIS MAP  
WITHIN THE DISTINCTIVE BORDER LINES, AND WE CONSENT TO THE  
PREPARATION AND FILING OF SAID MAP AND SUBDIVISION.

WE FURTHER STATE THAT, EXCEPT AS SHOWN ON THIS MAP, WE KNOW OF  
NO EASEMENTS OR STRUCTURES EXISTING WITHIN THE EASEMENTS HEREBY  
OFFERED FOR DEDICATION TO THE PUBLIC, OTHER THAN PUBLICLY OWNED  
WATER LINES, SEWERS, OR STORM DRAINS, THAT WE WILL GRANT NO RIGHT  
OR INTEREST WITHIN THE BOUNDARIES OF SAID EASEMENTS OFFERED TO  
THE PUBLIC, EXCEPT WHERE SUCH RIGHT OR INTEREST IS EXPRESSLY  
MADE SUBJECT TO SAID EASEMENTS.

AS A DEDICATION TO PUBLIC USE, WHILE ALL OF PALMDALE BOULEVARD  
AND THAT PORTION OF OAK STREET AS SHOWN ON SAID MAP WITHIN OR  
ADJACENT TO THIS SUBDIVISION REMAINS A PUBLIC STREET, WE HEREBY  
DEDICATE THE RIGHT TO RESTRICT DIRECT VEHICULAR INGRESS AND EGRESS  
FROM ABUTTING LOTS TO SAID STREET. IF ANY PORTION OF SAID STREET  
WITHIN OR ADJACENT TO THIS SUBDIVISION IS VACATED, SUCH VACATION  
TERMINATES THE ABOVE DEDICATION AS TO THE PART VACATED.

AND WE HEREBY IRREVOCABLY OFFER TO DEDICATE REAL PROPERTY TO  
THE CITY OF PALMDALE:  
AS EASEMENTS FOR PUBLIC PURPOSES ALL STREETS, HIGHWAYS, AND  
OTHER PUBLIC WAYS, SHOWN ON SAID MAP;

AND WE HEREBY OFFER TO DEDICATE REAL PROPERTY TO THE CITY OF  
PALMDALE:

IN FEE FOR PUBLIC PURPOSES FOR SANITARY SEWERS, STORM DRAIN  
SYSTEMS, APPURTENANT STRUCTURES, MAINTENANCE, AND INGRESS AND  
EGRESS PURPOSES WITHIN AND WITHOUT SAID SUBDIVISION CONSTRUCTED  
AS PART OF THE IMPROVEMENT THEREOF.  
EASEMENTS FOR PUBLIC PURPOSES FOR PUBLIC DRAINAGE, LANDSCAPING,  
AND MAINTENANCE PURPOSES SO DESIGNATED ON SAID MAP AND ALL USES  
INCIDENT THERETO, INCLUDING THE RIGHT TO MAINTAIN THE IMPROVEMENTS  
AND MAKE CONNECTIONS THEREWITH FROM ANY ADJOINING PROPERTIES.  
IN FEE SIMPLE, LOT 8 FOR PUBLIC DRAINAGE, LANDSCAPING, AND  
MAINTENANCE PURPOSES, SO DESIGNATED ON SAID MAP AND ALL USES  
INCIDENT THERETO, INCLUDING THE RIGHT TO MAINTAIN THE IMPROVEMENTS  
AND MAKE CONNECTIONS THEREWITH FROM ANY ADJOINING PROPERTIES.

NATURE OF INTEREST OWNERS:

MAISON'S PALMDALE BLVD 150, LP,  
A CALIFORNIA LIMITED PARTNERSHIP

BY: AHA HIGH DESERT MGP, LLC,  
A CALIFORNIA LIMITED LIABILITY COMPANY,  
ITS MANAGING GENERAL PARTNER

BY: AFFORDABLE HOUSING ACCESS, INC.,  
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION,  
ITS MANAGER

BY: \_\_\_\_\_  
NAME: VASILIOS SALAMANDRAKIS  
TITLE: PRESIDENT

BY: RAVELLO MODS PALMDALE BLVD 150, LLC,  
A CALIFORNIA LIMITED LIABILITY COMPANY,  
ITS ADMINISTRATIVE GENERAL PARTNER

BY: RAVELLO HOLDINGS, INC.,  
A CALIFORNIA CORPORATION,  
ITS MANAGER

BY: \_\_\_\_\_  
NAME: DILIP K. RAM  
TITLE: PRESIDENT

NATURE OF INTEREST BENEFICIARIES:

KEYBANK NATIONAL ASSOCIATION, A NATIONAL BANKING  
ASSOCIATION  
RECORDED MAY 6, 2025 AS INSTRUMENT NO. 20250296939,  
OFFICIAL RECORDS

BY: \_\_\_\_\_  
NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_

BY: \_\_\_\_\_  
NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_

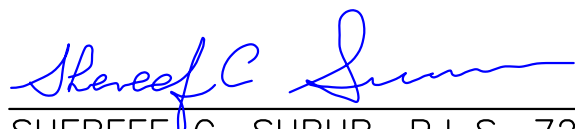
CALIFORNIA HOUSING FINANCE AGENCY  
MAY 6, 2025 AS INSTRUMENT 20250296940, OFFICIAL RECORDS

BY: \_\_\_\_\_  
NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_

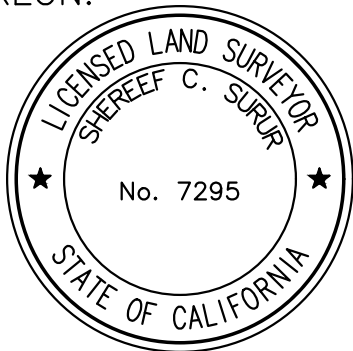
BY: \_\_\_\_\_  
NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED  
UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE  
SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF DILIP  
RAM ON APRIL 16, 2024. I HEREBY STATE THAT THIS FINAL MAP  
SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE  
MAP; THIS FINAL MAP CONSISTING OF 8 SHEETS; IS TRUE AND COMPLETE  
SURVEY AS SHOWN; THAT THE MONUMENTS OF THE CHARACTER AND  
LOCATIONS SHOWN HEREON ARE IN PLACE OR WILL BE IN PLACE WITHIN  
TWENTY-FOUR MONTHS FROM THE FILING DATE OF THIS MAP; THAT SAID  
MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED  
AND THAT THE TIE NOTES TO ALL CENTERLINE MONUMENTS SHOWN AS "TO  
BE SET" WILL BE ON FILE IN THE OFFICE OF THE CITY ENGINEER WITHIN  
TWENTY-FOUR MONTHS FROM THE FILING DATE SHOWN HEREON.

  
SHEREEF C. SURUR, P.L.S. 7295  
REGISTRATION EXPIRES : 12/31/2026

10/07/2025  
DATE

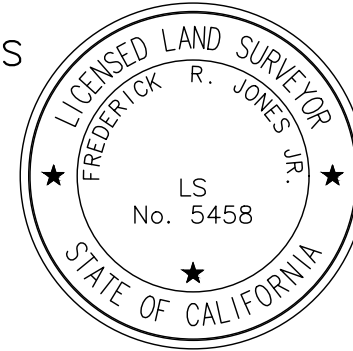


CITY SURVEYOR'S STATEMENT

I HEREBY CERTIFY THAT I HAVE EXAMINED THIS MAP; THAT  
IT CONFORMS SUBSTANTIALLY TO THE TENTATIVE MAP AND  
ALL APPROVED ALTERATIONS THEREOF; THAT ALL PROVISIONS  
OF APPLICABLE STATE LAW AND SUBDIVISION ORDINANCES  
OF THE CITY OF PALMDALE APPLICABLE AT THE TIME OF  
APPROVAL OF THE TENTATIVE MAP HAVE BEEN COMPLIED  
WITH; AND THAT I AM SATISFIED THAT THIS MAP IS  
TECHNICALLY CORRECT.

FREDERICK R. JONES JR.  
ACTING CITY SURVEYOR, CITY OF PALMDALE

DATE



CITY CLERK'S STATEMENT:

I, ROCHELLE SCOTT, CITY CLERK OF THE CITY OF PALMDALE, DO HEREBY  
STATE THAT THIS MAP WAS PRESENTED FOR APPROVAL TO THE CITY OF  
PALMDALE CITY COUNCIL AT A REGULAR MEETING THEREOF, HELD ON  
THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2025, AND THAT THEREUPON  
SAID COUNCIL DID, BY AND ORDER DULY PASSED AND ENTERED, APPROVE  
SAID MAP; AND ON BEHALF OF THE PUBLIC, SAID COUNCIL DID:

ACCEPT THE OFFER OF DEDICATION THE RIGHT TO RESTRICT DIRECT  
VEHICULAR INGRESS AND EGRESS FROM ABUTTING LOTS TO PALMDALE  
BOULEVARD, AND THAT PORTION OF OAK STREET AS SHOWN ON SAID MAP.

ACCEPT THE OFFER OF DEDICATION AND GRANT IN FEE FOR PUBLIC  
PURPOSES FOR SANITARY SEWERS, STORM DRAIN SYSTEMS, APPURTENANT  
STRUCTURES, AND INGRESS AND EGRESS PURPOSES WITHIN AND WITHOUT  
SAID SUBDIVISION CONSTRUCTED AS PART OF THE IMPROVEMENT THEREOF.

ACCEPT THE OFFER OF DEDICATION AND GRANT OF THE EASEMENTS FOR  
PUBLIC PURPOSES EASEMENTS FOR DRAINAGE, LANDSCAPING, AND  
MAINTENANCE PURPOSES SO DESIGNATED ON SAID MAP AND ALL USES  
INCIDENT THERETO, INCLUDING THE RIGHT TO MAINTAIN THE IMPROVEMENTS  
AND MAKE CONNECTIONS THEREWITH FROM ANY ADJOINING PROPERTIES.

ACCEPT THE OFFER OF DEDICATION AND GRANT IN FEE FOR LOT 8 FOR  
DRAINAGE, LANDSCAPING, AND MAINTENANCE PURPOSES.

THE CITY OF PALMDALE CONSENTS TO THE RECORDATION OF THE WITHIN  
IRREVOCABLE OFFER TO DEDICATE FOR FUTURE STREET AS SHOWN ON SAID  
MAP, AND RESERVES THE RIGHT TO ACCEPT SAID OFFER TO DEDICATE AT A  
LATER DATE. THIS CONSENT IS NOT A PRESENT ACCEPTANCE OF THE OFFER  
TO DEDICATE.

ROCHELLE SCOTT  
CITY CLERK, CITY OF PALMDALE

DATE

SPECIAL ASSESSMENT CERTIFICATE:

I HEREBY STATE THAT ALL SPECIAL ASSESSMENTS LEVIED UNDER THE  
JURISDICTION OF THE CITY OF PALMDALE TO WHICH THE LAND INCLUDED IN  
THE WITHIN SUBDIVISION OR ANY PART THEREOF IS SUBJECT, AND WHICH MAY  
BE PAID IN FULL, HAVE BEEN PAID IN FULL.

ROCHELLE SCOTT  
CITY CLERK, CITY OF PALMDALE

DATE

PRELIMINARY MAP

TRACT NO. 83359

IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA

FORMA ENGINEERING INC.  
SHEREEF SURUR P.L.S. 7295

66 LOTS

20.02 ACRES

SOILS REPORT

A SOILS REPORT WAS PREPARED FOR THIS TRACT ON OCTOBER 27, 2021 BY GEOSOILS CONSULTANTS INC., AND SUPPLEMENTED BY GEOSOILS CONSULTANTS INC. ON JANUARY 23, 2023, AND ARE ON FILE IN THE OFFICE OF THE CITY ENGINEER.

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS MAP IS NORTH 0°08'08" EAST HELD ON THE CENTERLINE OF OAK STREET BETWEEN FOUND MONUMENTS AT PALMDALE BOULEVARD AND YUCCA WAY AS SHOWN ON TRACT NO. 73068 RECORDED IN BOOK 1439 PAGES 39-45, INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, STATE OF CALIFORNIA.

SIGNATURE OMISSION NOTES

THE SIGNATURE(S) OF THE PARTY(IES) NAMED HEREINAFTER AS OWNER(S) OF THE INTEREST SET FORTH, MAY BE OMITTED UNDER PROVISIONS OF SECTION 66436(a)(3)(A) (i-viii) OF THE SUBDIVISION MAP ACT, AS THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE AND SAID SIGNATURE(S) IS (ARE) NOT REQUIRED BY THE LOCAL AGENCY.

CITY OF PALMDALE, SUCCESSOR IN INTEREST, HOLDER OF AN EASEMENT FOR PUBLIC ROAD AND HIGHWAY PURPOSES RECORDED AUGUST 19, 1929 IN BOOK 9301, PAGE 150 OF OFFICIAL RECORDS.

CITY OF PALMDALE, HOLDER OF AN EASEMENT FOR PUBLIC ROAD AND HIGHWAY PURPOSES RECORDED FEBRUARY 9, 2005 AS INSTRUMENT NO. 05-0305338 & 05-0305339, BOTH OF OFFICIAL RECORDS.

CITY OF PALMDALE, HOLDER OF AN EASEMENT FOR PUBLIC ROAD AND HIGHWAY PURPOSES RECORDED JUNE 17, 2022 AS INSTRUMENT NO. 20220643188, OF OFFICIAL RECORDS.

CITY OF PALMDALE, HOLDER OF AN EASEMENT FOR SANITARY SEWERS RECORDED JUNE 17, 2022 AS INSTRUMENT NO. 20220643189 AND FEBRUARY 1, 2023 AS INSTRUMENT NO. 20230065562, BOTH OF OFFICIAL RECORDS.

PALMDALE WATER DISTRICT, HOLDER OF AN EASEMENT FOR UNDERGROUND WATER LINES RECORDED MARCH 29, 2023 AS INSTRUMENT NO. 20230199629, OF OFFICIAL RECORDS.

THE SIGNATURE(S) OF THE PARTY(IES) NAMED HEREINAFTER AS OWNER(S) OF THE INTEREST SET FORTH, MAY BE OMITTED UNDER PROVISIONS OF SECTION 66436(a)(3)(B) OF THE SUBDIVISION MAP ACT, THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE AND SAID SIGNATURE(S) IS (ARE) NOT REQUIRED BY THE LOCAL AGENCY.

52ND STREET EAST DEVELOPMENT CO., AN EASEMENT FOR A STORM DRAINAGE PIPE RECORDED MARCH 1, 1988 AS INSTRUMENT NO. 88-277448, OF OFFICIAL RECORDS.  
52ND STREET EAST DEVELOPMENT CO. IS NOT LISTED WITH THE CALIFORNIA SECRETARY OF STATE

NOTARY ACKNOWLEDGEMENT:

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

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

ON \_\_\_\_\_ BEFORE ME, \_\_\_\_\_,  
NOTARY PUBLIC,

PERSONALLY APPEARED, \_\_\_\_\_,  
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT, THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE \_\_\_\_\_  
NAME OF NOTARY \_\_\_\_\_  
COUNTY IN WHICH COMMISSIONED \_\_\_\_\_  
DATE COMMISSION EXPIRES \_\_\_\_\_  
COMMISSION NUMBER \_\_\_\_\_

LOS ANGELES COUNTY CERTIFICATIONS AND SEALS:

I HEREBY CERTIFY THAT ALL CERTIFICATES HAVE BEEN FILED AND DEPOSITS HAVE BEEN MADE THAT ARE REQUIRED UNDER THE PROVISIONS OF SECTIONS 66492 AND 66493 OF THE SUBDIVISION MAP ACT.

EXECUTIVE OFFICER, BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

BY \_\_\_\_\_ DATE \_\_\_\_\_  
DEPUTY

I HEREBY CERTIFY THAT SECURITY IN THE AMOUNT OF \$\_\_\_\_\_ HAS BEEN FILED WITH EXECUTIVE OFFICER, BOARD OF SUPERVISION OF THE COUNTY OF LOS ANGELES AS SECURITY FOR PAYMENT OF TAXES AND SPECIAL ASSESSMENTS COLLECTED AS TAXES ON THE LAND SHOWN ON MAP OF TRACT MAP NO. 83359 AS REQUIRED BY LAW.

EXECUTIVE OFFICER, BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

BY \_\_\_\_\_ DATE \_\_\_\_\_  
DEPUTY

NOTARY ACKNOWLEDGEMENT:

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

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

ON \_\_\_\_\_ BEFORE ME, \_\_\_\_\_,  
NOTARY PUBLIC,

PERSONALLY APPEARED, \_\_\_\_\_,  
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT, THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE \_\_\_\_\_  
NAME OF NOTARY \_\_\_\_\_  
COUNTY IN WHICH COMMISSIONED \_\_\_\_\_  
DATE COMMISSION EXPIRES \_\_\_\_\_  
COMMISSION NUMBER \_\_\_\_\_

TRACT NO. 83359

IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA

FORMA ENGINEERING INC.  
SHEREEF SURUR P.L.S. 7295

66 LOTS

20.02 ACRES

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

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

ON \_\_\_\_\_ BEFORE ME, \_\_\_\_\_,  
NOTARY PUBLIC,

PERSONALLY APPEARED, \_\_\_\_\_,  
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE  
THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN  
INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED  
THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY  
HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT, THE PERSON(S), OR  
THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED  
THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE  
STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND  
CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE \_\_\_\_\_  
NAME OF NOTARY \_\_\_\_\_  
COUNTY IN WHICH COMMISSIONED \_\_\_\_\_  
DATE COMMISSION EXPIRES \_\_\_\_\_  
COMMISSION NUMBER \_\_\_\_\_

NOTARY ACKNOWLEDGEMENT:

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

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

ON \_\_\_\_\_ BEFORE ME, \_\_\_\_\_,  
NOTARY PUBLIC,

PERSONALLY APPEARED, \_\_\_\_\_,  
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE  
THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN  
INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED  
THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY  
HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT, THE PERSON(S), OR  
THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED  
THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE  
STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND  
CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE \_\_\_\_\_  
NAME OF NOTARY \_\_\_\_\_  
COUNTY IN WHICH COMMISSIONED \_\_\_\_\_  
DATE COMMISSION EXPIRES \_\_\_\_\_  
COMMISSION NUMBER \_\_\_\_\_

NOTARY ACKNOWLEDGEMENT:

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

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

ON \_\_\_\_\_ BEFORE ME, \_\_\_\_\_,  
NOTARY PUBLIC,

PERSONALLY APPEARED, \_\_\_\_\_,  
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE  
THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN  
INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED  
THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY  
HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT, THE PERSON(S), OR  
THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED  
THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE  
STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND  
CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE \_\_\_\_\_  
NAME OF NOTARY \_\_\_\_\_  
COUNTY IN WHICH COMMISSIONED \_\_\_\_\_  
DATE COMMISSION EXPIRES \_\_\_\_\_  
COMMISSION NUMBER \_\_\_\_\_

NOTARY ACKNOWLEDGEMENT:

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

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

ON \_\_\_\_\_ BEFORE ME, \_\_\_\_\_,  
NOTARY PUBLIC,

PERSONALLY APPEARED, \_\_\_\_\_,  
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE  
THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN  
INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED  
THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY  
HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT, THE PERSON(S), OR  
THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED  
THE INSTRUMENT.

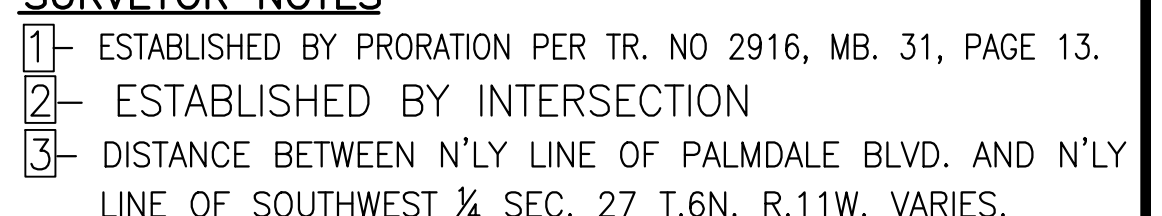
I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE  
STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND  
CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE \_\_\_\_\_  
NAME OF NOTARY \_\_\_\_\_  
COUNTY IN WHICH COMMISSIONED \_\_\_\_\_  
DATE COMMISSION EXPIRES \_\_\_\_\_  
COMMISSION NUMBER \_\_\_\_\_

TRACT NO. 83359

**SHEREEF SURUR P.L.S. 7295**



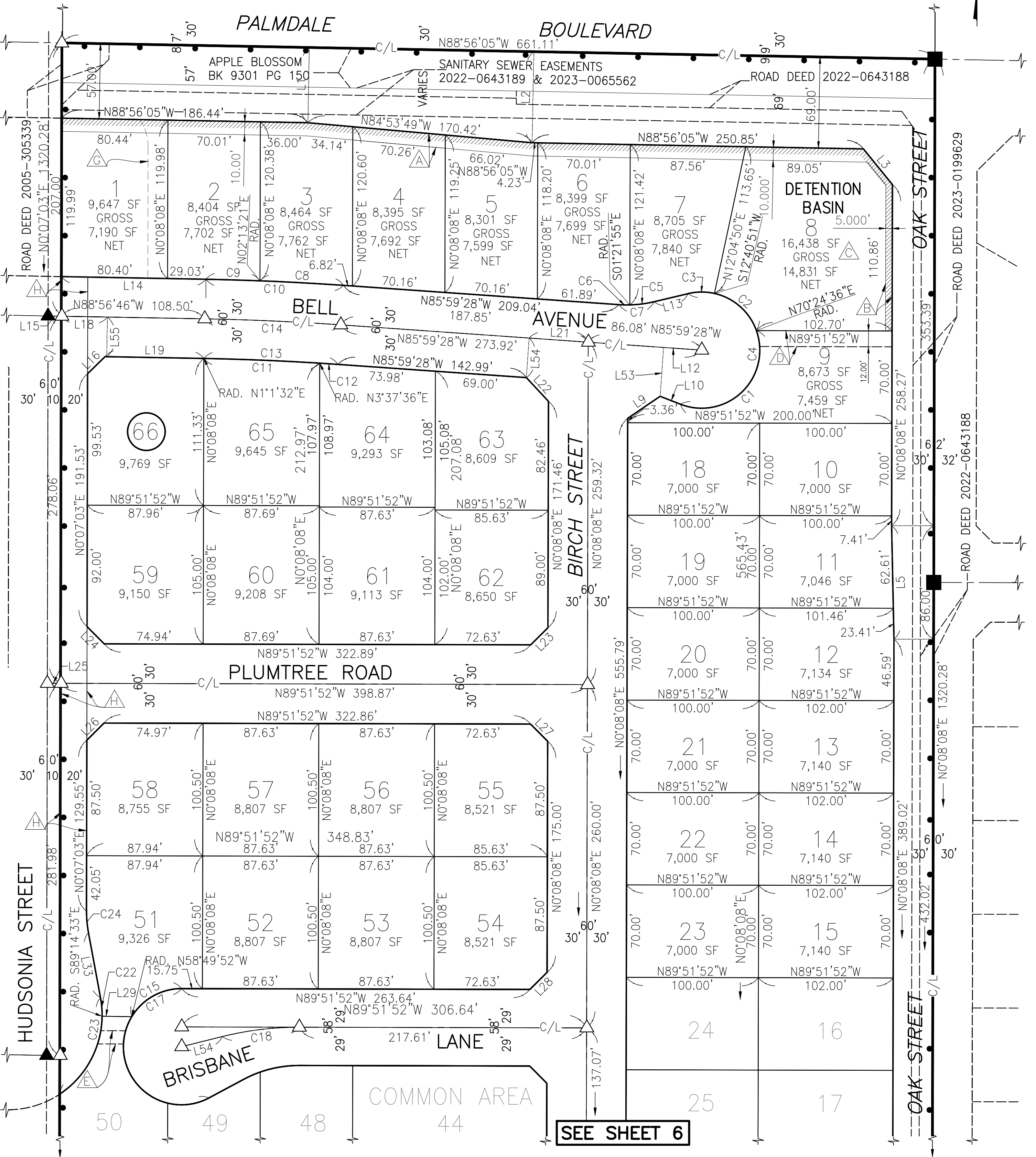
TRACT NO. 83359

IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA

SHEREEF SURUR P.L.S. 7295

66 LOTS

20.02 ACRES



LEGEND

- INDICATES THE BOUNDARY OF THE LAND BEING SUBDIVIDED BY THIS MAP.
- INDICATES RESTRICTED DIRECT VEHICULAR ACCESS
- 10' EASEMENT DEDICATED PER THIS MAP TO THE CITY OF PALMDALE FOR LANDSCAPE PURPOSES PER CONDITION OF RESOLUTION NO. PC-2024-004.
- 5' EASEMENT DEDICATED PER THIS MAP TO THE CITY OF PALMDALE FOR LANDSCAPE PURPOSES PER CONDITION OF RESOLUTION NO. PC-2024-004.
- LOT 8 DETENTION BASIN FACILITY, PER THIS MAP.
- 12' EASEMENT FOR WATER PURPOSES TO PALMDALE WATER DISTRICT BY SEPARATE DOCUMENT.
- 10' EASEMENT FOR WATER PURPOSES TO PALMDALE WATER DISTRICT BY SEPARATE DOCUMENT.

LEGEND CONTINUED

- EASEMENT DEDICATED PER THIS MAP TO THE CITY OF PALMDALE FOR STORM DRAIN PURPOSES. SEE DETAIL C SHEET 8
- ROAD EASEMENT PER INS. NO. 2005-305338.

MONUMENT NOTES

- ▲ INDICATES FOUND S&W ILLEGIBLE IN LIEU OF LS 7822 (R3) SEE DETAIL "A" SHT 8
- INDICATES FOUND S&W LS 7295 PER TRACT NO. 73068, BOOK 1439 PAGES 39-45
- △ INDICATES SPIKE AND WASHER L.S. 7295 TO BE SET DOWN 0.04'

SEE SHEET 7 FOR LINE & CURVE TABLES  
AND SHEET 8 FOR EASEMENT DETAILS

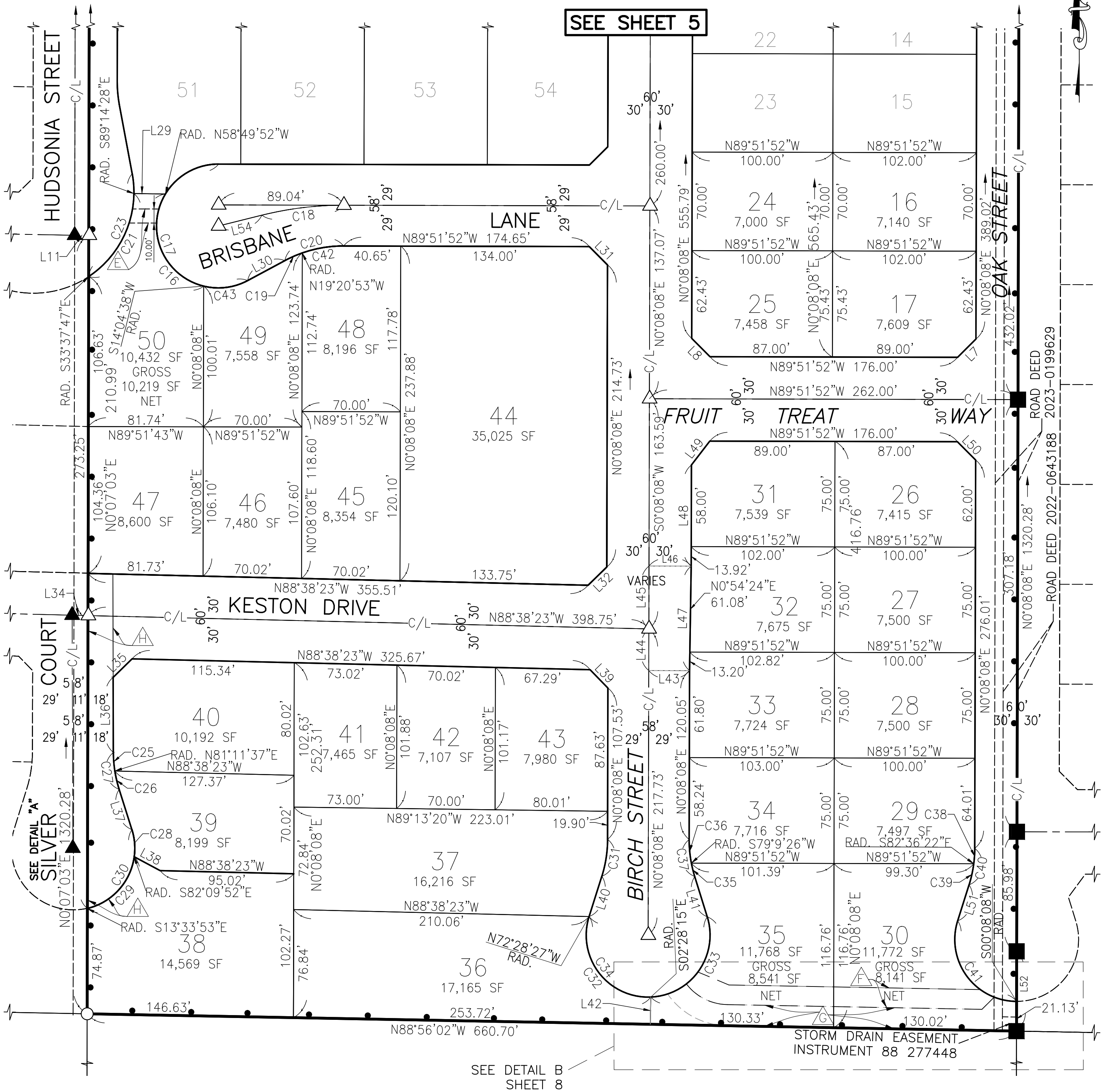
PRELIMINARY MAP

TRACT NO. 83359

IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA  
SHEREEF SURUR P.L.S. 7295

66 LOTS

20.02 ACRES



LEGEND

- INDICATES THE BOUNDARY OF THE LAND BEING SUBDIVIDED BY THIS MAP.
- INDICATES RESTRICTED DIRECT VEHICULAR ACCESS
- 10' EASEMENT FOR WATER PURPOSES TO PALMDALE WATER DISTRICT BY SEPARATE DOCUMENT.
- VARIABLE WIDTH EASEMENT FOR WATER PURPOSES TO PALMDALE WATER DISTRICT BY SEPARATE DOCUMENT.
- EASEMENT DEDICATED PER THIS MAP TO THE CITY OF PALMDALE FOR STORM DRAIN PURPOSES.
- ROAD EASEMENT PER INS. NO. 2005-305338.

MONUMENT NOTES

- ▲ INDICATES FOUND S&W ILLEGIBLE IN LIEU OF LS 7822 (R3) SEE DETAIL "A" SHT 8
- INDICATES FOUND S&W LS 7295 PER TRACT NO. 73068, BOOK 1439 PAGES 39-45
- INDICATES FOUND L&T TAGGED LS 7295 PER TRACT NO. 73068, BOOK 1439 PAGES 39-45
- △ INDICATES SPIKE AND WASHER L.S. 7295 TO BE SET DOWN 0.04'
- INDICATES L&T TAGGED L.S. 7295 TO BE SET IN WALL OR WALL FOOTING.

SEE SHEET 7 FOR LINE & CURVE TABLES  
AND SHEET 8 FOR EASEMENT DETAILS

PRELIMINARY MAP

TRACT NO. 83359

IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA  
SHEREEF SURUR P.L.S. 7295

66 LOTS

20.02 ACRES

| LINE TABLE |         |             |
|------------|---------|-------------|
| Line #     | LENGTH  | BEARING     |
| L1         | 57.00'  | N01°03'45"E |
| L2         | 69.00'  | N01°03'48"E |
| L3         | 34.82'  | N39°02'52"W |
| L5         | 86.02'  | N01°11'48"W |
| L7         | 18.38'  | N45°08'08"E |
| L8         | 18.38'  | N44°51'52"W |
| L9         | 29.72'  | N55°46'02"E |
| L10        | 16.52'  | N68°36'03"W |
| L11        | 10.23'  | N88°57'20"W |
| L12        | 28.91'  | N85°59'28"W |
| L13        | 26.65'  | N76°37'07"E |
| L14        | 109.43' | N88°56'46"W |
| L15        | 10.41'  | N88°56'46"W |
| L16        | 18.53'  | N45°35'08"E |
| L18        | 34.93'  | N88°56'46"W |
| L19        | 74.80'  | N88°56'46"W |
| L21        | 44.86'  | N85°59'28"W |
| L22        | 24.58'  | N42°55'40"W |

| LINE TABLE |        |             |
|------------|--------|-------------|
| Line #     | LENGTH | BEARING     |
| L23        | 18.38' | N45°08'08"E |
| L24        | 18.38' | N44°51'41"W |
| L25        | 10.38' | N89°51'52"W |
| L26        | 18.38' | N45°07'35"E |
| L27        | 18.38' | N44°51'52"W |
| L28        | 18.38' | N45°08'07"E |
| L29        | 22.45' | N89°13'41"W |
| L30        | 30.00' | N61°50'04"E |
| L31        | 18.38' | N44°51'52"W |
| L32        | 18.58' | N45°44'52"E |
| L33        | 50.00' | N10°32'06"W |
| L34        | 11.30' | N88°38'23"W |
| L35        | 18.77' | N45°36'31"E |
| L36        | 53.39' | N00°09'57"W |
| L37        | 30.00' | N17°33'22"W |
| L38        | 20.89' | N61°54'17"W |
| L39        | 18.19' | N44°15'08"W |
| L40        | 30.00' | N17°31'33"E |

| LINE TABLE |        |             |
|------------|--------|-------------|
| Line #     | LENGTH | BEARING     |
| L41        | 30.00' | N17°15'17"W |
| L42        | 19.37' | N01°03'58"E |
| L43        | 29.00' | S89°52'07"E |
| L44        | 29.60' | N00°08'08"E |
| L45        | 44.67' | N00°08'08"E |
| L46        | 30.00' | S89°52'06"E |
| L47        | 74.28' | N00°54'24"E |
| L48        | 71.92' | N00°08'08"E |
| L49        | 21.40' | N37°32'21"E |
| L50        | 18.38' | N44°51'52"W |
| L51        | 26.81' | N17°31'33"E |
| L52        | 55.71' | N00°08'08"E |
| L53        | 37.05' | S04°00'20"W |
| L54        | 30.00' | N04°00'15"E |
| L55        | 30.00' | S01°03'13"W |

| CURVE TABLE |            |          |         |
|-------------|------------|----------|---------|
| Curve #     | DELTA      | RADIUS   | LENGTH  |
| C1          | 130°59'21" | 44.00'   | 100.59' |
| C2          | 57°43'45"  | 44.00'   | 44.33'  |
| C3          | 26°03'44"  | 44.00'   | 20.01'  |
| C4          | 214°46'50" | 44.00'   | 164.94' |
| C5          | 12°00'58"  | 88.00'   | 18.46'  |
| C6          | 5°22'27"   | 88.00'   | 8.25'   |
| C7          | 17°23'25"  | 88.00'   | 26.71'  |
| C8          | 1°47'10"   | 2030.05' | 63.28'  |
| C9          | 1°09'24"   | 2030.05' | 40.99'  |
| C10         | 2°56'34"   | 2030.05' | 104.27' |
| C11         | 2°36'04"   | 1933.19' | 87.76'  |
| C12         | 0°24'37"   | 1933.19' | 13.84'  |
| C13         | 3°00'41"   | 1933.19' | 101.61' |
| C14         | 2°57'19"   | 2000.00' | 103.15' |
| C15         | 58°58'00"  | 44.00'   | 45.28'  |
| C16         | 107°25'05" | 44.00'   | 82.49'  |
| C17         | 208°18'03" | 44.00'   | 159.96' |
| C18         | 14°08'59"  | 238.00'  | 58.78'  |
| C19         | 8°49'02"   | 88.00'   | 13.54'  |
| C20         | 28°18'03"  | 88.00'   | 43.47'  |
| C21         | 55°36'41"  | 72.00'   | 69.88'  |

| CURVE TABLE |            |        |         |
|-------------|------------|--------|---------|
| Curve #     | DELTA      | RADIUS | LENGTH  |
| C22         | 11°17'32"  | 72.00' | 14.19'  |
| C23         | 66°54'12"  | 72.00' | 84.07'  |
| C24         | 10°39'09"  | 88.00' | 16.36'  |
| C25         | 8°38'26"   | 88.00' | 13.27'  |
| C26         | 8°44'59"   | 88.00' | 13.44'  |
| C27         | 17°23'25"  | 88.00' | 26.71'  |
| C28         | 25°23'28"  | 44.00' | 19.50'  |
| C29         | 68°35'55"  | 44.00' | 52.68'  |
| C30         | 93°59'26"  | 44.00' | 72.18'  |
| C31         | 17°23'25"  | 88.00' | 26.71'  |
| C32         | 109°59'47" | 44.00' | 84.47'  |
| C33         | 104°47'03" | 44.00' | 80.47'  |
| C34         | 214°46'50" | 44.00' | 164.94' |
| C35         | 6°24'43"   | 88.00' | 9.85'   |
| C36         | 10°58'42"  | 88.00' | 16.86'  |
| C37         | 17°23'25"  | 88.00' | 26.71'  |
| C38         | 7°15'30"   | 87.00' | 11.02'  |
| C39         | 10°07'55"  | 87.00' | 15.38'  |
| C40         | 17°23'25"  | 87.00' | 26.41'  |
| C41         | 107°23'25" | 44.00' | 82.47'  |
| C42         | 19°29'01"  | 88.00' | 29.92'  |

| CURVE TABLE |           |        |        |
|-------------|-----------|--------|--------|
| Curve #     | DELTA     | RADIUS | LENGTH |
| C43         | 41°54'58" | 44.00' | 32.19' |
| C44         | 39°37'53" | 52.50' | 36.31' |
| C45         | 15°51'13" | 44.00' | 12.17' |
| C46         | 7°23'53"  | 37.50' | 4.84'  |
| C47         | 19°48'35" | 44.00' | 15.21' |
| C48         | 15°22'29" | 44.00' | 11.81' |
| C49         | 54°11'18" | 52.50' | 49.65' |
| C50         | 51°33'45" | 37.50' | 33.75' |
| C51         | 21°06'48" | 44.00' | 16.21' |
| C52         | 14°34'46" | 44.00' | 11.20' |
| C53         | 21°10'24" | 44.00' | 16.26' |
| C54         | 7°23'53"  | 52.50' | 6.78'  |
| C55         | 8°44'56"  | 71.95' | 10.99' |
| C56         | 36°19'21" | 37.50' | 23.77' |
| C57         | 19°54'56" | 44.00' | 15.29' |

TRACT NO. 83359

**66 LOTS**

**20.02 ACRES**

LOT 24 TRACT NO. 2916  
BOOK 31 PGS. 13

LOT 23 TRACT NO. 2916  
BOOK 31 PGS. 13

N88°56'05"W 734.25' (P)

661.11' (M)

660.58' (P)

**PALMDALE** 733.72'(M)

**BOULEVARD**

BELL AVENUE

10.00'

FD S&W ILLEGIBLE, IN LIEU OF  
LS 7822 (R3) ACCEPTED AS  
CENTERLINE INTERSECTION

CENTERLINE OF HUDSONIA STREET  
ESTABLISHED BY FOUND MONUMENTS

TRACT NO. 060954  
BOOK 1309 PGS. 45-48

30'

560.05'

30'

W'LY BOUNDARY OF TRACT NO. 83359  
AND E'LY LINE OF TRACT NO. 060954,  
BOOK 1309 PGS. 45-48, ESTABLISHED  
10.00' EAST OF FOUND MONUMENTS ON  
HUDSONIA STREET

N0°07'03"E

RAINER AVENUE

10.00'

FD S&W ILLEGIBLE, IN LIEU  
OF LS 7822 (R3) ACCEPTED  
AS CENTERLINE INTERSECTION

FD S&W ILLEGIBLE IN LIEU  
OF LS 7822 (R3)

11.26'(M), 11.22'(R3) WEST  
OF TRACT LINE, ACCEPTED  
AS CENTERLINE INTERSECTION

N0°08'25"E

KESTON DRIVE

11.26'

165.62' N00°09'57"W (M)

165.64' N00°09'59"W (R3)

N00°09'59"W 53.39' (M)

CENTERLINE OF SILVER COURT  
ESTABLISHED BY FOUND MONUMENTS

29'

29'

FD S&W ILLEGIBLE IN LIEU OF  
LS 7822 (R3)

10.46' (M) WEST OF TRACT LINE,  
ACCEPTED AS CENTERLINE  
CUL-DE-SAC

SILVER CT

10.46'

E'LY LINE OF SILVER COURT  
ESTABLISHED PARALLEL WITH  
AND 29.00' E'LY FROM  
MEASURED CENTERLINE  
MONUMENTS

N88°56'02"W 727.36'(P)

727.27' (M)

660.69' (P)

660.78' (M)

TRACT NO. 46320  
BOOK 1142 PGS. 94-48

TRACT NO. 45073  
BOOK 1105 PGS. 77-79

The map shows two adjacent lots, LOT 1 and LOT 2, bounded by PALMDALE BOULEVARD to the north and BELL AVENUE to the south. LOT 1 is on the left and LOT 2 is on the right. A proposed driveway, indicated by a dashed line, runs from the south side of LOT 1 to the south side of LOT 2. The driveway is 15' wide at both ends and has a curved section with a radius R=37.47' and a length L=21.79'. The bearing of the driveway is N0°08'08"E. The distance from the driveway to the south boundary of LOT 1 is 99.50'. The distance from the driveway to the south boundary of LOT 2 is 115.76'. The bearing of the south boundary of LOT 2 is N00°08'08"W. The distance from the driveway to the south boundary of LOT 2 is 15.76'. The bearing of the south boundary of LOT 1 is N0°08'25"E and the distance is 119.99'. The bearing of the north boundary of LOT 1 is N88°56'47"W and the distance is 15.61'. The bearing of the north boundary of LOT 2 is N88°56'05"W and the distance is 21.12'. A triangle labeled 'G' is located on the north boundary of LOT 2. A dashed circle with a radius R=17.27 and a length L=4.29 is shown on the south boundary of LOT 2. The bearing of the south boundary of LOT 2 is N0°08'25"E. The distance from the driveway to the south boundary of LOT 2 is 15.76'. The bearing of the south boundary of LOT 2 is N00°08'08"W. The distance from the driveway to the south boundary of LOT 2 is 115.76'. The bearing of the south boundary of LOT 1 is N0°08'25"E and the distance is 119.99'. The bearing of the north boundary of LOT 1 is N88°56'47"W and the distance is 15.61'. The bearing of the north boundary of LOT 2 is N88°56'05"W and the distance is 21.12'. A triangle labeled 'G' is located on the north boundary of LOT 2. A dashed circle with a radius R=17.27 and a length L=4.29 is shown on the south boundary of LOT 2. The bearing of the south boundary of LOT 2 is N0°08'25"E. The distance from the driveway to the south boundary of LOT 2 is 15.76'. The bearing of the south boundary of LOT 2 is N00°08'08"W. The distance from the driveway to the south boundary of LOT 2 is 115.76'. The bearing of the south boundary of LOT 1 is N0°08'25"E and the distance is 119.99'. The bearing of the north boundary of LOT 1 is N88°56'47"W and the distance is 15.61'. The bearing of the north boundary of LOT 2 is N88°56'05"W and the distance is 21.12'. A triangle labeled 'G' is located on the north boundary of LOT 2. A dashed circle with a radius R=17.27 and a length L=4.29 is shown on the south boundary of LOT 2.

LOT 1

N00°08'08"W  
115.76'

N00°08'08"W  
4.22'

G

LOT 2

$\Delta = 14^{\circ}13'20''$   
L=4.29  
R=17.27

RAD S74°18'11"W

BELL AVENUE

N88°56'47"W  
14.97'

N88°56'47"W 0.64'

[illegible]

(R1) PER TR. 2916 MB. 31 PG.13  
(R2) PER TR. 73068 MB. 1439 PGs. 39-45  
(R3) PER TR. 60954 MB. 1309 PGs. 45-48  
(R4) PER TR. 46320 MB. 1142 PGs. 94-97  
(R5) PER TR. 45073 MB. 1105 PGs. 77-79  
(M) MEASURED  
(P) PRORATION

**MINUTES  
CITY COUNCIL/SA  
CITY HALL COUNCIL CHAMBER  
38300 SIERRA HIGHWAY, SUITE B  
PALMDALE, CALIFORNIA  
NOVEMBER 4, 2025**

**[www.cityofpalmdale.org](http://www.cityofpalmdale.org)**

**1) CALL MEETING TO ORDER**

Mayor Pro Tem Bettencourt called the meeting to order at 5:02 pm.

Note: All City Council memberships are reflected in their City Council titles.

**2) ROLL CALL MAYOR PRO TEM BETTENCOURT, COUNCILMEMBERS BISHOP, LOA, OHLSEN, ALARCÓN**

PRESENT: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen, Andrea Alarcón.

ABSENT: None.

**3) PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE**

Councilmember Bishop led the pledge of allegiance.

**4) CONSENT CALENDAR**

The following individuals provided public input: Jason Zink spoke in support of items 4.6, 4.8, and in objection to the design at Yellen Park (4.10); Ben Gocke expressed concerns regarding the Oasis Wellness project (4.4).

The following items were pulled for discussion 4.3, 4.4, and 4.6.

4.1) Waive full reading of the Resolution(s) and/or Ordinance(s) to be considered and voted on at this meeting. (This allows for reading the title only in lieu of reciting the entire text).

4.2) Receive and File the monthly and quarterly Investment Reports for September 2025.

4.3) Approve Agreement with Willdan Financial Services for comprehensive professional services to complete a full cost-of-service and user fee study for the City of Palmdale, for a total not to exceed amount of \$150,000 for a term of 1 year.

Manager McIntosh presented the staff report.

Councilmember Alarcón addressed the provisions included in the agreement and asked questions regarding the contractor selection process. Manager McIntosh explained the selection process.

A discussion took place among the Council and staff regarding potential conflicts of interest, the submitted cost proposal, and the criteria used for the competitive bidding process.

City Manager Mendez clarified the differences between the cost proposal and the amount presented to the Council.

Councilmember Bishop discussed the competitive fee structure and compared these costs to those of neighboring municipalities.

Further discussion took place regarding the scope and buffer provisions of the contract between the Council and staff.

A motion was made by Councilmember Alarcón to approve the agreement with Willdan Financial Services for a total not to exceed amount of \$50,000 for a term of 1 year. The motion died for a lack of a second.

Further discussion took place regarding the fee schedule and providing competitive bids to the Council and posting for public viewing.

Motion: Table the approval of the Agreement with Willdan Financial Services for comprehensive professional services to complete a full cost-of-service and user fee study for the City of Palmdale, for a total not to exceed amount of \$150,000 for a term of 1 year.

Moved by Richard J. Loa, seconded by Austin Bishop.

Vote: Motion carried (5-0)

Yes: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen, Andrea Alarcón.

- 4.4) Receive and file the annual activity report for Development Agreement pertaining to the Oasis Wellness Village project located at the southeast corner of Palmdale Boulevard and Tierra Subida Avenue.

Senior Manager Magana presented the staff report and addressed concerns raised by a resident regarding the activity in the project area.

Councilmember Alarcón requested a copy of the agreement with amendments.

A discussion took place between the Council and staff regarding the feasibility of constructing the parking structure as outlined in the agreement.

Councilmember Alarcón asked City Attorney Severino to review Section 8.13 concerning the timeline for initiating work, and to assess whether relevant

case law requires the commencement of work, as well as to examine Section 13.12, "Time of the Essence," related to the performance of the agreement.

The Palmdale Regional Chief Executive Officer, Nana Deeb, expressed concerns about the lack of communication with the developer and conveyed interest in moving forward with property development.

Councilmember Bishop requested a meeting with the developer and all relevant parties to facilitate progress on the project.

Motion: Receive and file the annual activity report for Development Agreement pertaining to the Oasis Wellness Village project located at the southeast corner of Palmdale Boulevard and Tierra Subida Avenue.

Moved by Austin Bishop, seconded by Richard J. Loa.

Vote: Motion carried (5-0)

Yes: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen, Andrea Alarcón.

- 4.5) Approve the Second Amendment to Agreement with Frazier Capital Valuation, Inc., for property valuation, appraisals, and broker services, increasing the agreement by \$100,000 for a total not to exceed amount of \$140,000 and exercise the final one-year extension through January 20, 2027; and adopt Resolution No. CC 2025-090, a Resolution of the City Council of the City of Palmdale, authorizing the Interim City Manager to execute the Second Amendment to the Agreement with Frazier Capital Valuation, Inc., and granting authorization to pay all fees.
- 4.6) Approve Agreement with Dudek to update the City's Sewer System Master Plan for a total not to exceed amount of \$840,598 over a two (2) year term.

Councilmember Loa pulled this item for discussion to determine whether it should be reconsidered at a future meeting and whether bidding information should be shared with the community.

City Attorney Severino directed his question to staff.

Director of Public Works Torres stated that the project could be reconsidered at a future meeting, so further details could be provided to the council.

Councilmember Bishop requested to hear the bids received for the project. Director of Public Works Torres read the bids received for the project.

A discussion took place between the Council and staff concerning the project proposals, during which the Council requested that, in the future, they be given an opportunity to review the competitive bids.

Motion: Approve Agreement with Dudek to update the City's Sewer System Master Plan for a total not to exceed amount of \$840,598 over a two (2) year

term.

Moved by Austin Bishop, seconded by Eric Ohlsen.

Vote: Motion carried (5-0)

Yes: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen, Andrea Alarcón.

- 4.7) Approve First Amendment to Takeover Agreement with Los Angeles County Sanitation District No. 20 (45th Street East Extension Trunk Sewer).
- 4.8) Authorize a Resource Adequacy Agreement between Athos Storage, LLC, an SB Energy Company, and California Choice Energy Authority on behalf of Energy for Palmdale's Independent Choice (EPIC) for the purchase of long-term, mid-term reliability capacity.
- 4.9) Accept Notice of Completion (NOC) for Public Landscape Improvements for Tract 60732 located at 20th Street West and Quick Street.
- 4.10) Accept Notice of Completion (NOC) for PN 795, Sam Yellen Park Phase 2 Project.
- 4.11) Approve the minutes from the previous meeting.

Motion: Approve the items listed on the Consent Calendar with the exception of items 4.3, 4.4, and 4.6.

Moved by Austin Bishop, seconded by Eric Ohlsen.

Vote: Motion carried (5-0)

Yes: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen, Andrea Alarcón.

## 5) PUBLIC HEARING

- 5.1) Conduct Public Hearing to obtain resident input on community needs and priorities for inclusion in the 2026-2027 Action Plan.

Mayor Pro Tem Bettencourt opened the Public Hearing.

Director of Economic and Community Development Taggart introduced consultant Carey Bullock with LDM Consultants.

Councilmember Alarcón provided further clarification regarding the action plan allocation.

Public Testimony: Jason Zink discussed the lack of transparency, rental subsidies for seniors, and sidewalk gap projects. Eugene Hernandez suggested implementing rent control. Michael Ross requested more information on this item. Ben Gocke suggested workforce development and

housing affordability.

Councilmember Alarcón requested that another public hearing be conducted to receive further input from the public before the approval of the action plan.

Councilmember Bishop discussed the CDBG funds, requested line items to show where the money was allocated, and explained where to allocate the funds.

Carey Bullock, consultant, announced that the CAPER and the five-year plan are available online, and the final report will be approved at the May Council meeting.

Mayor Pro Tem Bettencourt closed the Public Hearing.

- 5.2) Adopt Resolution No. CC 2025-086, a Resolution of the City Council of the City of Palmdale, approving a form of Density Bonus Agreement to facilitate the construction of a 264-unit multi-family residential development on one vacant parcel totaling approximately 9.95 acres located on the west side of 15th Street East and approximately 375 feet north of East Avenue Q.

Mayor Pro Tem Bettencourt opened the Public Hearing.

City Clerk Scott read the title of the Resolution.

Senior Manager Magana presented the staff report. Mayor Pro Tem Bettencourt inquired about the low-income threshold and the number of parking spaces allocated for the 264-unit housing development. The applicant, Jenny Rubalcava, responded, stating that 450 parking spaces would be created.

Discussion ensued between the Council and the applicant regarding the project.

Councilmember Alarcón requested clarification on the Regional Housing Needs Allocation (RHNA) numbers. Senior Manager Magana provided additional information to the Council.

Mayor Pro Tem Bettencourt inquired about the consequences of not meeting the "RHNA" targets. City Attorney Severino explained the potential penalties that could be imposed by the state. Discussion continued between Council, City Attorney, and staff regarding the project.

Public Testimony: Jason Zink inquired about project amenities, including the addition of a nearby grocery store, the need for 6,600 units by 2029, and the quality of life. Claudia Perez, a realtor, opposed the development of the project. Marsha Furman spoke about one-lane roads on Avenue Q and Avenue P, freeway access, and project amenities. Rich Gallego spoke about the impact on the traffic volume and requested a study on the impact on local schools. Yul

Gevargis spoke in favor of the project. Michael Ross discussed the traffic the project would generate and the planning of the area.

Mayor Pro Tem Bettencourt closed the Public Hearing.

Motion: Adopt Resolution No. CC 2025-086, approving a form of Density Bonus Agreement to facilitate the construction of a 264-unit multi-family residential development.

Moved by Austin Bishop, seconded by Andrea Alarcón.

Vote: Motion carried (5-0)

Yes: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen, Andrea Alarcón.

- 5.3) Adopt Resolution No. CC 2025-087, a Resolution of the City Council of the City of Palmdale approving a form of Density Bonus Agreement 25-0003 to facilitate the construction of a 272-unit multi-family residential development on two vacant parcels totaling approximately 9.8 acres located at the northwest corner of east Avenue Q and 25th Street East, and authorize the Interim City Manager or his designee to exercise the option to amend the agreement as necessary, including minimal and/or non substantial changes.

City Clerk Scott read the title of the resolution.

Senior Manager Magana presented the staff report.

A discussion ensued between the Council and staff regarding the garage, parking spaces, amenities, waivers, and the project's financing. The applicant, Avi Nolan Ballal, Senior Associate at Lincoln Avenue Communities, provided a recap of the project, addressing mitigating impacts on the community, dedicating the right-of-way on Avenue Q and 25th Street East, and installing a new traffic signal.

Discussion continued regarding traffic studies for the project and the designation of emergency lanes for law enforcement. Councilmember Alarcón requested that the traffic study be provided to the Council and made publicly available.

Mayor Pro Tem Bettencourt opened the Public Hearing.

Public Testimony: Jason Zink and Marsha Furman spoke against the project. Mark Maldonado thanked the Council for having an open dialogue with the public.

Councilmember Alarcón asked about the impact on the Los Angeles Sheriff's Department and the Los Angeles County Fire Department. Senior Manager Magana stated that they were consulted and approved of the project. LA County Fire Department Chief Ghorbani responded. Captain Bardon addressed

public safety. The applicant provided additional information regarding rights-of-way and turn lanes. Discussion continued.

Mayor Pro Tem Bettencourt closed the public hearing.

Motion: Adopt Resolution No. CC 2025-087, approving a form of Density Bonus Agreement 25-0003, and authorize the Interim City Manager or his designee to exercise the option to amend the agreement as necessary.

Moved by Andrea Alarcón, seconded by Eric Ohlsen.

Vote: Motion carried (5-0)

Yes: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen, Andrea Alarcón.

A break was held from 7:35 p.m. - 7:51 p.m.

Councilmember Alarcón stepped away from the dais.

- 5.4) Adopt Ordinance No. 1663, an Ordinance of the City Council of the City of Palmdale approving Zone change 25-0002 and Zoning Ordinance Amendment 25-0003 to address inconsistencies and streamline review procedures; and adopt Resolution No. CC 2025-085, a Resolution of the City Council of the City of Palmdale approving General Plan Amendment 25-0002 to amend the land use map and finding that the project is consistent with program environmental impact report 22-002 prepared and certified in conjunction with the City's General Plan (Palmdale 2045).

Mayor Pro Tem Bettencourt opened the Public Hearing.

City Clerk Scott read the title of the Ordinance and the Resolution.

A motion was made and approved to introduce the ordinance.

Senior Manager Magana presented the staff report. Mayor Pro Tem Bettencourt requested clarification regarding the distinction between Residential One and Residential Two. Senior Manager Magana responded.

Discussion ensued between Council and staff.

Public Testimony: Jason Zink asked to postpone the vote. Colby Estes spoke about his time on the General Plan Advisory Committee and the concessions being made in the general plan for the projects.

Mayor Pro Tem Bettencourt closed the Public Hearing.

Motion: Adopt Ordinance No. 1663, approving Zone change 25-0002 and Zoning Ordinance Amendment 25-0003 to address inconsistencies and streamline review procedures; and adopt Resolution No. CC 2025-085

approving General Plan Amendment 25-0002.  
Moved by Richard J. Loa, seconded by Austin Bishop.

Vote: Motion carried (4-0)

Yes: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen.

Absent: Andrea Alarcón.

- 5.5) Adopt Ordinance No. 1664, an Ordinance of the City Council of the City of Palmdale, California, amending Sections 8.04.410 and 8.04.430, and repealing Sections 8.04.440 through 8.04.510 of the Palmdale Municipal Code to prohibit fireworks, finding the Ordinance exempt from CEQA; and adopt Resolution No. CC 2025-091, a Resolution of the City Council of the City of Palmdale, California, making its express findings as required by Section 17958.7 of the Health and Safety Code of the State of California relating to the adoption of Ordinance No. 1664 prohibiting all fireworks, and finding it is not a project per CEQA.

Mayor Pro Tem Bettencourt opened the Public Hearing.

City Clerk Scott read the title of the Ordinance and Resolution.

A motion was made and approved to introduce the ordinance.

Public Safety Manager Vallarta presented the staff report.

The council discussed the benefits and drawbacks of safe and sane fireworks with staff.

The following individuals provided public testimony: David Harris, Rich Gallego, Adorable Babies, Joseph Hipps, Jeff Carlin, Cesia Hipps, Leslie Mendoza, Jody Carmen, John Kelly, David Cowon, Darryl Watkins, Colby Estes, Faith, Yul Gevargis, Michael Ross, Bobbie Vargo, Marsha Furman, and a gentleman with no name given spoke in support of safe and sane fireworks, some requested a public survey, putting it on the ballot, and stated how the funds raised have helped the community. Jason Zink requested a citywide cleanup and community outreach.

9:00 p.m. Councilmember Alarcón returned to the dais.

Mayor Pro Tem Bettencourt closed the Public Hearing.

There was continued discussion among the Council regarding the placement of safe and sane fireworks on the ballot and CalFire maps prohibiting the use of fireworks by an additional 30% within the City of Palmdale, and a request was made for the cost proposal to place it on the ballot.

Motion: Table the item and report back within 90 days.

Moved by Austin Bishop, seconded by Andrea Alarcón.

Vote: Motion carried (5-0)

Yes: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen, Andrea Alarcón.

## 6) NEW BUSINESS

### 6.1) Approve Community Grant Program.

Deputy City Manager Lopez presented the staff report.

The following individuals provided public comments: Jason Zink spoke about the positive impact of the community organizations. Colby Estes spoke about the previous Measure AV grant program. David Harris spoke about the grant program. Michael Ross questioned the documents needed to apply for the grants. Mark spoke about community members and local non-profits.

Discussion ensued among the Council regarding the proposed budget, grant writing assistance, and the development of the program.

Motion: Table approving the Community Grant Program.

Moved by Austin Bishop, seconded by Eric Ohlsen.

Vote: Motion carried (5-0)

Yes: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen, Andrea Alarcón.

## 7) CITY MANAGER'S REPORT

Interim City Manager Mendez provided an update on several upcoming events including: iLead Youth Conference at Legacy Commons on November 7, AV Wall on November 8, Candlelight Ceremony at the Palmdale Amphitheater on November 9, Veterans Day Ceremony at the Palmdale Amphitheater on November 11, Veterans Day of Service Desert Clean-up on Avenue Q & Division St. on November 15, Holiday Craft Boutique at Legacy Commons on November 15, Family Volunteer Day November 22 at SAVES, Vet at the Park Services at Poncitlan Square on November 16, SAVES Senior Thanksgiving baskets on Monday November 24, Tree Lighting Ceremony at Poncitlan Square on December 2 and Jolly Holiday on December 6.

## 8) NON-AGENDA PUBLIC COMMENTS

The following individuals provided public comments: Denise spoke regarding Severe Valley Fever. Eugene Hernandez spoke regarding Hispanic Heritage Month. Jason Zink spoke about District 1 and District 2 seats, leveraging city grants, the fire maps, and the Palmdale water ditch along Barrel Springs Trail. Michael Ross requested more information regarding the Rosenberg's Rules of Order, and spoke about the PFC. Rich Gallego thanked Council for the honor of doing a painting for Sister City Poncitlan, Mexico, requested the ability to put an item on the agenda, and thanked Councilmember Ohlsen for agreeing to attend the upcoming meeting for PFC.

Marsha Furman asked for an update on sidewalks, requested clarification on safe and sane and illegal fireworks, spoke about the upcoming Veterans Day event at the Palmdale Amphitheater, the Breast Cancer walk, and announced that November 18 is Mickey Mouse's birthday. Patricia Withers discussed the food drive for the homeless.

Mayor Pro Tem Bettencourt discussed her past experience with trying to get items on the agenda and provided Michael Ross with information on how to access the Brown Act. Councilmember Alarcón directed Mr. Ross to the website to view the Rosenberg's Rules of Order.

Motion: Extend the meeting past 10:30 p.m.

Moved by Laura Bettencourt, seconded by Eric Ohlsen.

Vote: Motion carried (5-0)

Yes: Laura Bettencourt, Austin Bishop, Richard J. Loa, Eric Ohlsen, Andrea Alarcón.

## 9) COUNCIL REPORTS, ANNOUNCEMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

### 9.1) Council Reports

Councilmember Loa attended the Palmdale Sheriff's Booster meeting on October 8, the NCTC on October 20, and mentioned the AV Fair meeting on October 23, which was cancelled.

Councilmember Ohlsen attended the Mental Health Awareness Walk on October 4 and spoke about attending the Palmdale Freedom Coalition meeting.

Councilmember Bishop spoke about the need for a grocery store in his district, discussed how the Council meeting had gone well, and expressed respect for the staff and the respectful nature of the discussions. He also attended the Pumpkin Palooza, spoke about Kaleidoscope and the groundbreaking for AS Aerospace, and attended the World Series watch parties. Additionally, he participated in the Making Strides Breast Cancer walk.

Mayor Pro Tem Bettencourt spoke about her experience at the Pumpkin Palooza.

## 10) CLOSED SESSION

### PRESENTATION BY CITY ATTORNEY

Public Comments: None.

City Attorney Severino confirmed items to be heard at Closed Session and informed Councilmember Alarcón that she would have to recuse herself from Item 10.2.

Councilmember Alarcón spoke regarding her case, Item 10.2.

10.1) CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives: Salvador Mendez, Interim City Manager,  
and Linda Daube, Special Counsel

Employee organization: Teamsters Local 986

This closed session is being held pursuant to the authority of California  
Government Code Section 54957.6.

102) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Andrea Alarcón v. City of Palmdale

Los Angeles Superior Court 24STCP03201

This closed session is being held pursuant to the authority of California  
Government Code Section 54956.9(d)(1).

11) ANNOUNCEMENT BY CITY ATTORNEY

Closed Session was held from 10:35 p.m. to 11:30 p.m.

City Attorney Severino announced the following:

10.1 - There was no reportable action.

10.2 - There was no reportable action.

12) ADJOURN

Mayor Pro Tem Bettencourt adjourned the meeting at 11:32 pm to December 2, 2025,  
at 5:00 p.m. in the City Hall Council Chamber located at 38300 Sierra Highway, Suite  
B, Palmdale, California.

PASSED, APPROVED, and ADOPTED this 2nd day of December 2025.

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Laura Bettencourt, Mayor Pro Tem

ATTEST:

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Rochelle Scott, City Clerk



# City Council Staff Report

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**DATE:** DECEMBER 2, 2025

**TO:** HONORABLE MAYOR PRO TEM AND CITY COUNCIL

**FROM:** ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT  
ECONOMIC DEVELOPMENT DIVISION

**DISTRICT:** 1

**SUBJECT:** APPROVE AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT WITH AVCC MASTER LLC (AN AFFILIATE OF COVINGTON INVESTMENTS, LLC), FOR THE SALE OF APPROXIMATELY 233 ACRES LOCATED AT THE SOUTHEAST CORNER OF SIERRA HIGHWAY AND AVENUE M (APN: 3126-022-929)

## **RECOMMENDATION**

Staff recommend that the City Council:

1. Approve Amended and Restated Purchase and Sale Agreement No. A-9634 with AVCC Master, LLC, an affiliate of Covington Investments, LLC, for the sale of approximately 233 acres located at the southeast corner of Sierra Highway and Avenue M (APN: 3126-022-929); and,
2. Authorize the Interim City Manager or his designee to execute Agreement No. A-9634 with AVCC Master, LLC, including minimal and/or non-substantive changes.

## **BACKGROUND**

In October 2021, the City entered into a purchase and sale agreement with Covington Investments, LLC (Agreement No. A-7575) for the conveyance of approximately 96 acres (considered Phase 1) of City-owned, unimproved property at a purchase price of \$2.25 per square foot. The agreement also included the option for future negotiation at a purchase price of \$3.00 per square foot for Phase 2 (86 acres) and \$3.75 per square foot for Phase 3 (86 acres). Between October 2023 and September 2025, a series of administrative amendments were implemented, adjusting the boundary of the purchase phases to coincide with additional sub-phasing of the project, accommodating potential tenants, and revising milestones related to deliverables and escrow closing.

On January 22, 2025, the City Council approved the Antelope Valley Commerce Center Specific Plan and certified the Environmental Impact Report for the subdivision of the 432.9-acre site, which will comprise a master-planned commerce center featuring industrial, commercial, and open space uses, along with all required on-site and off-site improvements and infrastructure. The specific plan allowed for a maximum building footprint of 8,302,536 square feet, comprising 8,241,552 square feet of industrial and 60,984 square feet of commercial uses.

## **DISCUSSION**

Agreement No. A-9634 updates the original purchase and sale agreement to:

- Allow more time for the purchaser to market the site and secure a tenant.
- Provide flexibility in development sequencing to support phased acquisition and construction.
- Require that the purchaser sign over the rights to all land use/entitlements, plans, studies, and environmental work completed on the project to the City.

Key requirements under the amended and restated agreement are as follows:

- Begin escrow on the first phase of development by June 2027 and actively pursue closing within 210 days.
- Start construction within 12 months of closing and complete the first phase within 24 months of closing.
- Enter into negotiations with the City for the acquisition of subsequent phases within specified timelines.

In order to maximize flexibility in phasing sequencing for the build-out of the site, and accommodate the high cost of regional infrastructure improvements front-loaded on the project, while ensuring the pricing structure previously agreed-upon remains in place, the agreement assigns pricing in order of development, utilizing Primary, Secondary, Tertiary Tract language rather than referencing individual Phases 1 through 4 (now referenced as A through D). The pricing breakdown is as follows:

- \$2.30 per square foot for the Primary Tract
- \$3.50 per square foot for the Secondary Tract
- \$4.25 per square foot for the remainder of the site

As outlined in the economic summary report prepared in compliance with California Government Code Sections 52200–52201 for the agreement, the purchase prices indicated above would not be less than fair market value. The draft agreement strengthens an existing partnership with the purchaser and supports the City's economic development goals of build-out along the Avenue M corridor. Additionally, the project is

expected to yield long-term community benefits, including job creation, increased tax revenue, and the activation of a key development site.

### **FISCAL IMPACT**

\$12,323,124 to \$16,770,600; The sale of City-owned property to AVCC Master LLC will generate revenue to the City's General Fund when escrow closes, which is expected in fiscal year 2027–28. The final revenue amount will depend on the size and phase of the Primary Tract as selected by the purchaser. Beyond the property-sale proceeds, the planned development of industrial and employment flex buildings is expected to include regional infrastructure improvements and deliver long-term economic benefits, such as increased local tax revenues and expanded employment opportunities for residents.

### **STRATEGIC PLAN**

Goal IV: Maintain a desirable community where everyone wants to live, work and play

- A. Provide inclusive access to a variety of supportive services that build a resilient and healthy community.

|                                        |                                                               |
|----------------------------------------|---------------------------------------------------------------|
| Prepared by:                           | Megan Taggart, Director of Economic and Community Development |
| Certified as to availability of Funds: | Janelle Samson, Director of Operations                        |
| Approved by:                           | Salvador Mendez, Interim City Manager                         |
| Approved as to form:                   | Alexandra Severino, City Attorney                             |

### **ATTACHMENTS**

Agrmt No. A-9634 Amended and Restated Purchase and Sale Agreement

**AMENDED AND RESTATED  
PURCHASE AND SALE AGREEMENT**

**By and Between**

**THE CITY OF PALMDALE,  
a municipal corporation**

**City,**

**and**

**AVCC MASTER LLC,**

**Purchaser**

**Agreement No. [A-9634]**

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#### ATTACHMENTS

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**AMENDED AND RESTATED  
PURCHASE AND SALE AGREEMENT  
(AGREEMENT NO. A-7575)**

THIS AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT (“**Agreement**”), dated as of \_\_\_\_\_, 2025, is entered into by and between THE CITY OF PALMDALE, a municipal corporation (“**City**”) and AVCC MASTER LLC, a Nevada limited liability company (“**Purchaser**”). City and Purchaser agree as follows:

ARTICLE I. SUBJECT OF AGREEMENT

Section 101 Purpose of Agreement

This Agreement constitutes an agreement by which the City agrees to sell to Purchaser and Purchaser agrees to purchase, on the terms and conditions hereinafter set forth, the Property described in Section 103 below, and to develop the Project, as hereinafter defined. The sale to Purchaser of the Property and the development of the Project pursuant to this Agreement and the fulfillment generally of this Agreement are in the best interests of the City of Palmdale and the welfare of its residents, and are in accordance with the public purposes and provisions of applicable federal, state, and local laws and requirements under which the Project is being undertaken. This Agreement amends, restates and replaces in its entirety and supersedes that certain Purchase and Sale Agreement dated October 21, 2021 previously entered into by the City and Covington Investments LLC, a Nevada limited liability company (“**Prior Purchaser**”) with respect to the purchase and development of the Project (defined below), as amended by (i) that certain Administrative Amendment to Purchase and Sale Agreement dated October 18, 2023, (ii) that certain Administrative Amendment to Purchase and Sale Agreement dated November 21, 2023, (iii) that certain Administrative Amendment to Purchase and Sale Agreement dated June 18, 2024, (iv) that certain Administrative Amendment to Purchase and Sale Agreement dated June 23, 2025, and (v) that certain Administrative Amendment to Purchase and Sale Agreement dated August 20, 2025 (as amended, the “**Prior Purchase Agreement**”). Prior Purchaser and Purchaser are affiliates under common control.

Section 102 Definitions

For purposes of this Agreement, the following capitalized terms shall have the following meanings:

“**Agreement**” means this Purchase and Sale Agreement and all attachments hereto.

“**Anti-Terrorism Laws**” means all laws relating to terrorism or money laundering, including, without limitation, the Currency and Foreign Transactions Reporting Act of 1970, Pub. L. No. 91-508, 84 Stat. 1305 (1970), as amended from time to time.

“**Appraisal Method**” means the method for determining the Purchase Price for a closing scheduled to occur after June 27, 2027, and described as follows: Purchaser shall, at its sole cost and expense, select a Qualified Appraiser, obtain a fair market value appraisal therefrom, and provide a copy of the fair market value appraisal to the City. The City and Purchaser shall then

negotiate in good faith to determine an adjusted Purchase Price based on such fair market value appraisal. If the parties are unable to agree on an adjusted Purchase Price within thirty (30) days, the City may, at its sole cost and expense, obtain a fair market value appraisal from a Qualified Appraiser of its choosing, and deliver a copy of such fair market value appraisal to the other party. The parties shall have twenty (20) days from the date the second fair market value appraisal is delivered to the original requesting party to negotiate in good faith to determine an adjusted Purchase Price based on both fair market value appraisals. If the parties are unable to agree on an adjusted Purchase Price in such twenty (20) day period, the parties shall require that the two Qualified Appraisers mutually appoint a third Qualified Appraiser, the cost of which shall be shared equally between the City and Purchaser, and the third Qualified Appraiser will provide a fair market value appraisal to the parties. The Purchase Price will be determined by averaging all three of the fair market value appraisal values; provided, however, sale of the Property at the determined Purchase Price shall be for not less than fair market value.

**“Broker’s Commission”** means the commission to be paid to Craig Peters and Richard Ramirez at CBRE, Inc. at the Close of Escrow pursuant to Section 207 of this Agreement, in an amount equal to 3.53% of the Purchase Price or as adjusted at the time of closing.

**“City”** means the City of Palmdale, California, a municipal corporation organized and existing under the Constitution of the State of California. The principal office of the City is located at 38300 Sierra Highway, Palmdale, California 93550. “City” as used in this Agreement includes the City of Palmdale, California and any assignee of or successor to its rights, powers and responsibilities.

**“Closing Date”** means the date that is one hundred and eighty (180) days after the expiration of the Due Diligence Period, unless the Closing Date is extended in writing as set forth in this Agreement or pursuant to the Enforced Delay provisions set forth in Section 510 of this Agreement. Purchaser may elect to accelerate the Closing Date to a date mutually agreeable to Purchaser and the City upon not less than fifteen (15) business days’ notice to the City or extend the Closing Dates for one (1) period of thirty (30) days, upon not less than five (5) business days’ notice to the City.

**“Close of Escrow”** means the date the Grant Deed is recorded in the official records of Los Angeles County in conformance with this Agreement.

**“Closing Documents”** mean this Agreement, the Grant Deed, and the Environmental Indemnity.

**“Completion”** means the point in time when all of the following shall have occurred: (1) issuance of a certificate of occupancy by the City; (2) recordation of a Notice of Completion by Purchaser or its contractor; (3) certification by the Purchaser’s architect that the improvements (with the exception of minor “punch list” items) have been completed in a good and workmanlike manner and substantially in accordance with the City approved plans and specifications; and (4) any mechanic’s liens that have been recorded or stop notices that have been delivered have been paid, settled or otherwise extinguished, discharged, released, waived, bonded around or insured against.

**“Due Diligence Commencement Date”** means the date which is the Effective Date of this Agreement.

**“Due Diligence Documents”** means studies, reports, records, correspondence and other written materials regarding the Property that are to the actual knowledge of the City in the City’s possession (which for purposes of this definition shall be deemed the knowledge of the City Manager and/or Director of Public Works or the staff thereof).

**“Due Diligence Period”** means the period beginning on the Due Diligence Commencement Date and ending on the date that is the earlier to occur of (i) the date Purchaser delivers the Notice to Proceed, or (ii) June 30, 2027, during which time Purchaser may conduct the investigations described in Section 106 and 203 of this Agreement; provided, however, the City Manager may elect to approve in writing no more than two (2) extensions of up to twelve (12) months each for the expiration or termination of the Due Diligence Period as reasonably necessary in connection with Purchaser’s ongoing pursuit of Entitlements (including, without limitation, as an illustrative example, Purchaser’s efforts to settle an existing litigation matter of a third-party Entitlements challenge), provided the City Manager is reasonably satisfied that Purchaser is diligently proceeding in good faith to obtain the required Entitlements and market the Project.

**“Entitlements”** means (i) all land-use development approvals necessary to permit development of the Property and the Project in accordance with the approved site plan, and (ii) all such approvals required from the City or any other state or federal agency, which are unconditionally final (i.e., non-appealable, non- challengeable and non-revocable), and all applicable administrative and judicial appeal and referendum or challenge periods with respect to the approvals necessary to permit development of the Property and the Project shall have expired with no such litigation, appeal and/or challenge having been filed, or if filed any such litigation, appeal and/or challenge shall have been resolved in favor of the original approval of such Entitlements, in Purchaser sole but reasonable discretion.

**“Environmental Clearance Work Product”** means to the extent assignable, Purchaser’s right, title and interest in and to all environmental studies, reports, impact reports, applications, plans, and related data and information derived from the work prepared by or for Purchaser in connection with any environmental clearance required or to be issued for the Project, including but not limited to all such work product used by Purchaser in connection with requirements arising under statutes, regulations and guidelines of or relating to the National Environmental Protection Act, the California Environmental Quality Act, the California Department of Fish and Wildlife and any other governmental agency having jurisdiction over the Project, including the City, with respect to potential environmental impacts of the Project. For the avoidance of doubt, “Environmental Clearance Work Product” expressly excludes any architectural, design, engineering and development agreements and related work product, as well as any underlying contracts or agreements of Purchaser with any third-parties, including any tenants or environmental consultants, in connection with the generation of the Environmental Clearance Work Product.

**“Environmental Indemnity”** means the indemnity by Purchaser for the benefit of the City of Palmdale, substantially in the form of the Environmental Indemnity attached to this Agreement as Attachment No. 5.

**“Escrow Agent”** means First American Title Insurance Company or another escrow company mutually satisfactory to the parties.

**“Final Tract”** means the remaining property in the Project that Purchaser negotiates for the purchase and sale of after the Close of Escrow of the Tertiary Tract.

**“Good Faith Deposit”** means the deposits previously paid by Prior Purchaser to the City in connection with the purchase and development of the Project in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00)

**“Grant Deed”** means the grant deed substantially in the form attached hereto as Attachment No. 4, conveying the Property to Purchaser.

**“Hazardous Materials”, “Hazardous Substances” or “Hazardous Materials or Substances”** means (i) any chemical, compound, material, mixture or substance that is now or hereafter defined or listed in, or otherwise classified pursuant to, any laws as a “hazardous waste”, “extremely hazardous substance”, “extremely hazardous waste”, “acutely hazardous waste”, “hazardous substance”, “hazardous material”, “radioactive waste”, “infectious waste”, “biohazardous waste”, “pollutant”, “toxic pollutant”, “contaminant” or “toxic substance,” as well as any formulation not mentioned herein intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, “EP toxicity,” or “RCLP toxicity”; (ii) petroleum, natural gas, natural gas liquids, liquified natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas) and ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters and other waters associated with the exploration, development or production of crude oil, natural gas, or geothermal resources; (iii) “hazardous substance” as defined in Section 25281 (f) of the California Health and Safety Code; (iv) “waste” as defined in Section 13050(d) of the California Water Code; (v) asbestos in any form; (vi) urea formaldehyde foam insulation; (vii) polychlorinated biphenyl (“PCBs”); (viii) radon; and (ix) any other chemical, material, or substance that, because of its quantity, concentration, or physical or chemical characteristics, exposure to which is limited or regulated for health and safety reasons by any governmental authority, or which poses a significant present or potential hazard to human and safety or of the environment if released into the work place or the environment.

**“Infrastructure Work”** means the offsite utility and roadway improvement infrastructure work required to be completed in conjunction with the development of the Project, as more particularly described and depicted (i) on Attachment No. 6 of this Agreement, and (ii) in the Entitlements for the Project and the conditions of approval of the Entitlements as approved or as to be approved for each phase of the Project by the City and other governmental agencies having jurisdiction over the Project.

**“Legal Description”** means the legal description of the Property, attached hereto as Attachment No. 2.

**“Notice to Proceed”** means Purchaser’s written notice to the City selecting to close on either the Phase A Tract or the Phase C tract as the Primary Tract.

**“Permitted Transfer”** means any of the following:

a. A sale, transfer, conveyance or assignment of this Agreement or the Property to an entity which is either (i) an affiliate of Covington Investments LLC and is owned and controlled by Covington Investments LLC and/or the Persons owning and controlling Covington Investments LLC, (ii) a joint venture in which an entity described in clause (i) above is a controlling sponsor member, or (iii) a joint venture in which an entity described in clause (i) above is a non-controlling sponsor member and the controlling member owns or controls at least \$1 Billion in assets and has received approval from the City for developer experience and financial capability, which approval the City shall not unreasonably withhold, condition or delay, provided that the City has received and approved entity formation documents confirming the direct ownership and control of Covington Investments LLC of such entity and has received a certificate from the California Secretary of State that such entity is in good standing to conduct business in the State of California, and the affiliate entity has assumed, in a written instrument reasonably approved by the City, all of Purchaser's obligations under this Agreement; or

b. The addition of investors to Purchaser so long as such Purchaser continues to be owned and controlled by the same Persons, the investor is not a Prohibited Person, and the addition of such investor would not otherwise violate Anti-Terrorism Laws; or

c. The conveyance or dedication of any portion of the Property to the City of Palmdale or other appropriate governmental agency, or the granting of easements or permits, reasonably necessary to facilitate the development of the Project; or

d. The conveyance of a security interest in the Property or any portion thereof or interest therein the proceeds of which are used for financing the development of the Project as all or part of the Evidence of Financing approved by the City pursuant to Section 217 of this Agreement; or

e. The leasing for occupancy of any improvements constructed on the Property; or

f. The sale of any completed building to a third party end user, following the Completion of construction; or

g. The conveyance of all or a portion of the Property to a third party end user/occupant in connection with a transaction whereby Purchaser or Purchaser's affiliate is engaged, or will be engaged at the Close of Escrow, as a fee developer to construct a building after the land sale, provided (i) such Permitted Transferee (in the aggregate with such entity's parent entity and affiliates) has received approval from the City for financial capability, which approval the City shall not unreasonably withhold, condition or delay, (ii) the City has received evidence of the development contract whereby Purchaser or Purchaser's affiliate is engaged, or will be engaged at the Close of Escrow, as a fee developer to construct a building after the land sale, and (iii) Purchaser and such Permitted Transferee shall execute an assignment and assumption agreement, in a form reasonably acceptable to the City; or

h. Notwithstanding anything in the Agreement to the contrary, so long as Purchaser is retained contractually to manage construction of the initial improvements for the Project on the Property, Purchaser shall be entitled to, prior to Closing, assign its rights and interests to acquire and develop the Property pursuant to this Agreement to an entity (in the

aggregate with such entity's parent entity and affiliates) that has received approval from the City for developer experience and financial capability, which approval the City shall not unreasonably withhold, condition or delay. Purchaser and the Permitted Transferee shall execute an assignment and assumption agreement, in a form reasonably acceptable to the City.

**"Permitted Transferee"** a transferee of Purchaser's rights and obligations under this Agreement pursuant to a Permitted Transfer or as otherwise approved by City pursuant to the terms of this Agreement, which Person shall be deemed "Purchaser" for purposes of this Agreement from and after the date of such transfer of Purchaser's rights and obligations under this Agreement.

**"Person"** means an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company, or other entity, domestic or foreign.

**"Phase A Tract"** means all the property depicted as "Phase A" on Attachment No. 1 of this Agreement.

**"Phase B Tract"** means all the property depicted as "Phase B" on Attachment No. 1 of this Agreement, except to the extent that all or any portion of such property is included in the Primary Tract.

**"Phase C Tract"** means all the means all the property depicted as "Phase C," "Lot B," and "Lot C" on Attachment No. 1 of this Agreement.

**"Phase D Tract"** means all the property depicted as "Phase D" on Attachment No. 1 of this Agreement.

**"Preliminary Report"** means a preliminary title report for the Property prepared by First American Title Insurance Company and copies of underlying documents and plotted easements.

**"Primary Tract"** shall either be the Phase A Tract or the Phase C Tract, provided, however, if Purchaser selects the Phase A Tract instead of the Phase C Tract to be the Primary Tract, then Purchaser may include all or any portion of the Phase B Tract in the Primary Tract, subject to the approval of the City, such approval not to be unreasonably withheld, conditioned or delayed.

**"Prohibited Person"** means any of the following:

- a. a Person that is listed in or is otherwise subject to the prohibitions of, any Executive Order relating to money laundering or anti-terrorism;
- b. a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in or is otherwise subject to the prohibitions of, any Executive Order relating to money laundering or anti-terrorism;
- c. a person or entity with whom Purchaser is prohibited from dealing or otherwise engaging in any transaction by Anti-Terrorism Laws;

- d. a Person that is named as a “specially designated national and blocked person” on the most current list published by the Office of Foreign Asset Control of the U.S. Treasury Department.

**“Project”** means Purchaser’s construction, development and operation of the public and private improvements described in this Agreement and other plans approved by the City in connection with Purchaser’s applications for Entitlements and construction permits, to be located both on the Property and off-site as required for the development of the Property and the Infrastructure Work.

**“Property”** means the real property described in Section 103.

**“Purchase Price”** means the monetary purchase price for the Property calculated based on the aggregate purchase price of Two Dollars and Thirty Cents (\$2.30) per gross square foot solely with respect to the Primary Tract. City and Purchaser agree (i) to adjust the Purchase Price prior to Close of Escrow upon the determination of the size of the Property as set forth in a survey reasonably approved by City and Purchaser, and (ii) that the full amount of the Purchase Price for the Property is payable at the Close of Escrow. In the event the Close of Escrow occurs after June 27, 2027, then the Purchase Price shall be determined by the Appraisal Method. Notwithstanding the foregoing, if Purchaser and the City agree that Purchaser shall also purchase all or any portion of from the Secondary Tract, Tertiary Tract, or Final Tract at the Close of Escrow for the Primary Tract, then the Purchase Price paid for such portion of such other tract(s) shall be calculated in accordance with the price per gross square foot of the Secondary Tract set forth in Section 218. For example, if at the Close of Escrow, Purchaser purchases the Primary Tract and a portion of the Phase B Tract, then the Purchase Price for the Primary Tract shall be calculated based on the aggregate purchase price of Two Dollars and Thirty Cents (\$2.30) per gross square foot, and the Purchase Price for the portion of the Phase B Tract being purchased shall be calculated based on the aggregate purchase price of Three Dollars and Fifty Cents (\$3.50) per gross square foot.

**“Purchaser”** means AVCC Master LLC, a Nevada limited liability company, and includes any successors or assigns of Purchaser as permitted by this Agreement and first approved in writing by the City. The principal address of the Purchaser is 14180 Dallas Parkway, Suite 730, Dallas, Texas 75254.

**“Purchaser’s Title Policy”** means a CLTA standard coverage owner’s policy of title insurance to be issued to Purchaser in the amount of the Purchase Price, as provided in Section 214 of this Agreement.

**“Qualified Appraiser”** means a certified, independent MAI real estate appraiser with not less than ten (10) years of experience valuing comparable properties to the applicable portion of the Project being appraised.

**“Right of Entry”** means the Right of Entry granted to Purchaser under the terms of Section 203 of this Agreement.

**“Secondary Tract”** means the property in the Project that Purchaser negotiates for the purchase and sale of after the Close of Escrow of the Primary Tract.

**“Site Map”** means the document attached to this Agreement as Attachment No. 1.

“**Tertiary Tract**” means the property in the Project that Purchaser negotiates for the purchase and sale of after the Close of Escrow of the Secondary Tract.

“**Title Company**” means First American Title Insurance Company, National Commercial Services, Attn: Christine Siegel, Email: CSiegel@firstam.com, 901 Via Piemonte, Suite 150, Ontario, California 91764 or another title company mutually agreed upon by the parties for the recording of the Grant Deed and issuance of the Purchaser Title Policy.

Section 103 Description of the Property

The real property to which this Agreement relates the Primary Tract (the “**Property**”). The Property is presently unimproved real property located at the southeast corner of Sierra Highway and East Avenue M in the City of Palmdale, and the exact size of the property is to be determined by a survey of the Property reasonably acceptable to the City and Purchaser. The City owns fee title to the Property. The City and Purchaser agree to reasonably cooperate and mutually agree upon the final legal description for the Property prior to the Closing Date. Furthermore, the City and Purchaser hereby acknowledge that "Lot B" and "Lot C" shall be reserved for the relocation of Joshua trees in connection with Purchaser finalizing environmental Entitlements with respect to the Project, and, notwithstanding anything herein to the contrary, Purchaser may elect prior to the Close of Escrow to take title to "Lot B" and "Lot C" for such purposes, without an increase to the Purchase Price payable hereunder.

Section 104 Change in Ownership, Management and Control of Purchaser; Transfer of Agreement

1. Purchaser represents and agrees that its purchase of the Property and other undertakings pursuant to this Agreement are for the purpose of, and will be used for, development of the Project on the Property in accordance with the requirements and within the times set forth in this Agreement and not for speculation in landholding.

2. Purchaser recognizes that its qualifications and identity are of particular concern to the community and the City. Purchaser further recognizes that it is because of such qualifications and identity that the City is entering into this Agreement with Purchaser. Accordingly, no voluntary or involuntary successor in interest of Purchaser will acquire any rights or powers under this Agreement except as expressly set forth herein.

3. Purchaser must promptly notify the City of any and all changes whatsoever in the identity of the parties in control of Purchaser, or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information.

4. Until the development of the Property has been Completed and City has issued the Release of Construction Covenants for the Property, or a Partial Release of Construction Covenants for the portion of the Property involved, and except for a Permitted Transfer, Purchaser may not assign or attempt to assign all or any part of this Agreement or any right hereunder or make or attempt to make any total or partial sale, transfer, conveyance or assignment of the whole or any part of the Property or the improvements thereon or any interest therein, without the prior written consent of the City (such consent not to be unreasonably withheld, conditioned or delayed), which the City agrees to grant if, in its reasonable judgment, the proposed transferee possesses the financial capability and development experience to assure completion of construction of the

Property in accordance with the provisions and attachments of this Agreement and within the time frames set forth in the Schedule of Performance (Attachment No. 3). There shall be submitted to City for review all instruments and other legal documents proposed to effectuate any such transfer to confirm compliance with the requirements of this Section 104. Upon receipt of such documentation, City Manager or designee shall confirm to Purchaser and the proposed assignee or transferee in writing within ten (10) calendar days of such request whether (i) such proposed assignee or transferee is approved as a Permitted Transferee hereunder, and/or (ii) such proposed transfer request is approved, and in the event the City fails to respond to such request within the aforementioned ten (10) calendar day period, the City will be deemed to have approved such request. The approved transferee must assume, in a written instrument reasonably approved by the City, all of Purchaser's obligations under this Agreement with respect to the Property.

5. In the absence of the City's prior written consent, no sale, transfer, conveyance or assignment of this Agreement or the Property shall be deemed to relieve Purchaser from any obligations under this Agreement.

6. Notwithstanding anything to the contrary set forth in this Section 104, the requirement for the City's written consent shall not apply to a Permitted Transfer. In the case of any proposed Permitted Transfer, as defined in Section 102 of this Agreement, Purchaser shall submit to the City Manager or designee documentation reasonably demonstrating that the proposed assignment or transfer complies with the standards for a Permitted Transfer described in the definition of the term "Permitted Transfer" in Section 102 of this Agreement. Upon receipt of such documentation, City Manager or designee shall confirm to Purchaser and the proposed assignee or transferee in writing within ten calendar days of such request that such transfer complies with the standards set forth in the respective provisions of this Agreement. In the event the City fails to respond to such submission within the aforementioned ten (10) calendar day period, the City will be deemed to have confirmed such Permitted Transfer. Notwithstanding the foregoing, no such notice or supporting documentation shall be required for any lease for occupancy of a unit at the Project.

#### Section 105 Public Disclosure

Purchaser acknowledges and agrees that the City may hold noticed public meetings prior to their approval of this Agreement and may make this Agreement available to the public. Purchaser further acknowledges that the City cannot assure the confidentiality of this Agreement or of documents or information submitted to it under this Agreement, as such documents and information may be subject to disclosure under the California Public Records Act, the Brown Act, or other state or federal law.

#### Section 106 Due Diligence Period

During the Due Diligence Period and at all times prior to the Close of Escrow, Purchaser may, at its sole cost and expense, inspect the Project pursuant to a Right of Entry issued by the City pursuant to Section 203 of this Agreement to determine the Property's suitability for the Project, including, without limitation, whether the physical condition of the Property (e.g., environmental, geotechnical analyses) is suitable for the Purchaser's intended use. Under the Right of Entry, the Purchaser will have inspection rights and access to and entry upon the entire Project, including the ability to commence its geotechnical evaluation of the Property.

To facilitate Purchaser's due diligence investigation, Seller will furnish the Due Diligence Documents to Purchaser within fifteen (15) days after the Effective Date,

Before the expiration of the Due Diligence Period, Purchaser must notify the City in writing whether the Purchaser has approved or disapproved the results of its investigation, such approval or disapproval to be given or withheld in Purchaser's sole and absolute discretion. Purchaser's delivery of the Notice to Proceed to the City shall be deemed Purchaser's approval of the Property. If Purchaser disapproves the results of the investigation, such disapproval will terminate this Agreement, in which case the parties will have no further obligations to the other under this Agreement and the Good Faith Deposit will be released to Purchaser subject to the provisions of Section 204 of this Agreement. If Purchaser approves the results of its investigations, this Agreement will remain in full force and effect, and the parties hereto will have all of the rights and obligations as set forth herein. Purchaser's failure to notify the City of its approval or disapproval before expiration of the Due Diligence Period will be deemed disapproval hereunder.

## ARTICLE II. SALE OF THE PROPERTY TO PURCHASER

### Section 201 Agreement to Purchase and Sell

In accordance with and subject to all the terms, covenants and conditions of this Agreement, the City agrees to sell the Primary Tract to Purchaser for the Purchase Price, and Purchaser agrees to purchase the Primary Tract from the City and develop the Project in accordance with all of the terms and conditions set forth in this Agreement. This Agreement also includes the duties of the City and the Purchase to negotiate exclusively in good faith for the conveyance of the Secondary Tract and Tertiary and Final Tracts from the City to the Purchaser in accordance with the provisions set forth below in Sections 218 to 220, inclusive.

### Section 202 As-Is Condition of Property

Purchaser expressly acknowledges and agrees, and represents and warrants to the City, that Purchaser is purchasing the Property "AS IS, WHERE IS", and "WITH ALL FAULTS", after such inspection, analysis, examination and investigation that Purchaser cares to make and expressly without City's covenant, warranty or representation as to physical condition, title, zoning or other regulation, compliance with law, suitability for particular purposes or any other matter whatsoever. City has no obligation to make repairs, replacements or improvements to the Property, or to pay any fees, costs or expenses related to the Property. Purchaser acknowledges and agrees that neither City, nor any of City's agents, contractors, consultants, attorneys or representatives have made or make, and specifically negate and disclaim, and Purchaser is not relying on, any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, except as expressly set forth in this Agreement, whether express or implied, oral or written, past, present or future, concerning or with respect to the Property, including, but not limited to, (a) the value of the Property; (b) the income to be derived from the Property; (c) the suitability of the Property for any and all activities and uses which Purchaser may conduct thereon, including the possibilities for development of the Property; (d) the habitability, marketability, merchantability, profitability or fitness for a particular purpose of the Property; (e) the manner, quality, state of repair or lack of repair of the Property; (f) the nature, quality or condition of the Property, including without limitation, soils and geology; (g) the compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental

authority or body; (h) compliance with any environmental protection, pollution or land use laws, rules, regulation, orders or requirements, including but not limited to, Title III of the Americans with Disabilities Act of 1990, California Health and Safety Code, the Federal Water Pollution Control Act, the Federal Resource Conservation and Recovery Act, the U.S. Environmental Protection Agency regulations at 40 CFR part 261, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, the Resources Conservation and Recovery Act of 1976, the Clean Water Act, the Safe Drinking Water Act, the Hazardous Materials Transportation Act and the Toxic Substance Control Act, as any of the foregoing may be amended from time to time and regulations promulgated under any of the foregoing from time to time; (i) the presence or absence of Hazardous Materials at, on, under, or adjacent to the Property; (j) the content, completeness or accuracy of the Preliminary Report; (k) the conformity of the Property to past, current or future applicable zoning or building requirements; (l) deficiency of any drainage or undershoring; (m) that the Property may be located on or near earthquake faults; (xiv) the existence or non-existence of land use, zoning or building entitlements affecting the Property; (n) the land use status of the Property, including, but not limited to, general plan status, specific plan status, zoning status, subdivision status under the California Subdivision Map Act or the subdivision ordinances of the City or any other Entitlements; (o) the applicability of the Federal or California endangered species acts and the existence of any species protected thereunder; (p) any non-compliance of the Property or any improvements thereon with California Civil Code Sections 895, et seq.; or (q) any other matter. Purchaser further acknowledges and agrees that, having been given the opportunity to inspect the Property and obtain and examine such information and documentation affecting the Property as Purchaser deems necessary or appropriate, Purchaser is relying solely on its own investigations and review, and not on any information provided or to be provided by City. Purchaser acknowledges and agrees that, it has adequate opportunity during the Due Diligence Period to conduct such surveys and to make such inspection of the Property as Purchaser, in its discretion, deems necessary or advisable as a condition precedent to Purchaser's purchase of the Property and to determine the characteristics listed in this paragraph and all other aspects of the Property. If the condition of the Property is not in all respects entirely suitable for the use or uses to which the Property will be put, then it is Purchaser's sole responsibility and obligation to place the Property in all respects in a condition entirely suitable for the development thereof, solely at Purchaser's cost and expense.

Nothing in this Agreement will obligate the City to approve any amendments to the City's General Plan, the Specific Plan, or zoning ordinances, which amendments must be processed in the manner required by the City, subject to the discretionary approval of the City.

#### Section 203 Right of Entry

1. Purchaser and representatives of Purchaser will have the right of access to and entry upon the Property and the Project ("**Right of Entry**") at all reasonable times prior to the Close of Escrow for the purpose of inspecting the condition of the Property and obtaining data and making surveys and tests necessary to implement this Agreement, including, but not limited to, soil borings, percolation tests, test pits, environmental studies, water pressure tests, surveys and other related investigations, all at the sole cost and expense of Purchaser.

2. Single limit liability insurance in an amount not less than One Million Dollars (\$1,000,000) in a form acceptable to the City must be provided prior and as a condition precedent

to Purchaser's entry onto the Property. Said insurance must name the City, and its respective officers, employees, agents and contractors as additional insureds. Purchaser's right to enter the Property will not commence until, and will be conditioned upon, Purchaser's delivery to the City of a Certificate of Insurance and additional insured endorsement, demonstrating that the insurance required by this paragraph is in effect.

3. Purchaser hereby releases and agrees to protect, defend, hold harmless and indemnify the City, and its officers, employees, agents and contractors from and against all demands, claims, injury, liability, loss, damage, cost and expense, however caused (including all costs and reasonable attorney's fees incurred in defending any claim), arising from Purchaser's activities on the Property in connection with this Right of Entry.

4. Purchaser must keep the Property free from all encumbrances and liens of whatever nature involved in its activities on the Property prior to Close of Escrow. Purchaser will defend, indemnify and hold harmless the City from any and all such encumbrances and/or liens (including all costs and attorney's fees in defending any claim or liability in any way connected with Purchaser or any affiliate of Purchaser to pay any person(s) referred to in Section 3181 of the California Civil Code or under any other applicable law, which claim or liability may be instituted or filed against the Property.

5. In the event of termination of this Agreement pursuant to Section 409 or Section 410 below, or upon the expiration or termination of any Right of Entry, Purchaser shall promptly and diligently restore (to the satisfaction of the City) the Property to a condition comparable to that existing as of the date of this Agreement and leave the Property in a safe, neat and protected condition. If Purchaser fails to leave the Property in such condition when so required, the City may (but is not required to) put the Property in such condition and charge Purchaser the reasonable third-party costs incurred for such work to Purchaser. Purchaser will pay all costs, direct and indirect, related to such work, within fifteen (15) days after submission of a written invoice therefore, itemizing the work performed by the City. Paragraphs 3 through 5 of this Section 203 will survive the termination of this Agreement.

#### Section 204 Good Faith Deposit

The City acknowledges that Prior Purchaser has paid the Good Faith Deposit to the City and the City is currently holding the Good Faith Deposit in Escrow. The Good Faith Deposit shall be non-refundable to Purchaser unless (i) Purchaser terminates this Agreement upon disapproval of its investigations pursuant to Section 106, so long as Purchaser has not failed to timely cure any default pursuant to this Agreement, (ii) Purchaser terminates this Agreement for an inability to obtain Entitlements despite the good faith and diligent efforts of Purchaser, or (iii) following an uncured City default pursuant to this Agreement. The Good Faith Deposit shall be credited in favor of Purchaser against the Purchase Price at the Close of Escrow. The City shall be under no obligation to earn interest on the Good Faith Deposit, but any interest earned shall be added to and become a part of the Good Faith Deposit. The City acknowledges that prior to the Good Faith Deposit, the Prior Purchaser also deposited an additional Two Hundred Fifty Thousand Dollars (\$250,000.00) with the City that was released to the City and is non-applicable to the Purchase Price.

Section 205 Conditions Precedent to Sale of Property

The following are conditions precedent to the parties' obligation to close the hereinafter defined Escrow and transfer the Property to Purchaser:

1. City Closing Conditions. The City at its option may terminate this Agreement if any condition or obligation set forth below is not satisfied or waived in writing by the City within the times required by this Agreement:

a. Purchaser shall have submitted the Evidence of Financing required by Section 217 of this Agreement to the City Manager or designee within the time frame set forth in the Schedule of Performance (Attachment No. 3) and the City Manager or designee shall have approved the Evidence of Financing;

b. Purchaser shall have obtained approval of the Entitlements required for development of the Project on the Property from the City;

c. All environmental actions and approvals required by law for the Project, including all actions and approvals required by California's Environmental Quality Act, will have been granted;

d. Purchaser shall have deposited the balance of the Purchase Price in immediately available funds into Escrow;

e. Purchaser shall have executed, in recordable form where applicable, and deposited with the City or into Escrow the Closing Documents;

f. The deposit into Escrow of all other documents reasonably required for the Close of Escrow contemplated by this Agreement;

g. Purchaser will have deposited into Escrow Purchaser's share of Closing Costs as provided in paragraph 3 of Section 206 below;

h. Each of Purchaser's representations and warranties set forth in Section 508 shall be true and correct in all material respects as of the Closing Date;

i. The City will have approved the settlement statement prepared by Escrow Agent; and

j. Purchaser will not be in default hereunder beyond any applicable notice and cure periods.

2. Purchaser Closing Conditions. Purchaser at its option may terminate this Agreement if any condition set forth below is not satisfied or waived in writing by Purchaser within the times required by this Agreement:

a. The City will have signed and deposited into Escrow the Grant Deed in recordable form;

b. Purchaser will have obtained approval of the Entitlements required for development of the Project on the Property from the City;

c. The Title Company is prepared to issue the Purchaser Title Policy;

d. All environmental actions and approvals required by law for the Project, including all actions and approvals required by California's Environmental Quality Act, will have been granted;

e. The deposit into Escrow by City of all other documents reasonably required for the Close of Escrow contemplated by this Agreement;

f. The City shall have deposited into Escrow the City's share of Closing Costs as provided in paragraph 4 of Section 206 below;

g. Each of City's representations and warranties set forth in Section 509 shall be true and correct in all material respects as of the Closing Date;

h. Purchaser will have approved the settlement statement prepared by Escrow Agent; and

i. The City shall not be in default hereunder beyond any applicable notice and cure periods.

Section 206 Escrow

1. Escrow Opening and Escrow Instruction. The City and Purchaser agree to open an escrow ("**Escrow**") for the sale of the Property with the Escrow Agent, not later than the date required by the Schedule of Performance. This ARTICLE II constitutes the joint escrow instructions of City and Purchaser with respect to the disposition of the Property, and a duplicate original of this Agreement will be delivered to the Escrow Agent upon the opening of Escrow hereunder. The City and Purchaser will provide additional escrow instructions mutually agreeable to both parties as may be necessary and consistent with this Agreement. The Escrow Agent is hereby empowered to act under this Agreement and, upon indicating its acceptance of the provisions of this ARTICLE II in writing, will carry out its duties as Escrow Agent hereunder.

2. Recordable Instruments. Prior to the Close of Escrow, City and Purchaser will execute and deliver to the Escrow Agent all documents required to be recorded hereunder, including but not limited to the Grant Deed and other recordable Closing Documents. The Escrow Agent will record such documents in accordance with these escrow instructions, and will buy, affix and cancel any transfer stamps required by applicable law, and pay any transfer tax required by law. Any insurance policies covering the Property or parts thereof are not to be transferred.

3. Purchaser's Escrow Expenses. The Purchaser will pay in Escrow to the Escrow Agent the following fees, charges and costs promptly after the Escrow Agent has notified the Purchaser of the amount of such fees, charges, and costs, but not earlier than five (5) days prior to the Closing Date for the Close of Escrow:

a. One-half (1/2) of the Escrow Agent's customary charges for document drafting, recording, and miscellaneous charges;

b. The additional cost to obtain an extended coverage Owner's Policy of title insurance and any additional endorsements desired by Purchaser; and

c. Any required prorations of taxes, if applicable, from the time of the conveyance of title.

4. City's Escrow Expenses. The City will pay the following fees, charges and costs promptly after the Escrow Agent has notified the City of the amount of such fees, charges and costs, but not earlier than five (5) days prior to the Closing Date for the Close of Escrow:

a. One-half (1/2) of the Escrow Agent's customary charges for document drafting, recording, and miscellaneous charges;

b. The cost of recording the Grant Deed and all other Closing Documents recorded at the Close of Escrow;

c. Any State, County, or City documentary stamps or transfer tax imposed in connection with the recording of the Grant Deed;

d. The cost of the Purchaser Title Policy;

e. Costs necessary to place the title in the condition for conveyance required by this Agreement; and

f. Ad valorem taxes, if any, for any time prior to conveyance of title.

5. Deposit of Closing Documents. The City and Purchaser will timely and properly execute, acknowledge and deliver to Escrow the recordable Closing Documents and such other instruments as are reasonably necessary to close Escrow in accordance with the terms of this ARTICLE II.

6. Escrow Agent Obligations. The Escrow Agent is authorized, after all conditions to Close of Escrow are satisfied, to:

a. Pay, and charge the City and the Purchaser respectively, for any fees, charges and costs payable under this Section 206. The Escrow Agent shall notify the City and Purchaser of the fees, charges and costs as early as possible;

b. When the conditions of the Escrow have been fulfilled by the City and Purchaser and the Escrow Agent has received authorization to close from all parties to this transaction, disburse funds deposited into Escrow to the parties entitled thereto, in accordance with a settlement statement approved by City and Purchaser, including without limitation provisions for the payment of the Broker's Commission required by Section 207 of this Agreement, and record and cause to be delivered the recordable documents to the parties entitled thereto.

7. Escrow Account. All funds deposited into this Escrow shall be held by the Escrow Agent with other escrow funds of the Escrow Agent in an interest-bearing general escrow account or accounts with any state or national bank acceptable to Purchaser and City doing business in the State of California, with interest accruing for the benefit of the depositing party. Such funds may be transferred to any other such general escrow account or accounts upon similar conditions. All disbursements shall be made on the basis of a thirty (30) day month.

8. Termination of Escrow.

a. If this Escrow is not in condition to close by the Closing Date either party who has fully performed the acts to be performed by it before the conveyance of title may, in writing, terminate this Agreement after sixty (60) days' notice to the other party, and demand the return of its money, papers, or documents. Thereupon all rights, liabilities, duties and obligations

of the parties under this Agreement will be as provided in Section 409 and Section 410 of this Agreement, respectively.

b. No termination or demand for return will be recognized until sixty (60) days after the Escrow Agent shall have mailed copies of such demand to the other party at the address of its principal place of business. If any objections are raised within the sixty (60) day period, the Escrow Agent is authorized to hold all money, papers and documents until instructed by mutual agreement of the parties or upon failure thereof by a court of competent jurisdiction. The Escrow Agent will not be obligated to return any such money, papers or documents except upon the written instructions of both the City and Purchaser, or until the party entitled thereto has been determined by a final decision of a court of competent jurisdiction.

9. Amendments to Escrow Instructions. Any amendment to these escrow instructions must be in writing and signed by both City and Purchaser. At the time of an amendment the Escrow Agent will agree to carry out its duties as Escrow Agent under such amendment.

10. Communications From Escrow Agent. All communications from the Escrow Agent to the City or Purchaser will be directed to the addresses and in the manner established in Section 502 of this Agreement for notices, demands, and communications between the City and the Purchaser.

11. Escrow Agent's Liability. The liability of the Escrow Agent under this Agreement is limited to performance of the obligations imposed upon it under Section 205 through Section 215, inclusive, of this Agreement.

Section 207 Real Estate Commissions; Brokerage Fees

City shall pay the Broker's Commission to Craig Peters and Richard Ramirez at CBRE, Inc., solely from any funds actually received by the City at the Close of Escrow from the sale of the Property to Purchaser, in accordance with this Agreement. City and Purchaser each represent and warrant that they have engaged no other broker, agent, or finder in connection with this transaction and Purchaser agrees to hold the City harmless and defend and indemnify the City from any claim by any broker, agent, or finder relating to the Property or this transaction other than the Broker's Commission.

Purchaser shall make the following participation payments to the City as follows: (i) twenty-five cents (\$0.25) per building square foot within 30 business days of issuance of building permit on a per building basis; and (ii) fifty (\$0.50) per building square foot within 30 business days of issuance of certificate of occupancy on a per building basis.

The provisions of this Section 207 shall survive the termination of this Agreement and the Close of Escrow.

Section 208 Limited Obligation.

The City's obligation to pay any costs in connection with this Agreement is a limited obligation of the City payable exclusively from funds held by or payable to the City. Nothing contained herein will be construed to create any obligation payable from the City of Palmdale's general fund.

Section 209 Transfer of Title and Delivery of Possession

1. Conveyance to Purchaser of title to the Property in accordance with the provisions of ARTICLE II of this Agreement will be completed on or before the Closing Date.

2. The City and Purchaser agree to perform all acts necessary for the Close of Escrow to occur on or before the Closing Date in accordance with the provisions of this Agreement.

3. Possession of the Property will be delivered to the Purchaser concurrently with the closing of Escrow. The Purchaser will accept fee title and possession of the Property at the Close of Escrow.

Section 210 Form of Grant Deed

The City will convey to the Purchaser fee title to the Property pursuant to the Grant Deed attached hereto as Attachment No. 4 and incorporated herein by this reference.

Section 211 Condition of Title

The City will convey to the Purchaser good and marketable fee simple title to the Property free and clear of all recorded liens, encumbrances, covenants, conditions, restrictions, assessments, easements, leases and taxes, except those which are set forth in this Agreement or which are otherwise reasonably acceptable to Purchaser; provided, however, that Purchaser will not be required to accept the conveyance if title is subject to covenants, conditions, restrictions or equitable servitudes that prohibit the development of the Project. For the avoidance of doubt, the City agrees to terminate and cause to be removed as an exception to title of the Property prior to Close of Escrow, the following agreements if and to the extent same exist as exceptions to title of the Property at any time prior to the Close of Escrow, along with all underlying leases, subleases and agreements referenced therein to the extent same encumber the Property: (i) that certain Site Lease (A-7453) recorded May 27, 2021 as Instrument No. 20210854927 of the Official Records Recorder's Office of Los Angeles County, California, (ii) that certain Memorandum of Lease Agreement recorded May 27, 2021 as Instrument No. 20210854928 of the Official Records Recorder's Office of Los Angeles County, California, and (iii) that certain Assignment Agreement (A-7454) recorded May 27, 2021 as Instrument No. 20210854929 of the Official Records Recorder's Office of Los Angeles County, California.

Section 212 Time for Delivery of Closing Documents

The City and Purchaser will deposit the Grant Deed for the Property, duly executed by the City, acknowledged and in recordable form, and all other Closing Documents, in recordable form as applicable, with the Escrow Agent at least three days before the Closing Date.

Section 213 Recordation of Grant Deed

Concurrently with the conveyance of the Property to Purchaser, the Escrow Agent will file the Grant Deed for recordation among the land records in the Office of the County Recorder for Los Angeles County. Recordation of the Grant Deed will constitute conveyance of title and delivery of possession of the Property to the Purchaser.

#### Section 214 Title Insurance

Concurrent with the recording of the Grant Deed (and as a condition precedent thereto), the City shall cause the Title Company to issue the a CLTA title insurance policy (the “Purchaser Title Policy”), insuring that the title to the Property is vested in Purchaser in the condition required by Section 211 of this Agreement. The Title Company will provide the Purchaser Title Policy in the amount of the Purchase Price for the Property effective as of the Closing Date.

The City will pay the cost of the Purchaser Title Insurance Policy only to the extent of a standard coverage CLTA title insurance policy on the Property in the amount of the Purchase Price. If the Purchaser desires to receive an ALTA policy insuring title to the Property, then the Purchaser shall pay for the difference in cost over and above a CLTA policy insuring title to the Property

#### Section 215 Taxes and Assessments

Ad valorem taxes and assessments, if any, on the Property and taxes upon this Agreement or any rights hereunder, if any, levied, assessed, or imposed for any period prior to the Close of Escrow, will be borne by the City. All such ad valorem taxes and assessments levied or imposed for any period after the Close of Escrow will be paid by Purchaser.

#### Section 216 Occupants of the Property

The Property shall be conveyed free of any possession or right of possession or use except that of Purchaser.

#### Section 217 Evidence of Financing

Within the times established in the Schedule of Performance (Attachment No. 3), the Purchaser shall submit to the City evidence reasonably satisfactory to the City Manager or designee that the Purchaser (or the proposed Permitted Transferee) is ready to acquire, construct and develop the Property for operations in accordance with this Agreement (“**Evidence of Financing**”).

Purchaser’s submission of the Evidence of Financing may include, without limitation, the following:

1. Unless the equity funding referred to in Section 217.3 below, either alone or in combination with other funds available to Purchaser at Closing, is sufficient to provide for the funding of the Project, a copy of the commitment or commitments obtained by the Purchaser for a Purchaser construction financing loan to assist in financing the cost of the acquisition, construction and development of the Project in accordance with this Agreement, certified by the Purchaser to be a true and correct copy or copies thereof. The commitment for financing shall be in such form and content acceptable to the City as reasonably evidences a firm commitment normally issued by an institutional lender.
2. Copies of the Purchaser’s proposed construction loan documents, if applicable, including but not limited to the loan agreement, guarantee, if any, note and trust deed.
3. Documentary evidence satisfactory to the City of sources of equity capital, and/or other funds available to Purchaser at the Close of Escrow sufficient to demonstrate that the Purchaser has adequate funds legally committed to cover the difference, if any, between

acquisition, construction and development costs minus any construction financing to be obtained by Purchaser.

There shall be separate time requirements in the Schedule of Performance for submittal by Purchaser of evidence of financing for (i) the issuance and sale of community facilities district or assessment district bonds, and funds made available from the net proceeds of such bonds to Purchaser in sufficient amount to pay for the Infrastructure Capital (as defined below), or reasonable evidence of alternative financing for the said infrastructure, which evidence shall be submitted by Purchaser after the Close of Escrow within the time required by the Schedule of Performance for the Property; and (ii) the construction of the remaining vertical construction of the development of the Property, together with infrastructure capital for such remaining vertical construction, which evidence shall be submitted by Purchaser after the Close of Escrow within the time required by the Schedule of Performance.

Following the Close of Escrow, Purchaser agrees to use commercially reasonable efforts to assist in the establishment of one or more community facility or assessment districts and the issuance and sale of such bonds by such districts as are necessary to fund the horizontal site work (i.e., public improvements and utilities) necessary for the Infrastructure Work (the **"Infrastructure Capital"**); provided, however, Purchaser's obligation to use commercially reasonable efforts hereunder shall not be deemed to include an obligation on Purchaser or its affiliates to purchase bonds in order to establish such district. In the event the City is unable to sell such bonds, then notwithstanding any other provision of the Agreement, neither the City nor the Purchaser shall be in default of this Agreement. Such bond sale or the absence of such bond sale shall affect the availability to the City of the remedies set forth in Section 404.3 below to the extent expressly set forth in Section 404.3. The City's approval under this section relating to the issuance of bonds is in City's capacity as a party under this agreement approving evidence of financing, and shall not be deemed to include an obligation on City or its instrumentalities to form any such district or to market or sell any such bonds.

The City Manager or designee shall approve or disapprove such submission of Evidence of Financing within the time established in the Schedule of Performance. Such approval shall not be unreasonably withheld, conditioned or delayed. If the City shall disapprove any such evidence of financing, the City shall do so by written notice to the Purchaser stating the reasons for such disapproval.

Section 218 Exclusive Negotiations for the Secondary Tract, Tertiary Tract and Final Tract.

Subject to the conditions precedent set forth in Section 219 of this Agreement, City and Purchaser shall enter into exclusive good faith negotiations for a period of 180 days pursuant to the timelines set forth in the Schedule of Performance for the sale by City to Purchaser and the acquisition and development by Purchaser of the Secondary Tract, Tertiary Tract and Final Tract.

Such exclusive good faith negotiations shall commence for each of the Secondary Tract, Tertiary Tract and Final Tract when the conditions precedent for each tract set forth in Section 219 below have been satisfied and shall each be for a period of 180 days. In the event such conditions precedent for the Secondary Tract, Tertiary Tract and Final Tract negotiations have

not been satisfied during the time lines set forth in the Schedule of Performance, then the City shall be released from its obligations under this Agreement to negotiate with Purchaser for that phase and any subsequent phase of property, and the City shall be free to market for sale, negotiate with and/or sell such subsequent phase or phases of property to any third party, notwithstanding any provision of this Agreement to the contrary. The City Manager may at the sole discretion of the City Manager extend the timelines set forth in the Schedule of Performance for up to two (2) additional twelve (12) month periods providing the Purchaser has shown good faith and diligent efforts to satisfy the applicable conditions precedent.

Such negotiations shall include the following parameters:

- a. A purchase price of (i) Three Dollars and Fifty Cents (\$3.50) per gross square foot solely with respect to the Secondary Tract, and Four Dollars and Twenty-Five Cents (\$4.25) per gross square foot solely with respect to the remainder parcels, which may be purchased in two phases, subject to reappraisal in accordance with the Appraisal Method if negotiations for the purchase of such parcels begin after June 27, 2027.
- b. The purchase and sale agreement for the phase involved to be comparable to the provisions of this Agreement.
- c. The southern boundary of the Secondary Tract, if the Secondary Tract is the Phase C Tract, and the Phase B Tract shall be subject to adjustment as required by the City to accommodate City plans for public improvements and infrastructure in the vicinity. The boundaries of the Phase D Tract shall similarly be subject to adjustment by the City to accommodate City plans for public improvements and infrastructure.
- d. A Broker's Commission shall be included in any purchase and sale agreement for the Secondary Tract, Tertiary Tract and Final Tract, based on 3.00% of the such Phase's price.
- e. The City's payment under the second paragraph of Section 207 shall be applied to the Secondary Tract, Tertiary Tract and Final Tract.
- f. Minimum initial and total development square footage requirements and associated timelines would apply to the Secondary Tract, Tertiary Tract and Final Tract similar to Schedule of Performance and as referred to in the Scope of Development.

The provisions of this Section 218 are intended as a preliminary outline of the general business terms of potential purchase and sale transactions for the Secondary Tract, Tertiary Tract and Final Tract and are expressly subject to the execution of binding purchase and sale agreements mutually acceptable to City and Purchaser which will contain more detailed terms and provisions. The approval of such agreement or agreements shall be required to be considered by the City Council in the manner required by law. Nothing in this Agreement is intended to create any liability or obligation of any kind which is legally binding upon or enforceable against Purchaser or City except for the duty to negotiate exclusively in good faith subject to the

conditions precedent and enumerated negotiation parameters of this Section 218. The duty to negotiate exclusively in good faith shall survive the Close of Escrow.

Section 219 Pre-Conditions to Exclusive Negotiations; Termination

The duty of the City to enter into the exclusive good faith negotiations required by Section 218 shall be subject to the following conditions precedent:

As to the Secondary Tract:

- a. The Purchaser shall not be in default beyond any applicable notice and cure and/or grace periods under the terms and conditions of this Agreement nor under the covenants of the Grant Deed.
- b. Purchaser has complied with Close of Escrow and is in compliance in all respects with the Schedule of Performance, subject to the notice and cure provisions of this Agreement.
- c. Six (6) months after Purchaser has obtained its grading permit and commenced construction of improvements on the Primary Tract.

As to the Tertiary Tract:

- a. The Purchaser shall not be in default beyond any applicable notice and cure and/or grace periods under the terms and conditions of the Purchase and Sale Agreement entered into between City and Purchaser for the Secondary Tract, nor under the covenants of the Grant Deed conveying the Secondary Tract to Purchaser.
- b. Purchaser has complied with Close of Escrow and is in compliance in all respects with the Schedule of Performance for the Secondary Tract, subject to applicable notice and cure provisions.
- c. Six (6) months after Purchaser has obtained its grading permit and commenced construction of improvements on the Secondary Tract.

As to the Final Tract:

- a. The Purchaser shall not be in default beyond any applicable notice and cure and/or grace periods under the terms and conditions of the Purchase and Sale Agreement entered into between City and Purchaser for the Tertiary Tract, nor under the covenants of the Grant Deed conveying the Tertiary Tract to the Purchaser.
- b. Purchaser has complied with Close of Escrow, commencement and Completion of initial and total construction deadlines for the Tertiary Tract, subject to applicable notice and cure provisions.
- c. Six (6) months after Purchaser has obtained its grading permit and commenced construction of improvements on the Tertiary Tract.

Section 220 Good Faith Obligations of the City and Purchaser re the Secondary Tract, Tertiary Tract and Final Tract

Subject to the preconditions set forth in Section 219, the City agrees to negotiate for the purchase and sale of the Secondary Tract, Tertiary Tract and Final Tract only with Purchaser, and agrees not to market any portion of the Project for sale so long as the City has an obligation to negotiate exclusively with Purchaser. From the Effective Date until June 27, 2027, or thereafter to the extent this Agreement has not been terminated, Purchaser shall have the exclusive right to purchase land in the Project, and the City shall not enter into agreements or participate in negotiations with any third party for the proposed purchase and sale of the of the Project or any portion thereof. In consideration of the exclusive right to purchase the Project, Purchaser shall diligently and in good faith use commercially reasonable efforts to market the Project to prospective industrial tenants and users in the market area of the Project, which efforts shall include engaging a third-party broker and maintaining CoStar listings for the Project. The duty to negotiate exclusively in good faith shall survive the Close of Escrow subject to the provisions of this Agreement.

Section 221 Release of Construction Covenants

a. Promptly after Completion of the improvements, as generally and specifically required by this Agreement, the Scope of Development, and plans approved by the City for the Project, the City will furnish Purchaser with a Release of Construction Covenants upon written request therefor by Purchaser certifying that Purchaser has completed its construction obligations hereunder. The City will not unreasonably withhold such Release of Construction Covenants and such Release of Construction Covenants will be issued so long as Purchaser has Completed the construction and development of the Project substantially in accordance with this Agreement, the Scope of Development, and the City-approved plans. Such Release of Construction Covenants will be, and will so state, conclusive determination of satisfactory Completion of the construction required by this Agreement.

b. The Release of Construction Covenants will be in such form as to permit it to be recorded in the Recorder's Office of Los Angeles County.

c. If the City refuses or fails to furnish a Release of Construction Covenants after written request from Purchaser, the City will, within ten (10) days of the written request, provide Purchaser with a written statement of the reasons the City refused or failed to furnish a Release of Construction Covenants. The statement will also contain the City's opinion of the action Purchaser must take to obtain a Release of Construction Covenants. If the reason for such refusal is confined to the immediate availability of specific items or materials for landscaping, and/or minor items, the City will issue its Release of Construction Covenants upon the posting by Purchaser with the City of a bond in form and substance reasonably acceptable to the City Manager in an amount representing a fair value of the work not yet completed.

d. The Release of Construction Covenants is not a notice of completion under Section 3093 of the California Civil Code, provided that the City acknowledges Purchaser's right to record a Notice of Completion in accordance with applicable law.

e. A partial Release of Construction Covenants may be issued by the City for a portion of the Property comprising a significant portion of the Project, where reasonably required by Purchaser for financing or City-approved disposition purposes.

f. This Section 221 will survive the Close of Escrow under this Agreement.

### ARTICLE III. PURCHASER'S DEVELOPMENT AND USE OBLIGATIONS

#### Section 301 Project Development

a. City Plans and Permits. Purchaser shall, in all material respects, construct and develop the Project in accordance with the approved site plan for the Property and within the limitations and requirements established in the specific plan and other plans approved by, and permits issued by, the City of Palmdale within the times required by the Schedule of Performance. It is Purchaser's responsibility, without cost to the City, to ensure that zoning of the Property and all applicable City specific plan and land use requirements, subdivision, lot line adjustment, and other required development approvals will be such as to permit development of the Property and construction, operation and maintenance of the Project. Purchaser shall act diligently and in good faith to obtain approval of all Entitlements and permits for the Project and commence construction after the Close of Escrow in accordance with the times required by the Schedule of Performance. Purchaser shall diligently prosecute the construction of the Project to Completion within the times set forth in the Schedule of Performance.

b. City Powers and Authority. Nothing in this Agreement shall be deemed to waive, limit or condition in any way the police power and authority of the City of Palmdale. Nothing contained herein will be deemed to entitle Purchaser to any City of Palmdale Entitlement or other City approval necessary for the construction and development of the Property, or waive any applicable governmental requirements relating thereto. This Agreement does not (a) grant any land use entitlement to Purchaser, (b) supersede, nullify or amend any condition which may be imposed by the City of Palmdale in connection with approval of the Project, (c) guarantee to Purchaser or any other party any profits from the development of the Property, or (d) amend any City laws, codes or rules. This is not a Development Agreement as provided in Government Code Section 65864. City retains full discretion under this Agreement to independently determine compliance with any California Environmental Quality Act ("CEQA") requirements the City deems applicable to any proposed use of the Property. City shall retain the absolute discretion to impose mitigation measures, require modifications to the proposed Project, consider alternative uses of the Property, and to ultimately disapprove of the Project or any other propose use.

c. CEQA. Purchaser will be solely responsible for paying any and all costs and expenses associated with the City's compliance with applicable CEQA requirements (including, without limitation, any required Environmental Impact Report and/or other required environmental documents). Purchaser will respond fully and in a timely manner to requests for information from the City and any of its consultants. The sale of the Property is conditioned on the City's determination to approve the necessary Entitlements for the Project after compliance with CEQA and in consideration of the results of the environmental review process required by CEQA. Purchaser must not undertake or unconditionally commit any funds to physical or choice-limiting

actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the environmental clearance.

d. Cost of Construction.

All costs and expenses of constructing and developing the Property and constructing the Project, including without limitation all public and private improvements, all work required by the conditions of approval of the Entitlements and plans for the Project by the City, and all on and off site public and private improvements, utilities and infrastructure, shall be the sole responsibility and obligations of Purchaser.

Section 302 Compliance With Law

Purchaser hereby agrees to carry out development, construction and operation of the Project, including, without limitation, any and all public works (as defined by applicable law), in conformity in all material respects with all applicable local, state and federal laws, including, without limitation, all applicable federal and state labor laws (including any requirement to pay state prevailing wages that may be applicable). Purchaser shall indemnify, protect, defend and hold harmless City and City and their respective officers, officials, employees, contractors and agents, with counsel reasonably acceptable to City and City, from and against any and all loss, liability, damage, claim, cost, expense, and/or "increased costs" (including labor costs, penalties, reasonable attorneys' fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction and/or operation of the Project results or arises in any way from the noncompliance by Purchaser of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws. The foregoing defense and indemnification obligations will survive termination of this Agreement and the Close of Escrow and will continue after the City of Palmdale issues a permanent Certificate of Occupancy for all portions of the Project.

Section 303 Uses

Purchaser covenants and agrees (for itself, its successors, its assigns, and every successor in interest to the Property or any part thereof) that Purchaser and its successors and assigns to all or any portion of the Property, or any interest therein, shall use the Property as follows:

a. Purchaser shall develop the Property as required by this Agreement, the approved site plan for the Property, and the Entitlements and plans approved for the Project by the City, including without limitation minimum square footage requirements for initial and total development of the Project as set forth in the Scope of Development, within the times required by the Schedule of Performance (Attachment No. 3).

b. For a period of 50 years, commencing as of the Closing Date, Purchaser shall devote the Property to the uses contemplated by this Agreement and/or the Entitlements and plans approved for the Project by the City.

Section 304 Maintenance of the Property

Purchaser covenants and agrees (for itself, its successors, its assigns, and every successor in interest to the Property or any part thereof) that Purchaser, its successors and assigns to all or any portion of the Property, or any interest therein, shall maintain (or cause the occupants to

maintain) in all material respects the interior and exterior of the improvements and the landscaping on the Property as required under the City Municipal Code, as shown on the Entitlements and plans approved by the City for the Project and otherwise in a manner consistent with community standards for similar projects in the City (collectively, the “Maintenance Standards”), including the following:

a. Exterior Maintenance. All exterior, painted surfaces of any structures located on the Property will be maintained at all times in a clean and presentable manner.

b. Front and Side Exteriors. Purchaser will, at all times, maintain the front exterior and any visible side exteriors and yards, if any, in a clean, safe and presentable manner.

c. Graffiti Removal. All graffiti, and substantial defacement of any type, including symbols, words and pictures, will be removed from the Property and any necessary painting or repair completed within a reasonable time, but in no event more than one (1) week after notice to Purchaser from City.

d. Landscaping. All landscaping surrounding the Property will be maintained in a manner consistent with the Maintenance Standards and any specific rules, regulations and standards adopted pursuant to the City’s Municipal Code or the approved Entitlements and plans.

e. Restoration of Damaged Improvements. For a period of 50 years, commencing as of the Closing Date, if all or any portion of the Property or the Improvements thereon is damaged or destroyed by fire or other casualty, it will be the duty of Purchaser to take appropriate actions to restore the Property in a timely manner to restore it to a condition compliant with the Maintenance Standards. Purchaser may elect to rebuild, repair, or reconstruct the Property, but shall not be required to do.

f. Variance in Exterior Appearance and Design. If the Property is damaged or destroyed by casualty, Purchaser may not reconstruct, rebuild or repair the Property in a manner which will provide materially different exterior appearance and lot design from that which existed prior to the date of the casualty without the prior written consent of City.

h. Inspection. Prior to Completion of construction, City shall have the right to conduct periodic inspections of the Property to confirm compliance with the foregoing maintenance obligations; provided that City shall provide not less than ten (10) days prior notice of such inspections, and all such inspections shall be conducted subject to, and in a manner so as to minimize any adverse impact on, the rights of the occupants. If City, in the reasonable discretion of the City Manager, determines that Purchaser has failed to maintain the Property, City, or its designee, on thirty (30) days prior written notice of any noted code violations and maintenance deficiencies (collectively, the “Deficiencies”), will have the right, but not the obligation, to enter the Property, correct any Deficiency not repaired or remediated by Purchaser or its agents within such 30-day period, and hold Purchaser responsible for the reasonable cost thereof. Any reasonable costs incurred by the City to cure any such Deficiency, until paid, will constitute a lien on the Property pursuant to Civil Code Section 2881. This right of inspection shall extend only to portions of the Property for which Completion has not yet occurred.

Section 305 Obligation to Refrain from Discrimination

Purchaser covenants and agrees (for itself, its successors, its assigns, and every successor in interest to the Property or any part thereof) that Purchaser, its successors and assigns will refrain from restricting the rental, sale or lease of the property on the basis of sex, sexual orientation, marital status, race, color, creed, religion, ancestry, national origin of any person or any other basis prohibited by applicable law.

Section 306 Effect and Duration of Covenants

The covenants established in this Agreement will, without regard to technical classification and designation, be binding on Purchaser and any successor in interest to the Property or any part thereof or any interest therein for the benefit and in favor of the City, its successors and assigns. The covenants will remain in effect for the respective time periods set forth in this Agreement and in the Grant Deed. The covenants relating to construction in Section 303(a) will remain in effect until the issuance by the City of the Release of Construction Covenants. The covenants related to use of the Property in Section 303(b) will remain in effect for a period of 50 years following the Closing Date. The covenants against discrimination in Section 305 will remain in effect in perpetuity.

Section 307 Effect of Violation of the Terms and Provisions of this Agreement

The City is deemed to be a beneficiary of the terms and provisions of this Agreement and the covenants herein and in the Grant Deed (Attachment No. 4), both for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, regardless of whether the City continues to own any property in the vicinity of the Property.

Section 308 Assignment of Environmental Clearance Work Product

a. Environmental Clearance Work Product for the development and construction of the Project, to the extent prepared by or for Purchaser pursuant to or in furtherance of the Project, are hereby collaterally assigned to the City, without any representations or warranties of any kind or nature, express or implied, as security for Purchaser's obligations under the Agreement, and for use by the City following any termination or release of the Property or any portion thereof from the terms of this Agreement, subject to the provisions of this Agreement. Upon the occurrence of any of the following events (each, a "**Triggering Event**"): (i) this Agreement is terminated by the City with respect to all or any portion of the Property pursuant to the default and cure provisions of the Agreement, and/or (ii) any portion of the Property reverted to the City pursuant to the terms of any applicable Grant Deed (such terminated, reverted or released property being referred to herein, collectively, as the "**Released Property**"), Purchaser must, within ten (10) business days of such Triggering Event, transmit copies of all such Environmental Work Product generated to date with respect to the Released Property to the City without any representations or warranties of any kind or nature, express or implied, but for the purpose that same would permit the City and/or its successors and assigns to use such Environmental Clearance Work Product for the development of the Released Property, without claims of any kind from Purchaser. Notwithstanding anything herein to the contrary, at all times prior to a Triggering Event, Purchaser shall retain the right to exercise any and all rights and powers granted in connection with the Environmental Clearance Work Product and/or under any agreements with respect thereto, and the collateral assignment

granted herein to the City shall become automatically subordinate in all respects to the rights of Purchaser's lender, if any, with respect to any portion of the Property that becomes subject to third party construction financing (as evidenced by a recorded deed of trust encumbering such portion of the Property), and the City agrees to promptly execute and deliver such commercially reasonable instrument(s) requested by such lender in connection with Purchaser's construction financing, if any.

b. To effectuate the assignment of Environmental Clearance Work Product, in conjunction with Purchaser's acquisition of the Property, Purchaser will execute and deliver to the City an Assignment of Environmental Clearance Work Product (the "**Assignment**"), substantially in the form attached to this Agreement as Attachment No. 7 with respect to the Environmental Clearance Work Product relating to the Property; provided, however, Purchaser shall use commercially reasonable efforts to cause any applicable third party consultants to execute the consent attached to the Assignment as Attachment A. For the avoidance of doubt, nothing herein obligates Purchaser to take any actions, make any payments, incur any liabilities or obligations in connection with any Environmental Clearance Work Product at any time, either prior to or following a Triggering Event, and the assignment of the Environmental Clearance Work Product to the City is made as solely as a convenience to the City, and without any representations or warranties of any kind or nature, express or implied, and without any ongoing liability or obligation of Purchaser whatsoever.

#### Section 309 Assignment of Plans, Entitlements and Third Party Reports

The plans, Entitlements and third party reports, obtained by Purchaser in connection with Purchaser's pursuit of the development of the Project, to the extent assignable without third-party approval and without any cost or liability to Purchaser (the "**Assignable Entitlements**"), are hereby collaterally assigned to the City, without any representations or warranties of any kind or nature, express or implied, as security for Purchaser's obligations under the Agreement, and for use by the City following any termination of this Agreement by the City due to a Purchaser default. Upon the occurrence a Triggering Event, Purchaser must, within ten (10) business days of such Triggering Event, transmit copies of the Assignable Entitlements with respect to the Released Property, to the extent in Purchaser's possession or control, to the City without any representations or warranties of any kind or nature, express or implied, but for the purpose that same would permit the City and/or its successors and assigns to use the Assignable Entitlements for the development of the Released Property, without claims of any kind from Purchaser. Notwithstanding anything herein to the contrary, at all times prior to a Triggering Event, Purchaser shall retain the right to use and possess the Assignable Entitlements, and the collateral assignment granted herein to the City shall become automatically subordinate in all respects to the rights of Purchaser's lender, if any, with respect to any portion of the Property that becomes subject to third party construction financing (as evidenced by a recorded deed of trust encumbering such portion of the Property), and the City agrees to promptly execute and deliver such commercially reasonable instrument(s) requested by such lender in connection with Purchaser's construction financing, if any.

b. To effectuate the assignment of the Assignable Entitlements, in conjunction with Purchaser's acquisition of the Property, Purchaser will execute and deliver to the City an Assignment of Plans, Entitlements and Third Party Reports (the "**Assignable Entitlements Assignment**"), substantially in the form attached to this Agreement as Attachment No. 8 with

respect to the Assignable Entitlements relating to the Property; provided, however, Purchaser shall use commercially reasonable efforts to cause any applicable third party consultants to execute the consent attached to the Assignable Entitlements Assignment as Attachment A. For the avoidance of doubt, nothing herein obligates Purchaser to take any actions, make any payments, incur any liabilities or obligations in connection with any Assignable Entitlements at any time, either prior to or following a Triggering Event, and the assignment of the Assignable Entitlements to the City is made as solely as a convenience to the City, and without any representations or warranties of any kind or nature, express or implied, and without any ongoing liability or obligation of Purchaser whatsoever.

#### ARTICLE IV. DEFAULTS, REMEDIES AND TERMINATION

##### Section 401 Defaults – General

1. Subject to the provisions set forth in Section 510, failure or material delay by either party to perform any material term or provision of this Agreement constitutes a default under this Agreement. The party who so fails or delays must immediately commence to cure, correct, or remedy such failure or delay and shall complete such cure, correction or remedy within the times required by this Agreement.

2. The non-defaulting party will give written notice of default to the party in default, specifying the default complained of by the injured party. Failure or delay in giving such notice is not a waiver of any default, nor will it change the time of default. Any failure or delay by either party in asserting any of its rights or remedies as to any default, is not a waiver of any default, or of any such rights or remedies, nor will it deprive such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

3. The cure period for defaults under this Agreement involving the breach of an obligation to pay money will expire ten (10) calendar days following the giving of written notice of default.

4. Except where a different cure period is expressly prescribed under this Agreement, the cure period for defaults under this Agreement other than the breach of an obligation to pay money will begin on the date the nondefaulting party gives written notice of default, and will expire upon the thirtieth (30th) calendar day following the giving of the notice of default (or, with respect to a default which by its nature cannot with due diligence be cured within a 30 day period, the ninetieth (90th) day following the giving of the notice of default).

##### Section 402 Specific Performance

If either party defaults with regard to any of the provisions of this Agreement, subject to the notice and cure provisions of Section 401, the non-defaulting party, at its option, may, after such notice and opportunity to cure (but not before) commence an action for specific performance of the terms of this Agreement pertaining to such default.

##### Section 403 Anti-Flipping

If Purchaser sells, transfers, conveys or assigns any part of the Property or buildings or structures thereon prior to the issuance by the City of the Release of Construction Covenants, the

City will be entitled to increase the Purchase Price paid by Purchaser by the amount that the consideration payable for such sale, transfer, conveyance or assignment exceeds the Purchase Price paid by Purchaser plus the cost of improvements and development incurred by Purchaser, including carrying charges and costs related thereto (the “**Excess Consideration**”). The Excess Consideration will belong and be paid to the City and until paid, the City will have a lien on the Property for such amount. This prohibition will not be deemed to prevent the granting of easements or permits to facilitate the development of the Project. This Section 403 shall not apply to the sale, transfer, conveyance, or assignment of any part of the Property after issuance by the City of the Release of Construction Covenants, nor to the sale, transfer, conveyance, or assignment of any portion of the Property for which the City has issued a partial Release of Construction Covenants.

**Section 404    Power of Termination**

1.     The City will have the right, thirty (30) days after concurrently delivering to Purchaser and recording in the official records of Los Angeles County a notice of its exercise of the power of termination retained by the City, to reenter and take possession of the Property with all improvements thereon, and revert in the City the estate theretofore conveyed by the Grant Deed if, after the City gives the notice required by Section 401 of this Agreement and the applicable cure period in Section 401 of this Agreement has expired, Purchaser or its successors or assigns, in violation of this Agreement or the Grant Deed:

- a.     Fails to commence construction of the improvements for the Property or for any portion of the Project as and when required by this Agreement; or
- b.     Abandons construction of the improvements for the Property or for any portion of the Project.
- c.     Fails to complete construction of the improvements for the Property or for any portion of the Project as and when required by this Agreement.

The obligations of Purchaser specified in clauses a. through c. above are covenants or conditions running with the land, the breach of which will cause the fee to revert to the City under the circumstances specified herein. The rights established in this Section 404 are to be interpreted in light of the fact that the City is conveying the Property to Purchaser for development and not for speculation in undeveloped land. The City and Purchaser acknowledge and agree that the City’s rights under this Section 404 are authorized by applicable law, including but not limited to Sections 885.010 through 885.070 of the California Civil Code. The right of the City to exercise the remedies provided in this Section 404 shall not apply to the Property after issuance by the City of the Release of Construction Covenants, nor to any portion of the Property for which the City has issued a partial Release of Construction Covenants. Such right to reenter and repossess will be subject to and limited by, and will not defeat, render invalid or limit:

- a.     Any bona fide mortgage, deed of trust or other security instrument of sale and leaseback or other conveyance for financing, provided that such mortgage, deed of trust, security instrument, sale and leaseback or conveyance for financing is permitted by and obtained in accordance with this Agreement; and

- b. Any rights or interest provided in this Agreement for the protection of the holder of such bona fide, permitted mortgages, deeds of trust or other security instruments, the lessor under such sale and leaseback, or the grantee under such other conveyance for financing.

2. Upon the revesting in the City of title to the Property as provided in Paragraph 1 of this Section 404, the City will, pursuant to its responsibilities under state law, use its reasonable best efforts to resell the Property as soon as possible and in such manner as the City finds feasible and consistent with the objectives of the law and the best interests of the City, to a qualified and responsible party or parties (as determined by the City), who will assume the obligation of making or completing the improvements required by this Agreement or such other improvements in their stead as are reasonably satisfactory to the City and in accordance with the uses specified for the Property by applicable laws, code sections, ordinances, resolutions or regulations of the City. Upon such resale of the Property, the proceeds thereof will be applied as follows:

- a. First, to reimburse the City for all costs and expenses incident to such sale and/or conveyance; all taxes, assessments and water and sewer charges with respect thereto; any payments made, or necessary to be made, to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Purchaser, its successors or transferees; expenditures made or obligations incurred with respect to the making or completion of the improvements or any part thereof on the Property; and amounts otherwise owing to the City by Purchaser or its successors or transferees; and
- b. Second, to reimburse Purchaser, its successors or transferees up to an amount equal to the sum of: (a) the purchase price paid to the City by Purchaser for the Property; and (b) costs incurred for the development of the Property, and for the improvements existing thereon at the time of reentry and repossession; less (c) gains or income withdrawn or made by Purchaser, its successors or assigns therefrom or from the improvements thereon.
- c. Any balance remaining after such reimbursements will be retained by the City as its property.

3. In the event of the sale of the community facility district or assessment district bonds for the Infrastructure Capital as defined in Section 217, within the time set forth in the revised Schedule of Performance attached hereto (subject to any extension(s) reasonably provided by City Manager) and the Purchaser has prior to such time received the net proceeds of such bonds for the construction of such Infrastructure Capital, then notwithstanding any other provision of this Section 404 to the contrary, the City shall not at any time thereafter have the right to pursue any of the rights or remedies of this Section 404, including without limitation the right to reenter, repossess and/or revest in the City all or any portion of the title to the Property.

Section 405 Remedies Not Exclusive

Except as set forth herein to the contrary, no remedy conferred by any of the specific provisions of this Agreement is intended to be exclusive of any other remedy and each and every remedy will be cumulative and will be in addition to every other remedy given hereunder or now

or hereafter existing at law or in or by statute or otherwise, and the election of any one or more remedies will not constitute a waiver of the right to pursue other available remedies. Notwithstanding anything to the contrary in this Agreement and for purposes of clarification, however, City's remedy in the event of any default by Purchaser prior to the Close of Escrow which is not cured during the applicable notice and cure period shall be limited to retention of the Good Faith Deposit.

Section 406 Institution of Legal Actions

Subject to the notice and cure provisions of Section 401, in addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Los Angeles, State of California, in any other appropriate court of that county, or in the United States District Court for the Central District of California.

Section 407 Acceptance of Service of Process

1. If any legal action is commenced by the Purchaser against the City, service of process on the City shall be made by personal service upon the City Manager or in such other manner as may be provided by law.

2. If any legal action is commenced by the City against the Purchaser, service of process on the Purchaser shall be made by personal service upon the Purchaser (or upon an officer of Purchaser) and will be valid whether made within or without the State of California, or in such manner as may be provided by law.

Section 408 Applicable Law

The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

Section 409 Termination by City Before Close of Escrow

1. Prior to the Close of Escrow, the City, at its option, may terminate this Agreement, by providing written notice to Purchaser, if in violation of this Agreement, following delivery of notice and expiration of the specified cure period:

a. Purchaser (or any approved successor in interest) assigns or purports to assign this Agreement or any right therein, or any interest in the Property or any portion thereof or any of the improvements thereon, contrary to any provision in this Agreement, and Purchaser fails to remedy such failure within thirty (30) days after receiving written notice from the City; or

b. Purchaser fails to deliver the Good Faith Deposit, the Purchase Price, and any documents required by this Agreement by the dates provided in this Agreement, and Purchaser fails to remedy such failure within ten (10) days after receiving written notice from the City; or

c. Purchaser fails to take title to the Property or any portion thereof pursuant to the Grant Deed upon a tender of conveyance by the City pursuant to this Agreement, and Purchaser fails to remedy such failure within ten (10) days after receiving written notice from the City; or

d. Purchaser breaches this Agreement in any other material respect, and Purchaser fails to remedy such failure within thirty (30) days after receiving written notice from the City.

2. If any default or failure referred to in this Section 409 is not cured by Purchaser within the cure period specified, then this Agreement and any rights of Purchaser, or any approved assignee or transferee, in this Agreement, or arising therefrom with respect to the City and all unconveyed portions of the Property, will at the option of the City, be terminated by the City by written notice to the Purchaser.

#### Section 410 Termination by Purchaser Before Close of Escrow

1. Prior to the Close of Escrow, the Purchaser, at its option, may terminate this Agreement, by providing written notice to the City, in the event that:

a. City fails to tender conveyance or possession of the Property to Purchaser in the manner and condition, and by the date provided in this Agreement, and City fails to remedy such failure within ten (10) days after receiving written notice from Purchaser.

b. City fails to timely perform any other material obligation of the City as required under this Agreement and such failure is not remedied within thirty (30) days after receiving written notice from Purchaser; or

c. The Purchaser, despite its diligent and good faith best efforts, is unable to obtain approval by the City or another permitting agency of any Entitlements needed for the development of the Project under this Agreement prior to the Closing Date; or

d. City adopts or imposes prior to the Close of Escrow any requirement or limitation which prohibits Purchaser from constructing and subsequently opening and operating the Project and such requirement or limitation is not removed within thirty (30) days after receiving written notice from Purchaser.

2. If Purchaser terminates this Agreement pursuant to this Section 410, neither the City nor Purchaser shall have any further rights against or liability to the other under this Agreement, other than the provisions which by their terms survive termination, and this Agreement will be terminated in its entirety.

### ARTICLE V. GENERAL PROVISIONS

#### Section 501 Indemnification and Insurance

1. Purchaser shall indemnify, protect, defend and hold harmless the City and its elected and appointed officials, officers, employees, agents, contractors and consultants (individually and collectively, the "Indemnitees") from and against any and all claims, lawsuits, judgments, liability, injury or damage resulting or arising from or in any way connected to the Project or this Agreement, including without limitation any claims that may arise from the California Environmental Quality Act. This indemnity shall include without limitation associated and reasonably incurred attorneys' fees and court and litigation costs arising out of the defense of any such claims and/or lawsuits, and actual attorneys' fees and court and litigation costs that may be awarded by the court and required to be paid by the Indemnitees. Purchaser will not be responsible for any liability, loss, damage, cost, or expense (including reasonable attorney's fees

and court costs) to the extent arising or resulting from the gross negligence or willful misconduct of the Indemnitees. The City shall have the sole discretion to select legal counsel to represent their legal interests in the defense of any such lawsuits, claims or other actions filed against them.

2. Effective upon the Close of Escrow, Purchaser agrees to indemnify, protect, defend and hold the Indemnitees harmless from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements, or expenses (including, without limitation, attorneys' and experts' fees and disbursements) of any kind or of any nature whatsoever (collectively, the "Obligations") which may at any time be imposed upon, incurred by or asserted or awarded against the City and arising from (i) the construction and development of the Project by Purchaser or its officers, employees, contractors or agents and/or (ii) the presence of any Hazardous Substances on, in, under, or affecting all or any portion of the Property or any surrounding areas but only if and to the extent such Obligations arise from Purchaser's actions or inaction. Prior to the Close of Escrow, Purchaser will execute and deposit with the City the Environmental Indemnity attached to this Agreement as Attachment No. 5.

3. Insurance

a. Prior to Close of Escrow, Purchaser must furnish or cause to be furnished to the City evidence of the following policies of insurance to be effective as of the Close of Escrow. Evidence of insurance must include additional insured endorsements naming the City as additional insured and including a primary insurance and waiver of contribution clause, a separation of insureds clause and a cancellation notice clause, in the form provided by the City.

(i) Fire Policies: Purchaser must maintain or cause to be maintained a policy or policies of insurance against loss or damage to the Property or the improvements and all property of an insurable nature located upon the Property, resulting from fire, lightning, vandalism, malicious mischief, riot and civil commotion, and such other perils ordinarily included in extended coverage fire insurance policies. Such insurance must be maintained in an amount not less than one hundred percent (100%) of the full insurable value of the improvements, as defined herein in paragraph c.

(ii) Liability Insurance: Purchaser must maintain or cause to be maintained public liability insurance, to protect against loss from liability imposed by law for damages on account of personal injury, including death therefrom, suffered or alleged to be suffered by any person or persons whomsoever on or about the Property and the business of the Purchaser on the Property, the construction and development of the Project or in connection with the operation thereof, resulting directly or indirectly from any acts or activities of Purchaser or its invitees, contractors and agents, or any person acting for Purchaser, or under its respective control or direction, and also to protect against loss from liability imposed by law for damages to any property of any person occurring on or about the Property, or in connection with the operation thereof, caused directly or indirectly by or from acts or activities of Purchaser or its invitees, or any person acting for Purchaser, or under its control or direction. Such property damage and personal injury insurance must also provide for and protect City against incurring any legal cost in defending claims for alleged loss. Such personal injury and property damage insurance must be maintained in full force and effect during the term of the City Acquisition Loan in the following amounts: commercial

general liability in a general aggregate amount of not less than Two Million Dollars (\$2,000,000) in aggregate; and not less than One Million Dollars (\$1,000,000) of bodily injury and property damage insurance. It is the mutual intent of the parties that the levels of insurance coverage described herein will be and remain comparable to the level of insurance coverage that is customary with comparable operations in Los Angeles County. At any time and from time to time, either party may provide notice to the other party that the level of insurance being maintained by Purchaser is no longer comparable to the level of insurance coverage that is customary with comparable operations in Los Angeles County, and request that the minimum limit hereinabove designated shall be increased accordingly. The party receiving such request will not unreasonably withhold its consent to such change. Purchaser agrees that provisions of this paragraph as to maintenance of insurance shall not be construed as limiting in any way the extent to which Purchaser may be held responsible for the indemnification of City or the payment of damages to persons or property resulting from Purchaser's activities, activities of its invitees or the activities of any other person or persons for which Purchaser is otherwise responsible. To the extent available on commercially-reasonable terms, Purchaser will require its insurer to waive its subrogation rights against the City and must provide industry-standard endorsements evidencing same.

(iii) Workers' Compensation Insurance: Purchaser must maintain or cause to be maintained workers' compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the workers' compensation laws now in force in California, or any laws hereafter enacted as an amendment or supplement thereto or in lieu thereof. Such workers' compensation insurance must cover all persons employed by Purchaser in connection with the Property and must cover liability within statutory limits for compensation under any such act aforesaid, based upon death or bodily injury claims made by, for or on behalf of any person incurring or suffering injury or death in connection with the Property or the operation thereof by Purchaser. Notwithstanding the foregoing, Purchaser may, in compliance with the laws of the State of California and in lieu of maintaining such insurance, self-insure for workers' compensation in which event Purchaser will deliver to City evidence that such self-insurance has been approved by the appropriate State authorities. If Purchaser is required to maintain Workers' Compensation Insurance under this paragraph, Purchaser must furnish the City with a certificate of waiver of subrogation under the terms of the Workers' Compensation Insurance. Purchaser will require its general contractor to waive subrogation and require that its subcontractors waive subrogation to the extent that such a waiver is commercially available.

b. All policies hereunder must not be subject to cancellation, reduction in coverage, or non-renewal except after notice in writing has been sent by registered mail addressed to the City not less than 30 days in advance of the effective date, except for cancellation for nonpayment of premium, in which event notice must be given not less than ten days in advance of the effective date. All policies may name the City, Purchaser and/or any general contractor as insureds, additional insureds, and/or loss payable parties as their interests may appear.

c. The term "full insurable value" means the actual replacement cost (excluding the cost of excavation, foundation and footings below the lowest floor and without deduction for depreciation) of the improvements on the Property immediately before such casualty or other loss,

including the cost of construction, architectural and engineering fees, and inspection and supervision. To ascertain the amount of coverage required, Purchaser will cause the full insurable value to be determined from time to time by appraisal by the insurer, by the insurer's automatic inflationary measure if acceptable to the Purchaser and the City, by agreement between Purchaser and City or by an appraiser mutually acceptable to City and Purchaser, not less often than once every year.

d. All insurance provided under this Section will be for the benefit of Purchaser and City. Purchaser agrees to timely pay all premiums for such insurance and, at its sole cost and expense, to comply and secure compliance with all insurance requirements necessary for the maintenance of such insurance. Purchaser agrees to submit policies of all insurance required by this Section, or certificates and endorsements evidencing the existence thereof, to City within 30 days prior to the Closing Date, indicating full coverage of the contractual liability imposed hereby. Within thirty (30) days, if practicable, but in any event prior to expiration of any such policy, copies of renewal policies, or certificates evidencing the existence thereof, must be submitted to City. All insurance herein provided for under this Section must be effected under policies issued by insurers of recognized responsibility, licensed or permitted to do business in the State of California, and reasonably approved by City.

e. If Purchaser fails or refuses to procure or maintain insurance as required by this Agreement, City will have the right, at City's election, and upon thirty (30) days prior notice to Purchaser, to procure and maintain such insurance. The premiums paid by City will be treated as a loan, due from Purchaser, to be paid on the first day of the month following the date on which the premiums were paid. City will give prompt notice of the payment of such premiums, stating the amounts paid and the name of the insured(s).

4. This Section 501 will survive the termination of this Agreement.

Section 502 Notices, Demands and Communications

1. Formal notices, demands and communications between the City and Purchaser will be deemed sufficiently given if personally delivered (including by means of professional messenger service), by registered or certified mail, postage prepaid, return receipt requested, or delivered by a national overnight courier service to the principal offices of the City and Purchaser. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by written notice.

2. All notices, demands and communications shall be sent to the following addresses:

If to Purchaser:

AVCC Master LLC  
c/o Covington Investments LLC  
14180 Dallas Parkway, Suite 730  
Dallas, Texas 75254  
Attention: Kenneth Sheer & Mark Milakovich

With a copy to:

Jackson Walker LLP  
777 Main Street, Suite 2100  
Fort Worth, Texas 76102  
Attn: Jarrod Cone

If to City:

City of Palmdale  
38300 North Sierra Highway  
Palmdale, California 93550  
Attention: Ronda Perez

With a copy to:

City Attorney's Office  
City of Palmdale  
38300 North Sierra Highway  
Palmdale, California 93550  
Attention: William P. Curley, III

And a copy to:

Kane Ballmer & Berkman  
515 S. Figueroa Ave., Suite 780  
Los Angeles, California 90071  
Attention: Murray Kane

Section 503 Joint and Several Liability

If Purchaser consists of more than one person or entity, their obligations and liability will be joint and several, and the compromise of any claim with, or the release of, any Purchaser will not constitute a compromise with, or a release of, any other Purchaser. The act or signature of, or notice from or to, any one or more of Purchaser with respect to this Agreement will be binding upon each and all of the persons and entities executing this Agreement as Purchaser with the same force and effect as if each and all of them had so acted or signed, or given or received such notice. Notwithstanding anything in this Agreement to the contrary, in the event Purchaser assigns this Agreement to a Permitted Transferee prior to Close of Escrow, the original Purchaser hereunder shall remain liable for any defaults or breaches of Purchaser's obligations under this Agreement which arise and accrue prior to the assignment of this Agreement to the Permitted Transferee (the "**Assignment Date**"). Upon the Assignment Date, the Permitted Transferee shall be solely liable for any defaults or breaches of Purchaser's obligations under this Agreement which arise and accrue from and after the Assignment Date, and the original Purchaser hereunder shall be released from this Agreement with respect thereto.

Section 504 Nonliability of City and City Officials and Employees

No member, official or employee of the City will be personally liable to Purchaser, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to Purchaser or its successor, or on any obligation under the terms of this Agreement.

Section 505 Conflicts of Interest

1. No member, official or employee of the City may have any personal interest, direct or indirect, in this Agreement nor may any such member, official or employee participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is, directly or indirectly, interested.

2. Purchaser warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

Section 506 No Third Party Beneficiaries

This Agreement is made solely and specifically between the City and Purchaser and their respective successors and assigns; and no other person will have any rights, interest or claims under this Agreement or be entitled to any benefits under or on account of this Agreement as a third party beneficiary or otherwise.

Section 507 Time of the Essence

The City and Purchaser agree that time is of the essence for the performance of any obligation of any party to this Agreement.

Section 508 Purchaser's Representations

The Purchaser hereby represents and warrants the following to City for the purpose of inducing City to enter into this Agreement and to consummate the transactions contemplated hereby, all of which will be true as of the date hereof and will survive the Close of Escrow with respect to the conveyance of the Property:

1. The Purchaser has the legal power, right and authority to enter into this Agreement and the instruments and documents referenced herein to which the Purchaser is a party, to consummate the transactions contemplated hereby, to take any steps or actions contemplated hereby, and to perform its obligations hereunder. Purchaser is qualified to do business in good standing under the laws of California and has all requisite power and authority to carry out Purchaser's business as now and whenever conducted and to enter into and perform Purchaser's obligations under this Agreement.

2. All requisite action has been taken by Purchaser and all requisite consents have been obtained by Purchaser in connection with entering into this Agreement and the instruments and documents referenced herein to which Purchaser is a party, and the consummation of the transactions contemplated hereby.

3. To the best knowledge of Purchaser, its execution, delivery and performance of this Agreement will not violate any provision of law, any order of any court or other agency of government, or any indenture, agreement or other instrument to which it or an affiliated entity is a party or by which it or an affiliated entity or any of its properties is bound.

4. This Agreement is, and all agreements, instruments and documents to be executed by Purchaser pursuant to this Agreement will be duly executed by and are, or will be, valid and legally binding upon Purchaser and enforceable in accordance with their respective terms and the execution and delivery thereof will not, with due notice or the passage of time, constitute a default under or violate the terms of any indenture, agreement or other instrument to which Purchaser or an affiliated entity is a party.

5. To the best of Purchaser's knowledge, there are no suits, proceedings or investigations pending or threatened against it or an affiliated entity, that Purchaser reasonably believes would have a material adverse effect on its financial condition or its ability to carry out its obligations under this Agreement.

#### Section 509 City's Representations

The City hereby represents the following to Purchaser for the purpose of inducing Purchaser to enter into this Agreement and to consummate the transactions contemplated hereby, all of which will be true as of the date hereof and will survive the Close of Escrow with respect to the conveyance of the Property:

1. The City has the legal power, right and authority to enter into this Agreement and the instruments and documents referenced herein to which the City is a party, to consummate the transactions contemplated hereby, to take any steps or actions contemplated hereby, and to perform its obligations hereunder. City shall provide documentation related to City's compliance with the Surplus Lands Act to Purchaser.

2. All requisite action has been taken by the City and all requisite consents have been obtained in connection with City entering into this Agreement and the instruments and documents referenced herein to which the City is a party, and the consummation of the transaction contemplated hereby, and the same, to the best knowledge of City, comply with all applicable laws, statutes, ordinances, rules and governmental regulations. There are no writs, injunctions, orders or decrees of any court or governmental body which would be violated by the City's entering into or performing its obligations under this Agreement.

3. This Agreement is duly executed by the City, and all agreements, instruments and documents to be executed by the City pursuant to this Agreement will, at such time as they are required to be executed hereunder, be duly executed by the City, and each such agreement is, or will be at such time as it is required to be executed hereunder, valid and legally binding upon the City and enforceable in accordance with its terms and the execution and delivery thereof will not, with due notice or the passage of time, constitute a default under or violate the terms of any indenture, agreement or other instrument to which the City is a party.

4. Reasonable and good faith inquiry has determined that there is no pending or threatened litigation which would prevent the Property from being conveyed in the condition of title required hereunder, or which would prevent the City from performing its duties and obligations hereunder.

Section 510 Enforced Delay

In addition to specific provisions of this Agreement, performance by either party hereunder will not be deemed to be in default where delays or defaults are due to war, acts of terrorism, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, materials or tools, supply chain delays, delays of any contractor, subcontractor or suppliers, acts of the other party, acts or failure to act of any public or governmental agency or entity (other than that act or failure to act of the City will not excuse performance hereunder by the City), including, without limitation, delays of any public or governmental agency or entity with respect to the Entitlements, acts or failure to act by any utility company, or any other causes beyond the control or without the fault of the party claiming an extension of time to perform; provided, that they actually delay and interfere with the timely performance of the matters to which they would apply and despite the exercise of diligence and good business practices are or would be beyond the reasonable control of the party claiming such interference. An extension of time for any such cause will be for the period of the enforced delay and will commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within ten (10) days of knowledge of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by mutual agreement of the City and Purchaser.

Section 511 Waivers

The waiver by City of any term, covenant, or condition herein contained will not be a waiver of such term, covenant, or condition on any subsequent breach.

Section 512 Attorney's Fees and Costs

If any action or proceeding is brought by either party against the other under this Agreement, whether for interpretation, enforcement or otherwise, the prevailing party will be entitled to recover all costs and expenses, including the fees of its attorney and any expert witnesses in such action or proceeding. This provision will also apply to any post judgment action by either party, including without limitation, efforts to enforce a judgment.

Section 513 Authority to Sign

The individual executing this Agreement on behalf of Purchaser hereby represents that he or she has full authority to do so and to bind Purchaser to perform pursuant to the terms and conditions of this Agreement.

Section 514 Interpretation; Severability

1. The language in all parts of this Agreement will in all cases be construed simply, as a whole and in accordance with its fair meaning and not strictly for or against any party. The

parties hereto acknowledge and agree that this Agreement has been prepared jointly by the parties and has been the subject of arm's length and careful negotiation over a considerable period of time, that each party has been given the opportunity to independently review this Agreement with legal counsel, and that each party has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions hereof. Accordingly, in the event of an ambiguity in or dispute regarding the interpretation of this Agreement, this Agreement will not be interpreted or construed against the party preparing it, and instead other rules of interpretation and construction will be utilized.

2. If any term or provision of this Agreement, the deletion of which would not adversely affect the receipt of any material benefit by any party hereunder, is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement will not be affected thereby and each other term and provision of this Agreement will be valid and enforceable to the fullest extent permitted by law. It is the intention of the parties hereto that in lieu of each clause or provision of this Agreement that is illegal, invalid, or unenforceable, there be added as a part of this Agreement an enforceable clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible.

3. The captions of the articles, sections and subsections herein are inserted solely for convenience and under no circumstances are they or any of them to be treated or construed as part of this instrument.

4. References in this Agreement to "days" will mean calendar days unless otherwise specified.

5. References in this instrument to this "Agreement" mean, refer to and include this instrument as well as any riders, exhibits, addenda and attachments hereto (which are hereby incorporated herein by this reference) or other documents expressly incorporated by reference in this instrument. Any references to any covenant, condition, obligation, and/or undertaking "herein," "hereunder," or "pursuant hereto" (or language of like import) shall mean, refer to, and include the covenants, obligations, and undertakings existing pursuant to this instrument and any riders, exhibits, addenda, and attachments or other documents affixed to or expressly incorporated by reference in this instrument.

6. As used in this Agreement, and as the context may require, the singular includes the plural and vice versa, and the masculine gender includes the feminine and vice versa.

#### Section 515 Authorized Representative of City

Unless otherwise specified or the context requires otherwise, all references in this Agreement and its attachments to the City shall mean the City Manager of the City or any officer or employee of the City to whom the City Manager or the governing body of the City delegates authority to perform, carry out and/or enforce this Agreement. Whenever an administrative action is required by the City to implement the terms of this Agreement, the City Manager, or an authorized designee, will have authority to act on behalf of City, except with respect to matters reserved under California law wholly for determination by the governing body of the City.

Section 516 Approvals

Approvals required of the City or Purchaser will not be unreasonably withheld, delayed or conditioned, except where otherwise expressly provided. All approvals must be in writing. Except as otherwise expressly provided in this Agreement, failure by either party to approve a matter within the time provided will not be deemed a disapproval, and failure by either party to disapprove a matter within the time provided will not be deemed an approval.

Section 517 Further Assurances and Corrective Instruments.

The City and Purchaser agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property or for carrying out the expressed intentions of this Agreement.

Section 518 Inspection of Books and Records.

The Purchaser shall maintain complete, accurate, and current records pertaining to the Property for a period of five (5) years after the creation of such records, and permit any duly authorized representative of the City, at the City's sole expense and upon reasonable advance notice, to inspect and copy records during regular business hours. Records must be kept accurate and current and located in the County of Los Angeles, California.

ARTICLE VI. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

1. This Agreement is executed in two (2) duplicate originals each of which is deemed to be an original. This Agreement includes \_\_\_\_\_ (\_\_\_\_) pages and \_\_\_\_\_ (\_\_\_\_) attachments which constitute the entire understanding and agreement of the parties.

2. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

3. None of the terms, covenants, agreements or conditions set forth in the Agreement will be deemed merged with the Grant Deed, and the Agreement will remain and continue in full force and effect.

4. No modification, waiver, amendment, discharge, or change of this Agreement will be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge, or change is or may be sought.

5. This Agreement may be executed in any number of counterparts, all of which taken together will constitute one and the same instrument.

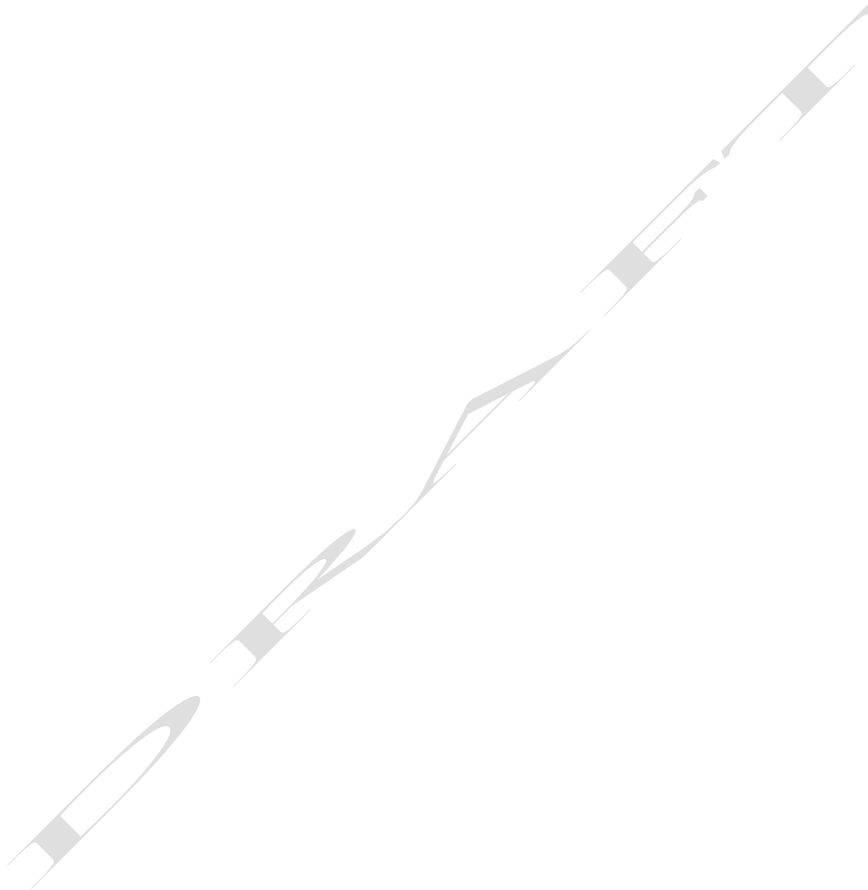
ARTICLE VII. TIME FOR ACCEPTANCE OF AGREEMENT BY CITY

This Agreement, when executed by Purchaser and delivered to the City, must be authorized, executed and delivered by the City within sixty (60) calendar days thereafter, or this Agreement may be withdrawn by Purchaser on written notice to the City.

ARTICLE VIII. EFFECTIVE DATE OF THIS AGREEMENT

This Agreement will become effective on the date it has been signed by the City (the “**Effective Date**”).

[Remainder of Page Intentionally Left Blank; Signatures on Following Page]



IN WITNESS WHEREOF, the City and Purchaser have signed this Agreement on the respective dates set forth below.

**“CITY”**

CITY OF PALMDALE,  
a municipal corporation

By: \_\_\_\_\_  
Sal Mendez      Dated  
Interim City Manager

ATTEST:

By: \_\_\_\_\_  
Roxanne Faber  
City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Alex Severino      Dated  
City Attorney

By: KANE, BALLMER & BERKMAN

By: \_\_\_\_\_  
Murray O. Kane      Dated  
Special Counsel

**“PURCHASER”**

AVCC MASTER LLC,  
a Nevada limited liability company

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

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

**JOINDER OF PRIOR PURCHASER**

Prior Purchaser hereby transfers, assigns, sets over and conveys to Purchaser, all of its right, title and interest in and to the Prior Purchase Agreement, including, without limitation, (i) the Good Faith Deposit, plus interest accrued thereon as of the date hereof, if any; and (ii) any and all reports, investigations, studies, plans, plats, market information, surveys, title commitments, lease files, appraisals, environmental and geotechnical reports, engineering reports, feasibility analyses, entitlements, tax information, architectural drawings and other documents, materials and information received or developed by Prior Purchaser and relating in any way to the acquisition, ownership, development, construction, use, management or operation of the Property. Prior Purchaser hereby waives and releases all claims and causes of action of any nature against the City that have arisen prior to the Effective Date out of or in connection with the Prior Purchase Agreement.

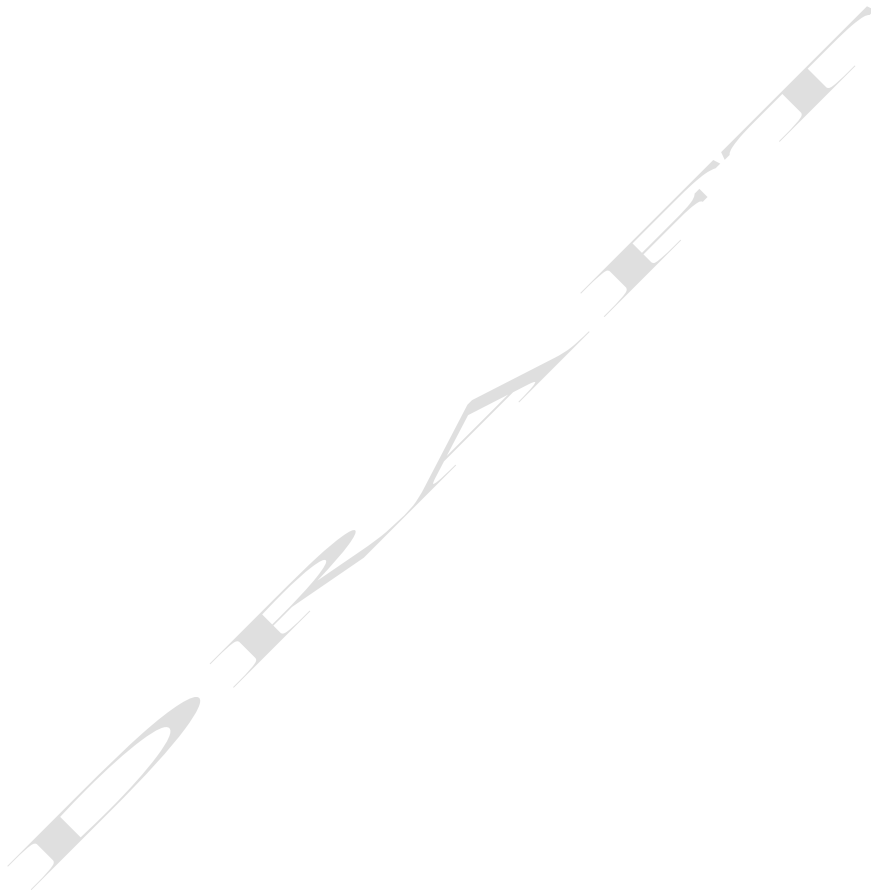
**“PRIOR PURCHASER”**  
**COVINGTON INVESTMENTS LLC,**  
a Nevada limited liability company

By: \_\_\_\_\_  
Name: Mark Milakovich  
Title: Authorized Signatory

**ATTACHMENT NO. 1**

**SITE MAP**

[attached]





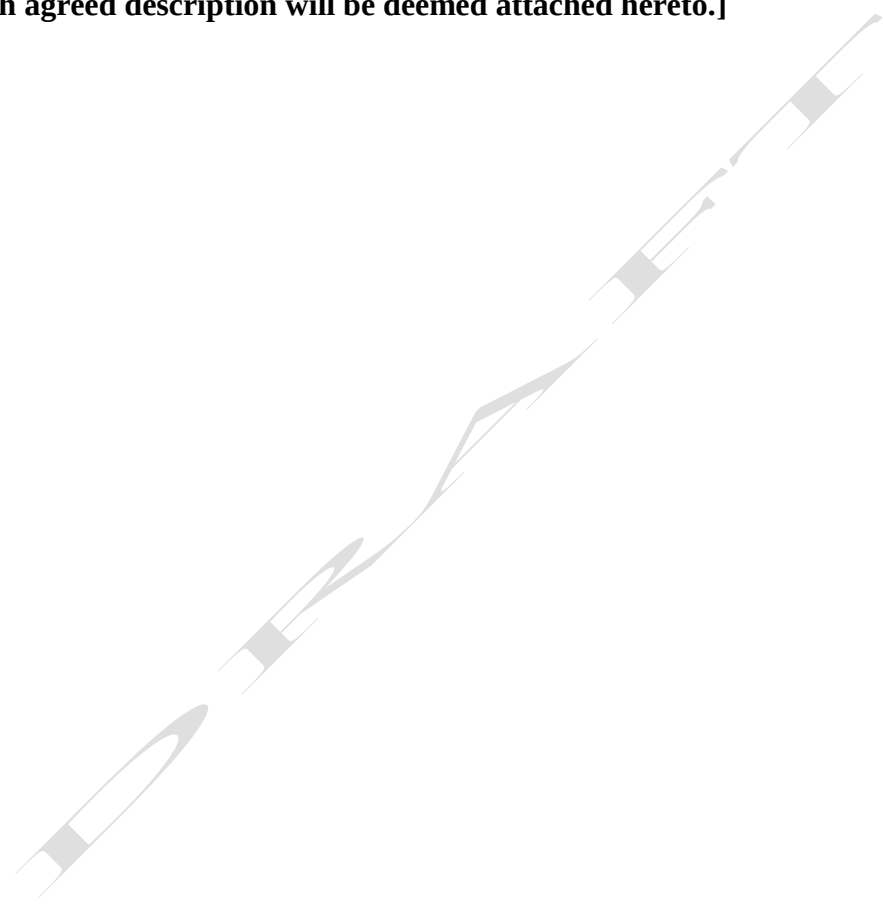
## ATTACHMENT NO. 2

### LEGAL DESCRIPTION

The Property is located in the City of Palmdale, County of Los Angeles, State of California and is legally described as follows:

**[To be agreed upon in writing by the City and Purchaser prior to the end of the Close of Escrow; such agreed description will be deemed attached hereto.]**

APN:



### ATTACHMENT NO. 3

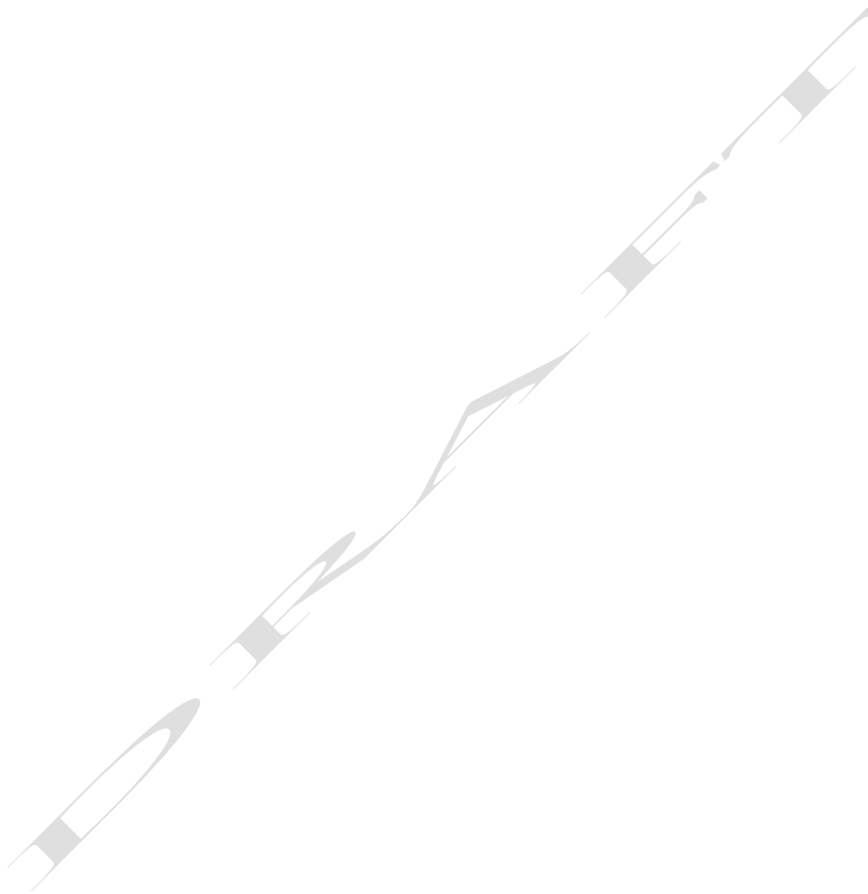
#### **SCHEDULE OF PERFORMANCE\***

1. Purchaser shall execute Agreement and deliver Agreement to City.
2. Purchaser deadline to deliver a Notice to Proceed. June 27, 2027, subject to the City's right to elect to provide additional extensions pursuant to the definition of "Due Diligence Period."
3. Purchaser shall submit Evidence of Financing pursuant to Section 217 to the City for its approval. No later than twenty (20) days prior to the Closing Date.
4. City shall approve or disapprove Evidence of Financing. Within ten (10) calendar days after submission.
5. If applicable, Purchaser shall submit the proposed Permitted Transferee and/or form of assignment and assumption agreement to the City for its approval. No later than fifteen (15) days prior to the Closing Date.
6. City shall approve or disapprove the proposed Permitted Transferee and/or the form of assignment and assumption agreement. Within ten (10) calendar days after submission.
7. Outside Closing Date for the Close of Escrow. Up to two hundred ten (210) days after the date Purchaser delivers the Notice to Proceed, or no later than January 24, 2028; subject, however, to the City's right to elect to provide additional extensions pursuant to the definition of "Due Diligence Period," and further extension due to Enforced Delays pursuant to Section 510.
8. Purchaser shall commence construction of the site work and offsite infrastructure required for the development of the Property. Within twelve (12) months of Close of Escrow, subject, however, to extension due to Enforced Delays pursuant to Section 510.

- |                                                                                                                                     |                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9. Purchaser shall commence construction of improvements on the Property.                                                           | Within twelve (12) months of Close of Escrow, subject, however, to extension due to Enforced Delays pursuant to Section 510.                                                                                    |
| 10. Purchaser shall complete the site work and offsite infrastructure required for the development of the Property.                 | Within twenty-four (24) months of Close of Escrow, subject, however, to extension due to Enforced Delays pursuant to Section 510.                                                                               |
| 11. Purchaser shall complete construction of improvements on the Property.                                                          | Within twenty-four (24) months of Close of Escrow, subject, however, to extension due to Enforced Delays pursuant to Section 510.                                                                               |
| 12. City and Purchaser shall complete good faith negotiations for the Secondary Tract.                                              | Within six (6) months of the time when the preconditions for such negotiations set forth in Section 219 have been satisfied.                                                                                    |
| 13. Closing Date for the Close of Escrow on the Secondary Tract, in the event the Secondary Tract PSA is approved and entered into. | No later than eighteen (18) months following the completion of construction on the Primary Tract.                                                                                                               |
| 14. City and Purchaser shall complete good faith negotiations for the purchase of the Tertiary Tract of the Project.                | Within six (6) months of the time when the preconditions for such negotiations set forth in Section 219 have been satisfied, subject to the Schedule of Performance to be set forth in the Secondary Tract PSA. |
| 15. City and Purchaser shall complete good faith negotiations for the Final Tract of the Project.                                   | Within six (6) months of the time when the preconditions for such negotiations set forth in Section 219 have been satisfied, subject to the Schedule of Performance to be set forth in the Tertiary Tract PSA.  |

\*The City Manager may consent, in the reasonable discretion of the City Manager, such consent not to be unreasonably withheld, conditioned or delayed, to the extension of any of the deadlines set forth in this Schedule of Performance, provided that the Purchaser has shown good faith and diligent efforts to satisfy the applicable covenants and conditions within its reasonable control. With respect to Item Nos. 10-15 above, the City acknowledges that Purchaser will be required to obtain a Joshua Tree taking permit and other approvals and permits for the Property from governmental and other agencies or entities other than the City (including, without limitation, approvals from Southern California Edison and Los Angeles County Waterworks), which may

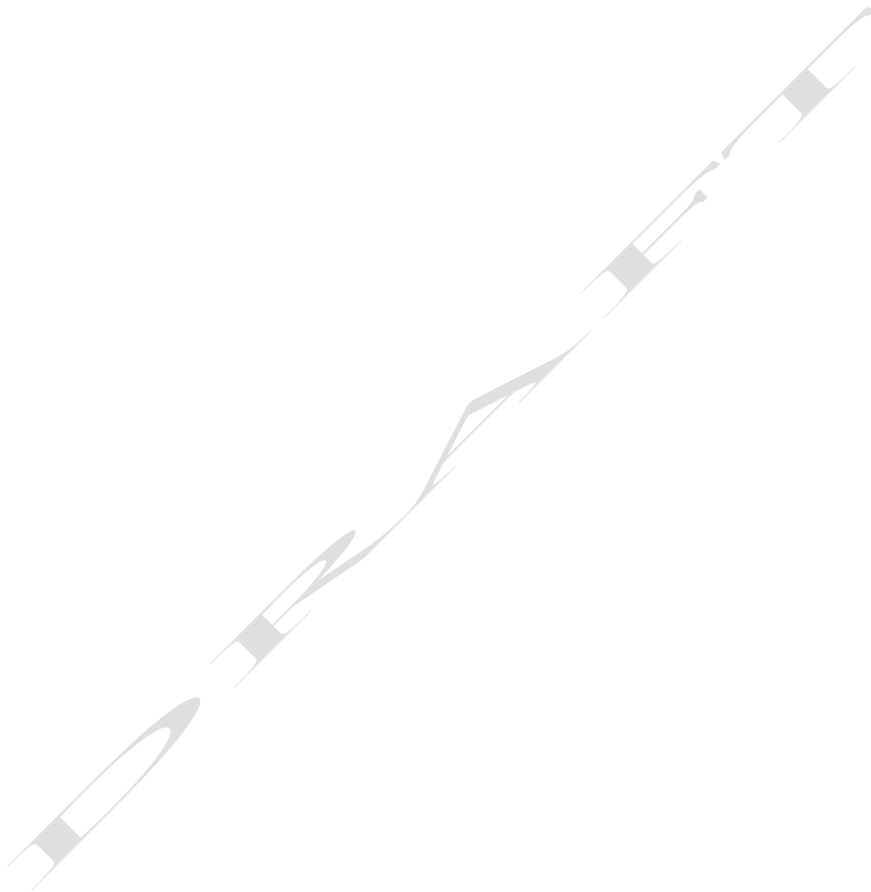
result in delays that are beyond the reasonable control of Purchaser. So long as Purchaser has submitted all applications for such taking permit or other such approval or permit and pursues the issuance of same in good faith, the City will agree to extend the deadlines in Item Nos. 10-15 above as necessary as Enforced Delays pursuant to Section 510 of the Agreement. Nothing in the foregoing is intended to limit the applicability of Enforced Delays pursuant to Section 510 of the Agreement.



**ATTACHMENT NO. 4**

**FORM OF GRANT DEED**

[Behind this page.]



RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

[\_\_\_\_\_]

With a Copy to:

City of Palmdale  
38300 North Sierra Highway  
Palmdale, California 93550  
Attention: City Clerk

—  
SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN: 3126-022-929

[\_\_\_\_\_]

Agreement No. A-7575

OFFICIAL BUSINESS  
FREE RECORDING REQUESTED  
(Gov't Code Section 27383)

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the CITY OF PALMDALE, a municipal corporation, herein called "**Grantor**", hereby grants to AVCC MASTER LLC, a limited liability company of the State of Nevada, herein called "**Grantee**", the real property, hereinafter referred to as the "**Property**", described in the document attached hereto, labeled Exhibit "A" and incorporated herein by this reference.

1. Grantor excepts and reserves to the City of Palmdale:

(a) any existing street, dedicated street, or portion of any street or dedicated street lying outside the boundaries of the Property which might otherwise pass with a conveyance of the Property; and

(b) all oil, gas, hydrocarbon substances and minerals of every kind and character lying more than 500 feet below the surface, together with the right to drill into, through, and to use and occupy all parts of the Property lying more than 500 feet below the surface thereof for any and all purposes incidental to the exploration for and production of oil, gas, hydrocarbon substances or minerals from the Property, but without, however, any right to use or disturb either the surface of the Property or any portion thereof within 500 feet of the surface for any purpose or purposes whatsoever.

2. The Property is conveyed in accordance with and subject to the Purchase and Sale Agreement (the "**PSA**") entered into by and between Grantor and Grantee, dated as of \_\_\_\_\_, 20\_\_, which document is a public record on file in the offices of the City Clerk of the City of Palmdale, and which is by reference incorporated as though fully set forth herein. Capitalized

terms not defined herein have the meaning given in the PSA.

3. Title to the Property is conveyed subject to all recorded liens, encumbrances, covenants, conditions, restrictions, assessments, easements, leases and taxes.

4. Grantee, for itself and on behalf of its successors and assigns to all or any portion of the Property, or any interest therein, covenants and agrees that its purchase of the Property and other undertakings pursuant to the PSA are, and will be used for, the purpose of developing the Property in conformance with the PSA and not for speculation in landholding.

5. Grantee hereby covenants and agrees on behalf of itself and any successors and assigns in the Property or any portion thereof or any improvements thereon or any interest therein that Grantee, such successors and assigns shall:

- a. Construct and develop improvements on the Property in accordance with the this Grant Deed, the PSA and all attachments thereto, and the Entitlements, Specific Plan and plans approved for the Project by the City, including without limitation minimum square footage requirements for initial and total development of the Project as set forth and within the times required in the PSA and its attachments.
- b. For a period of 50 years, commencing as of the Closing Date, maintain the Property, or cause the Property to be maintained, in accordance with Section 8 of this Grant Deed.
- c. For a period of 50 years, commencing as of the Closing Date, devote the Property to the uses contemplated by the PSA and its attachments and the Entitlements and plans approved for the Project by the City.
- d. Pay when due all real estate taxes and assessments assessed and levied on the Property and any improvements thereon as required by applicable law, and from time to time pay to the Grantor any amounts that may be due to the Grantor as and when required under the second paragraph of Section 207 of the PSA.
- e. Until the development of the Property has been Completed and City has issued the Release of Construction Covenants for the Property, or a Partial Release of Construction Covenants for the portion of the Property involved, and except for a Permitted Transfer, refrain from assigning or attempting to assign all or any part of the PSA or any right thereunder or make or attempt to make any total or partial sale, transfer, conveyance or assignment of the whole or any part of the Property or the improvements thereon or any interest therein, without the prior written consent of the City, which the City agrees to grant if, in its reasonable judgment, the proposed transferee possesses the financial capability and development experience to assure completion of construction of the Property in accordance with the provisions and attachments of the PSA. For all proposed transfers and assignments, Grantee and

its successors and assigns covenant to comply with the notice and documentation requirements set forth in the PSA, including without limitation the requirement to enter into an assignment and assumption agreement with the assignee or transferee or grantee in form and substance reasonably approved by the City for consistency with the PSA and this Grant Deed.

6. Grantee covenants and agrees for itself, its successors, assigns and any successor in interest to the Property, that there will be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, national origin, ancestry, age, physical handicap, medical condition, marital status, sex or sexual orientation in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of their Property, nor will the Grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. The foregoing covenants will run with the land.

7. Grantee covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, that Grantee, its successors and assigns will not restrict the rental, sale or lease of the Property on the basis of the race, color, creed, religion, sex, sexual orientation, marital status, national origin or ancestry of any person. All deeds, leases or contracts will contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

- a. In deeds: “The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. With respect to familial status, this paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in this paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the Government Code shall apply to this paragraph. The foregoing covenants shall run with the land.”
- b. In leases: “The lessee herein covenants by and for himself or herself, his or her

heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased. With respect to familial status, this paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in this paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the Government Code shall apply to this paragraph.”

- c. In contracts: “There will be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor will the transferee itself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land. With respect to familial status, this paragraph will not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in this paragraph will be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the Government Code will apply to this paragraph.”

8. Grantee hereby covenants and agrees on behalf of itself and any successors and assigns in the Property or any portion thereof or any improvements thereon or any interest therein that Grantee and such successors and assigns shall:

- a. Solely at Grantee’s expense, maintain (or cause the occupants to maintain) and restore the interior and exterior of the improvements and the landscaping on the

Property as required under the City Municipal Code, as shown on the Entitlements and plans approved by the City for the Project and otherwise in a manner consistent with community standards for similar projects in the City, and as and to the extent required by Section 304 of the PSA (collectively, the “Maintenance Standards”).

- b. If, at any time, Grantee fails to maintain or cause to be maintained the Property and all improvements thereon (including but not limited to landscaping and any parkways abutting the Property) as required by this Grant Deed, and said condition is not corrected after the expiration of a reasonable period of time not to exceed thirty (30) days from the date of written notice from Grantor, Grantor or may perform the necessary landscape or other maintenance and Grantee shall be responsible for payment of all costs and expenses incurred for such maintenance.

9. If Grantee sells, transfers, conveys or assigns any part of the Property or buildings or structures thereon prior to the issuance by the Grantor of the Release of Construction Covenants, Grantor will be entitled to increase the Purchase Price paid by Grantee by the amount that the consideration payable for such sale, transfer, conveyance or assignment exceeds the Purchase Price paid by Grantee plus the cost of improvements and development incurred by Grantee, including carrying charges and costs related thereto (the “**Excess Consideration**”). The Excess Consideration will belong and be paid to Grantor and until paid, Grantor will have a lien on the Property for such amount. This prohibition will not be deemed to prevent the granting of easements or permits to facilitate the development of the Property. This Section 9 shall not apply to the sale, transfer, conveyance, or assignment of any part of the Property after issuance by the Grantor of the Release of Construction Covenants, nor to the sale, transfer, conveyance, or assignment of any portion of the Property for which the Grantor has issued a partial Release of Construction Covenants.

10. Grantor will have the right (subject to the provisions of Section 12 of this Grant Deed), thirty (30) days after concurrently delivering to Grantee and recording in the official records of Los Angeles County a notice of its exercise of the power of termination retained by Grantor, to reenter and take possession of the Property with all improvements thereon, and revest in Grantor the estate theretofore conveyed by this Grant Deed if, after Grantor gives the notice required by Section 401 of the PSA and the applicable cure period in Section 401 of the PSA has expired, Grantee or its successors or assigns, in violation of the PSA or this Grant Deed:

- a. Fails to commence construction of the improvements for the Property or for any portion of the Project as and when required by the PSA; or
- b. Abandons construction of the improvements for the Property or for any portion of the Project; or
- c. Fails to complete construction of the improvements for the Property or any portion of the Project as and when required by the PSA.

The obligations of Grantee specified in clauses a. through c. above are covenants or conditions

running with the land, the breach of which shall cause the fee to revert to Grantor under the circumstances specified herein. The rights established in this Section 10 are to be interpreted in light of the fact that Grantor hereby conveys the Property to Grantee for development and not for speculation in undeveloped land. Grantor and Grantee acknowledge and agree that Grantor's rights under this Section 10 are authorized by applicable law, including but not limited to Sections 885.010 through 885.070 of the California Civil Code. Such right to reenter and repossess shall be subject to and limited by, and shall not defeat, render invalid or limit:

- a. Any *bona fide* mortgage, deed of trust or other security instrument of sale and leaseback or other conveyance for financing, provided that such mortgage, deed of trust, security instrument, sale and leaseback or conveyance for financing is permitted by and obtained in accordance with the PSA; and
- b. Any rights or interest provided in the PSA for the protection of the holder of such *bona fide*, permitted mortgages, deeds of trust or other security instruments, the lessor under such sale and leaseback, or the grantee under such other conveyance for financing.

11. Upon the revesting in Grantor of title to the Property as provided in Section 10, Grantor shall, pursuant to its responsibilities under state law, use its reasonable best efforts to resell the Property as soon as possible and in such manner as Grantor shall find feasible and consistent with the objectives of the law and the best interests of the City, to a qualified and responsible party or parties (as determined by Grantor), who will assume the obligation of making or completing the improvements required pursuant to the terms of the PSA or such other improvements in their stead, as are reasonably satisfactory to the City and in accordance with the uses specified for the Property by applicable laws, code sections, ordinances, resolutions or regulations of the City. Upon such resale of the Property, the proceeds thereof shall be applied as follows:

- a. First, to reimburse Grantor on its own behalf and/or on behalf of the City of Palmdale, for all costs and expenses incident to such sale and/or conveyance, for all costs and expenses incurred by the Grantor; all taxes, assessments and water and sewer charges with respect thereto; any payments made, or necessary to be made, to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Grantee, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the improvements or any part thereof on the Property; and any amounts otherwise owing to Grantor by Grantee or its successors or transferees; and
- b. Second, to reimburse Grantee, its successors or transferees up to an amount equal to the sum of: (a) the purchase price paid to Grantor by Grantee for the Property; and (b) costs incurred for the development of the Property, and for the improvements existing thereon at the time of reentry and repossession; less (c) gains or income withdrawn or made by Grantee, its successors or assigns therefrom or from the improvements thereon.

- c. Any balance remaining after such reimbursements shall be retained by Grantor as its property.

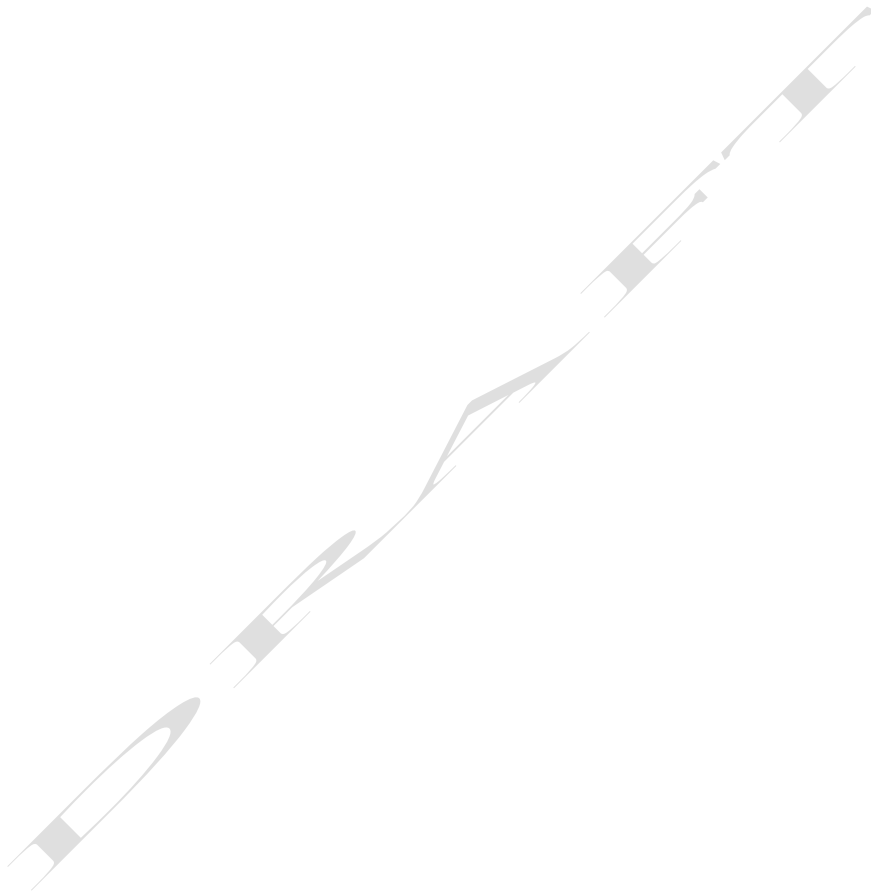
12. In the event of the sale of the community facility district or assessment district bonds for the “Infrastructure Capital” as defined in Section 217 of the PSA, within the time set forth in the Schedule of Performance (Attachment No. 3 of the PSA (subject to any extension(s) reasonably provided in writing by the City Manager of the Grantor) and the Grantee has prior to such time received the net proceeds of such bonds for the construction of such Infrastructure Capital, then notwithstanding any other provision of the PSA and its attachments and/or this Grant deed to the contrary, the Grantor shall not at any time thereafter have the right to pursue any of the rights or remedies of Sections 10 and 11 of this Grant Deed, including without limitation the right to reenter, repossess and/or revert in the City all or any portion of the title to the Property. Such termination and release of the Section 10 and Section 11 remedies of Grantor as provided herein shall occur automatically without the need for any subsequent recordation to be made by the parties hereto. Grantor shall provide any reasonable estoppel certificate or other reasonably requested document to the holders, owners and other beneficiaries of the Infrastructure Financing as reasonably required to assure such termination of Grantor remedies as provided herein.

13. All conditions, covenants and restrictions contained in this Grant Deed will be covenants running with the land, and will, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by Grantor and its successors and assigns against Grantee, its successors and assigns, to or of the Property or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof.

14. In amplification and not in restriction of the provisions set forth hereinabove, it is intended and agreed that Grantor and the City of Palmdale will be the beneficiary of the agreements and covenants provided hereinabove both for and in its own right and also for the purpose of protecting the interests of the community. All covenants without regard to technical classification or designation will be binding for the benefit of Grantor, and such covenants will run in favor of Grantor for the entire period during which such covenants are in force and effect, without regard to whether Grantor is or remains an owner of any land or interest therein to which such covenants relate. Grantor will have all rights of enforcement and remedies provided in this Grant Deed and the PSA and may bring any actions at law or suit in equity or other proper proceedings necessary to enforce the curing of such breach of any agreement or covenant by Grantee, which are available to Grantor pursuant to the provisions of this Grant Deed or the PSA. The time periods during which the covenants set forth in this Grant Deed shall be in force and effect shall be as follows: (a) as to the covenants set forth in Sections 4, 5a, 5e and 9, and the covenants and power of termination set forth in Sections 10 and 11, until the Grantor issues the Release of Construction Covenants, and as to any portion of the Property, until the Grantor has issued a partial Release of Construction Covenants for such portion of the Property; (b) as to the covenants set forth in Sections 6 and 7, in perpetuity; and (c) as to the covenants set forth in Sections 5b, 5c, 5d and 8, until the expiration of a period of fifty (50) years after the date of recordation of this Grant Deed in the office

of the County Recorder of the County of Los Angeles.

15. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed will defeat or render invalid or in any way impair the lien or charge of any mortgage or deed of trust or security interest permitted by the PSA; provided, however, that any subsequent owner of the Property will be bound by such remaining covenants, conditions, restrictions, limitations, and provisions, whether such owner's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.



IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on its behalf.

**“GRANTOR”**  
THE CITY OF PALMDALE,  
a municipal corporation

By: \_\_\_\_\_  
Ronda Perez  
City Manager

Dated \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Roxanne Faber  
City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
William P. Curley, III  
City Attorney

By: KANE, BALLMER & BERKMAN

By: \_\_\_\_\_  
City Special Counsel

Grantee accepts and agrees to all of the terms and provisions of this Grant Deed.

[\_\_\_\_\_]

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

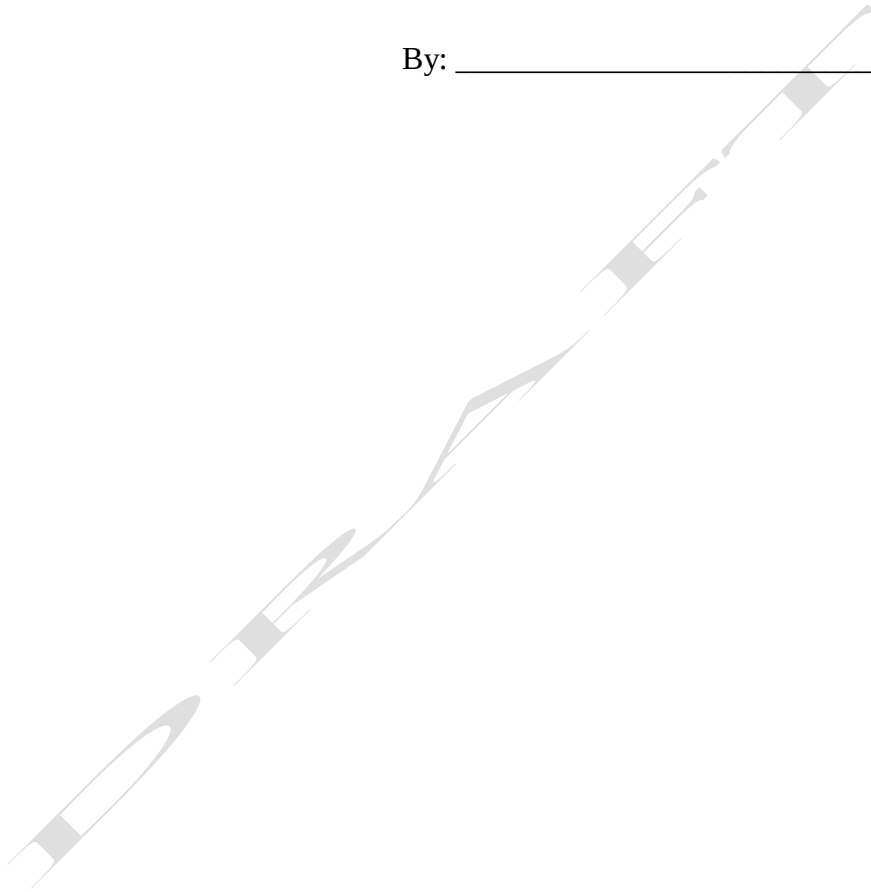
By: \_\_\_\_\_

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

Title:

ATTEST:

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



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )

County of \_\_\_\_\_ )

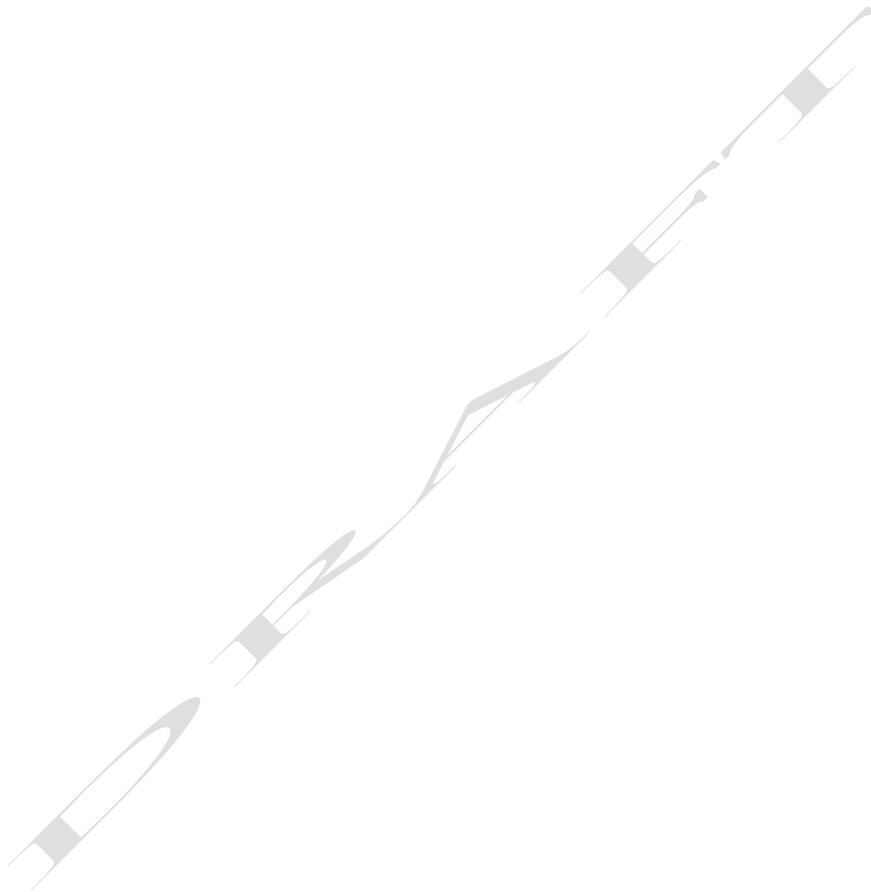
On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

EXHIBIT A  
LEGAL DESCRIPTION



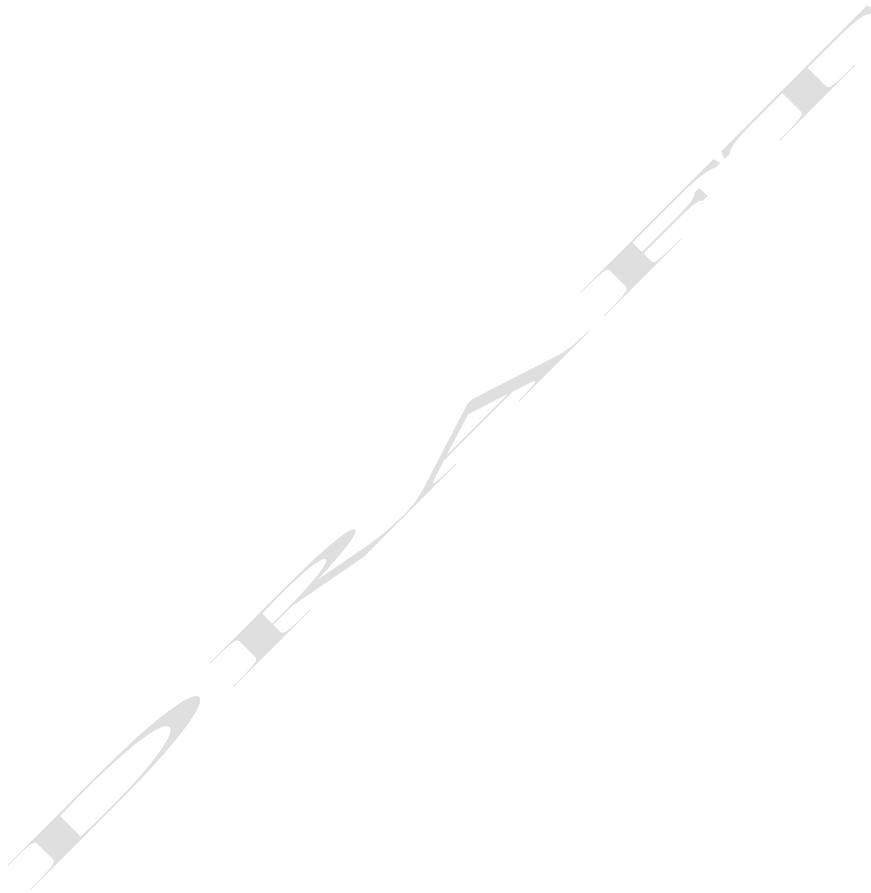
Amended and Restated Purchase and Sale Agreement  
AVCC Master LLC

Agreement No. [A-9634]  
APN: 3126-022-929  
Attachment No. 5 – Environmental Indemnity

**ATTACHMENT NO. 5**

**ENVIRONMENTAL INDEMNITY**

[Behind this page.]



## ENVIRONMENTAL INDEMNITY

Agreement No. [\_\_\_\_\_]

THIS ENVIRONMENTAL INDEMNITY (this “**Indemnity**”), dated as of [\_\_\_\_\_, 201\_], made by [\_\_\_\_\_, whose address for purposes of giving notice is \_\_\_\_\_ (“**Purchaser**”), in favor the CITY OF PALMDALE, a municipal corporation and a charter city of the State of California, whose address for purposes of giving notices is 38300 North Sierra Highway, Palmdale, California 93550, Attention: City Manager (the “**City**”). The City is referred to herein as the Indemnitee.

### WITNESSETH

WHEREAS, Purchaser is or will be the owner of the real property in Palmdale described on Exhibit A attached hereto and made a part hereof, and the real property improvements to be constructed thereon (collectively referred to as the “**Property**”);

WHEREAS, Purchaser and the Indemnitee entered into a Purchase and Sale Agreement, dated as of \_\_\_\_\_, 20\_\_ (the “**PSA**”), pursuant to which, the City sold the Property to Purchaser and Purchaser purchased the Property from the City for the purpose of developing and operating the Project described in the PSA. All capitalized terms not defined herein shall have the meaning ascribed to them in the PSA; and

WHEREAS, Purchaser has agreed to execute and deliver to the Indemnitee this Indemnity to induce the Indemnitee to enter into the PSA.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual agreements hereinafter set forth, Purchaser hereby agrees as follows:

### Section 1) DEFINITIONS

“**Hazardous Materials**”, “**Hazardous Substances**” or “**Hazardous Materials or Substances**” means (i) any chemical, compound, material, mixture or substance that is now or hereafter defined or listed in, or otherwise classified pursuant to, any laws as a “hazardous waste”, “extremely hazardous substance”, “extremely hazardous waste”, “acutely hazardous waste”, “hazardous substance”, “hazardous material”, “radioactive waste”, “infectious waste”, “biohazardous waste”, “pollutant”, “toxic pollutant”, “contaminant” or “toxic substance,” as well as any formulation not mentioned herein intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, “EP toxicity,” or “RCLP toxicity”; (ii) petroleum, natural gas, natural gas liquids, liquified natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas) and ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters and other waters associated with the exploration, development or production of crude oil, natural gas, or geothermal resources; (iii) “hazardous substance” as defined in Section 2528 1 (f) of the California Health and Safety Code; (iv) “waste” as defined in Section 13050(d) of the California Water Code; (v) asbestos in any form; (vi) urea formaldehyde foam insulation; (vii) polychlorinated biphenyl (“PCBs”);

(viii) radon; and (ix) any other chemical, material, or substance that, because of its quantity, concentration, or physical or chemical characteristics, exposure to which is limited or regulated for health and safety reasons by any governmental authority, or which poses a significant present or potential hazard to human and safety or of the environment if released into the work place or the environment.

## Section 2) COVENANTS AND INDEMNITY

The following covenants and indemnities are hereby given and made by Purchaser:

### 2.1 Covenants.

(a) Purchaser covenants that it will comply with any and all laws, regulations, and/or orders which may be promulgated, from time to time, with respect to the discharge and/or removal of Hazardous Materials.

(b) Purchaser covenants that the Property will not, while Purchaser is the owner thereof, be used for any activities involving, directly or indirectly, the use, generation, treatment, storage, release, or disposal of any Hazardous Materials, except for de minimis quantities used at the Property in compliance with all applicable environmental laws and required in connection with the development of the Property and the routine operation and maintenance of the Property.

(c) Purchaser further agrees that Purchaser will not release or dispose of any Hazardous Materials at the Property except in strict compliance with applicable laws and regulations.

(d) Purchaser will not install, or permit to be installed, on the Property friable asbestos or any substance containing asbestos and deemed hazardous by federal or state regulations respecting such material, and, with respect to any such material currently present in the Property, Purchaser will promptly either (i) remove or cause to be removed any material that such regulations deem hazardous and require to be removed, or (ii) otherwise comply with such federal and state regulations, at Purchaser's sole cost and expense.

(e) Purchaser will immediately advise Indemnitee in writing of any of the following: (i) any pending or threatened environmental claim against Purchaser or the Property, (ii) any condition or occurrence on the Property that (A) results in noncompliance by Purchaser with any applicable environmental law, (B) could reasonably be anticipated to cause the Property to be subject to any restrictions on the ownership, occupancy, use or transferability of the Property under any environmental law, or (C) could reasonably be anticipated to form the basis of an environmental claim against the Property or Purchaser.

2.2 Indemnity. Purchaser will indemnify, protect, and hold harmless Indemnitee, its employees, officers, agents and consultants from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements, or expenses (including, without limitation, attorneys' and experts' fees and disbursements) of any kind or of any nature whatsoever (collectively, the Obligations) which may at

any time be imposed upon, incurred by or asserted or awarded against Indemnitee its employees, officers, agents or consultants and arising from or out of:

- (a) The presence of any Hazardous Materials on, in, under, or affecting all or any portion of the Property while Purchaser owns the Property, except to the extent such Hazardous Materials were caused by Indemnitee, its employees, officers, agents or consultants;
- (b) The breach of any covenant made by Purchaser in Section 2.1 hereof; or
- (c) The enforcement by Indemnitee of any of the provisions of this Section 2.2 or the assertion by Purchaser of any defense to its obligations hereunder.

Section 3) PURCHASER'S UNCONDITIONAL OBLIGATIONS

3.1 Unconditional Obligations. Purchaser hereby agrees that the Obligations will be paid and performed strictly in accordance with the terms of this Indemnity, regardless of any law, regulation, or order now or hereafter in effect in any jurisdiction affecting any part of the PSA or affecting any of the rights of Indemnitee with respect thereto. The obligations of Purchaser hereunder shall be absolute and unconditional irrespective of:

- (a) The validity, regularity, or enforceability of any part of the PSA or any other instrument or document executed or delivered in connection therewith;
- (b) Any alteration, amendment, modification, release, termination, or cancellation of any of any part of the PSA, or any change in the time, manner, or place of payment or performance of, or in any other term in respect of, all or any of the obligations of Purchaser contained in the PSA;
- (c) The insolvency or bankruptcy of Purchaser, or of any indemnitor or guarantor under any other indemnity or guarantee given in respect of the Obligations; or
- (e) Any other circumstance that might otherwise constitute a defense available to, or a discharge of Purchaser, or any other indemnitor or guarantor with respect to any or all of the Obligations.

3.2 Continuation. This Indemnity (a) is a continuing indemnity and will remain in full force and effect until the satisfaction in full of all of the Obligations; and (b) will continue to be effective or shall be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by Indemnitee upon the insolvency, bankruptcy, or reorganization of Purchaser or otherwise, all as though such payment had not been made.

3.3 Termination. Notwithstanding the payment (and performance) in full of all of the Obligations and the payment (or performance) in full of all of Purchaser's obligations under the PSA, this Indemnity will not terminate if Indemnitee has at any time or in any manner participated in the

management or control of, taken possession of (whether personally, by agent or by appointment of a receiver), or taken title to the Property or any portion thereof, whether by foreclosure, deed in lieu of foreclosure, sale under power of sale or otherwise.

#### Section 4) WAIVER

Purchasers hereby waive the following:

- (a) Promptness and diligence;
- (b) Notice of acceptance and notice of the incurrence of any obligation by Purchaser;
- (c) Notice of any action taken by Indemnitee, Purchaser, or any other interested party under the PSA or under any other agreement or instrument relating thereto;
- (d) All other notices, demands, and protests, and all other formalities of every kind, in connection with the enforcement of the Obligations, the omission of or delay in which, but for the provisions of this Section 4, might constitute grounds for relieving Purchaser of its Obligations hereunder;
- (e) To the extent permitted by law, the right to a trial by jury with respect to any dispute arising under, or relating to, this Indemnity;
- (f) Any requirement that Indemnitee protect, secure, perfect, or insure any security interest or lien in or on any property subject thereto;
- (g) Any requirement that Indemnitee exhaust any right or take any action against Purchaser or any other person or collateral; and
- (h) Any other circumstance that might otherwise constitute a defense available to, or a discharge of, Purchaser, or any other indemnitor or guarantor with respect to the Obligations.

#### Section 5) NOTICES

Any notice, demand, statement, request, or consent made hereunder must be in writing and personally served, mailed by first-class registered mail, return receipt requested, to the address set forth in the first paragraph of this Indemnity, above, or given by facsimile to the facsimile numbers stated below, with confirmations mailed by first class registered mail, return receipt requested to the address set forth above, of the party to whom such notice is to be given (or to such other address as the parties hereto, shall designate in writing):

In the case of the City:

661-267-5155

In the case of Purchaser:

\_\_\_\_\_

Any notice that is transmitted by electronic facsimile transmission followed by delivery of a “hard” copy, shall be deemed delivered upon its transmission; any notice that is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt; and any notice that is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of receipt thereof.

#### Section 6) MISCELLANEOUS

6.1 Purchaser will make any payment required to be made hereunder in lawful money of the United States of America, and in same day funds, to Indemnitee at its address specified in the first paragraph hereof.

6.2 No amendment of any provision of this Indemnity will be effective unless it is in writing and signed by Purchaser and Indemnitee. No waiver of any provision of this Indemnity, nor consent to any departure by Purchaser from any provision of this Indemnity, will be effective unless it is in writing and signed by Indemnitee, and then such waiver or consent will be effective only in the specific instance and for the specific purpose for which given.

6.3 No failure on the part of Indemnitee to exercise, and no delay in exercising, any right hereunder or under the PSA will operate as a waiver thereof, nor will any single or partial exercise of any right preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies of Indemnitee provided herein and in the PSA are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law. The rights of Indemnitee under the PSA against any party thereto are not conditional or contingent on any attempt by Indemnitee to exercise any of its rights under the PSA against such party or against any other person or collateral.

6.4 Any provision of this Indemnity that is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof and without affecting the validity or enforceability of such provision in any other jurisdiction.

6.5 This Indemnity will (a) be binding upon Purchaser, and Purchaser’s successors and assigns; and (b) inure, together with all rights and remedies of Indemnitee hereunder, to the benefit of Indemnitee, its directors, officers, employees, consultants and agents, any successors to any such person, and all directors, officers, employees, and agents of all of the aforementioned parties. None of the rights or obligations of Purchaser hereunder may be assigned or otherwise transferred without the prior written consent of Indemnitee.

6.6 Purchaser hereby (a) irrevocably submits to the jurisdiction of any California or federal court sitting, in each instance, in Los Angeles County in any action or proceeding arising out of or relating to this Indemnity, (b) waives any defense based on doctrines of venue or forum non convenient or similar rules or doctrines, and (c) irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such California or federal court. Purchaser irrevocably consents to the service of any and all process which may be required or permitted in any such action

or proceeding to the address specified in the first paragraph of this Indemnity, above. Purchaser agrees that a final judgment in any such action or proceeding will be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

6.7 The title of this document and the captions used herein are inserted only as a matter of convenience and for reference and will in no way define, limit, or describe the scope or the intent of this Indemnity or any of the provisions hereof.

6.8 This Indemnity will be governed by, and construed and interpreted in accordance with, the laws of the State of California applicable to contracts made and to be performed therein, except to the extent that the laws of the United States preempt the laws of the State of California.

6.9 This Indemnity may be executed in any number of counterparts, each of which will constitute an original and all of which together will constitute one agreement.

IN WITNESS WHEREOF, Purchaser has duly executed this Indemnity as of the date first set forth above.

[\_\_\_\_\_]

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

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

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

Dated \_\_\_\_\_

Title: \_\_\_\_\_

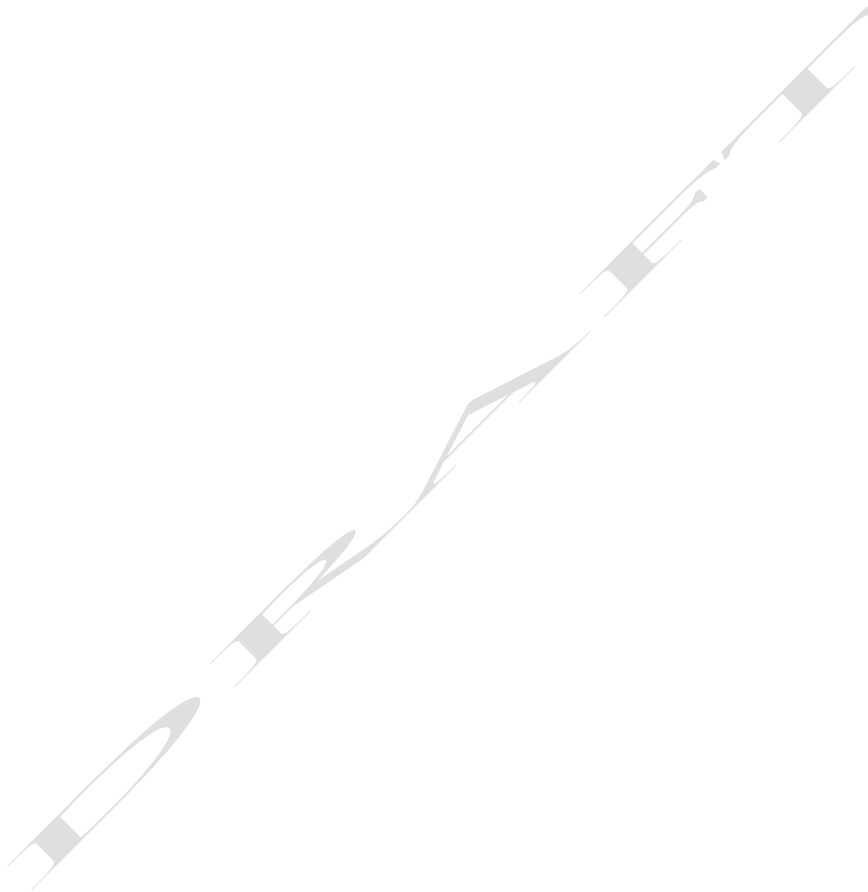
ATTEST:

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

EXHIBIT “A”

LEGAL DESCRIPTION

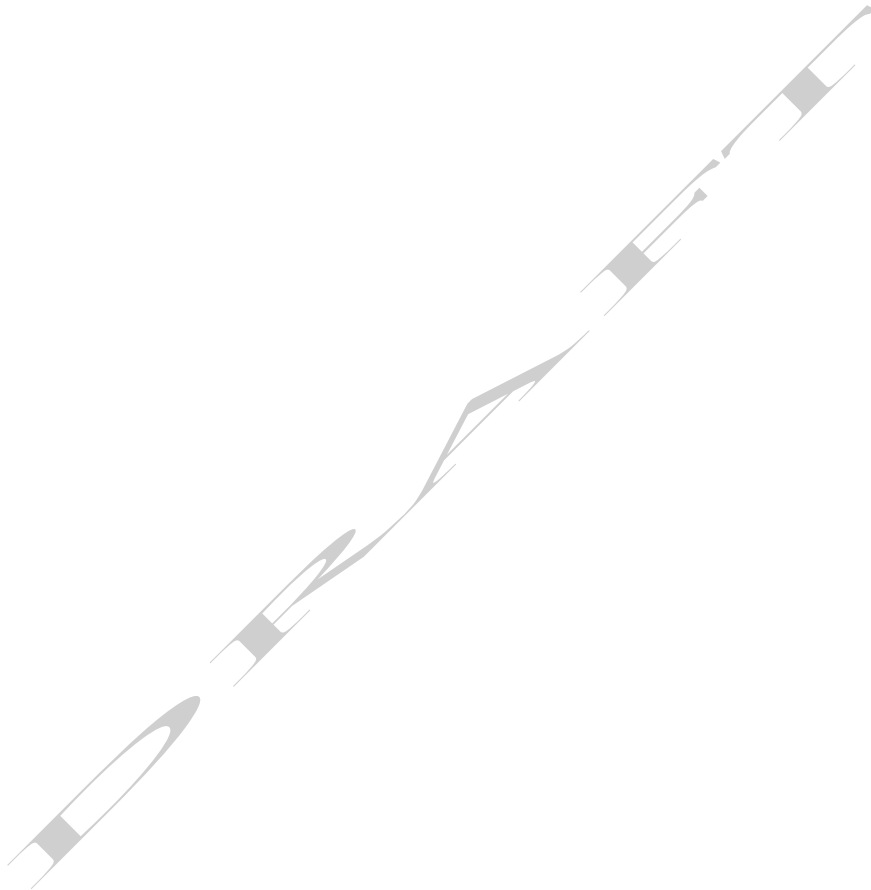
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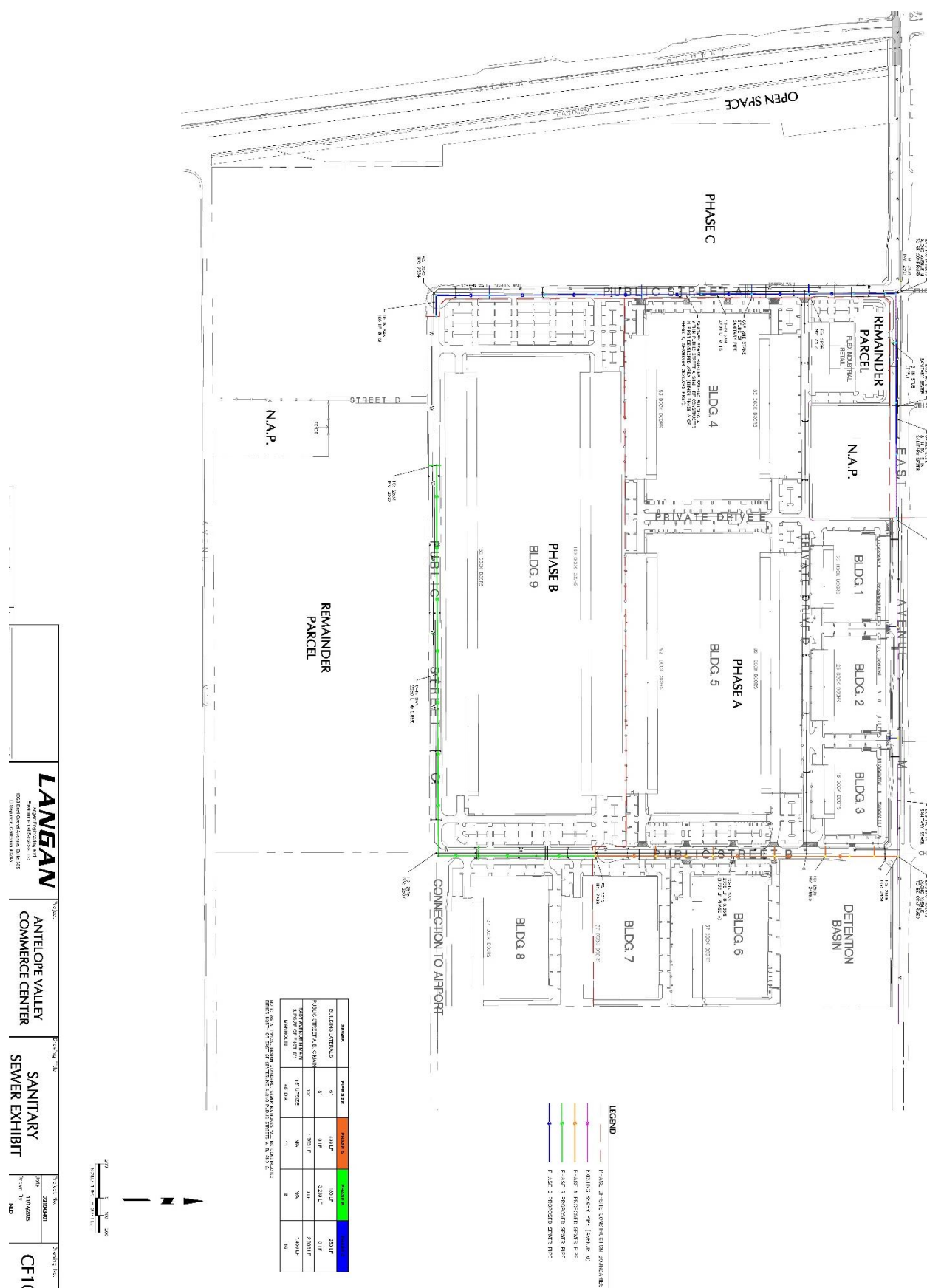


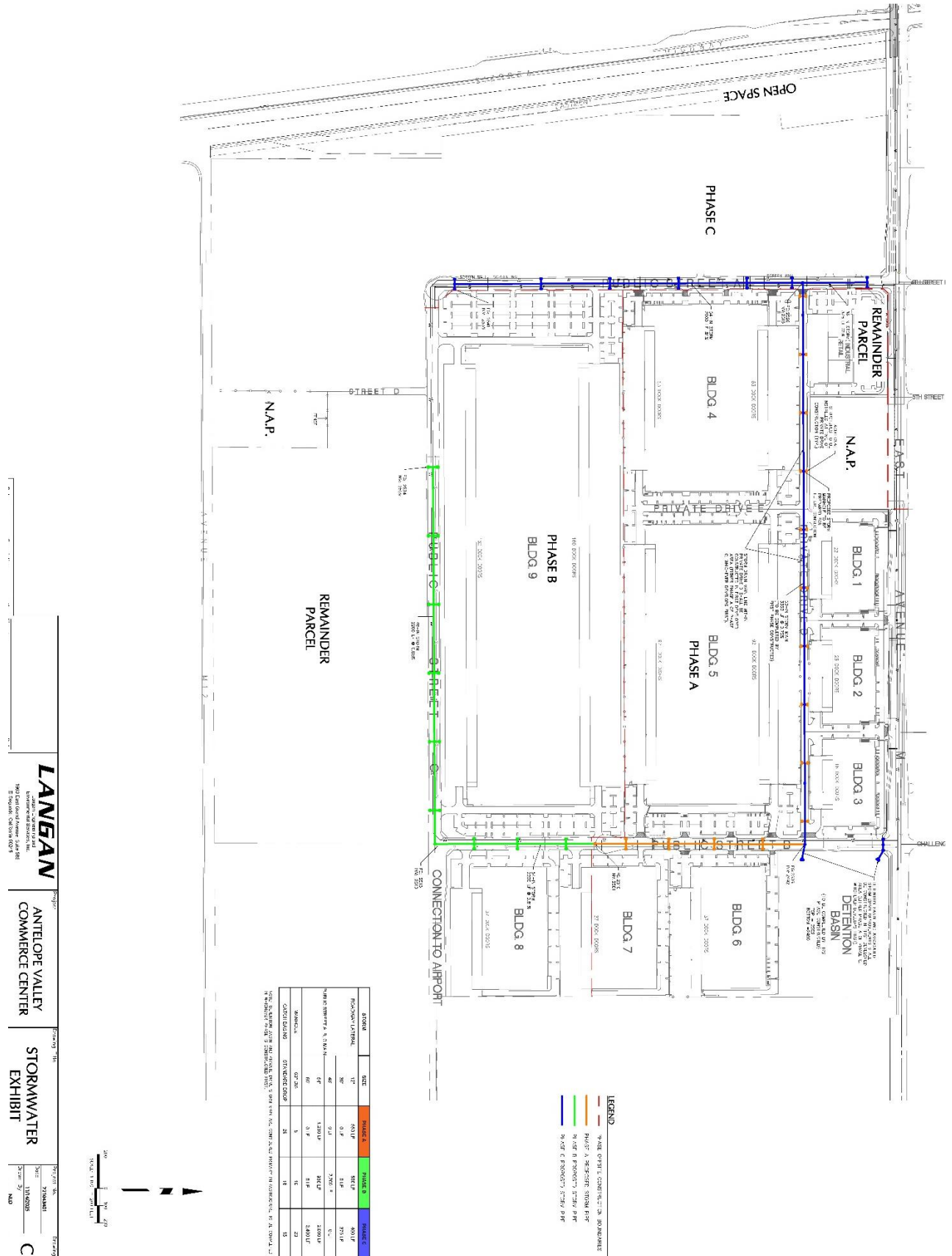
**ATTACHMENT NO. 6**

**INFRASTRUCTURE WORK**

[attached]





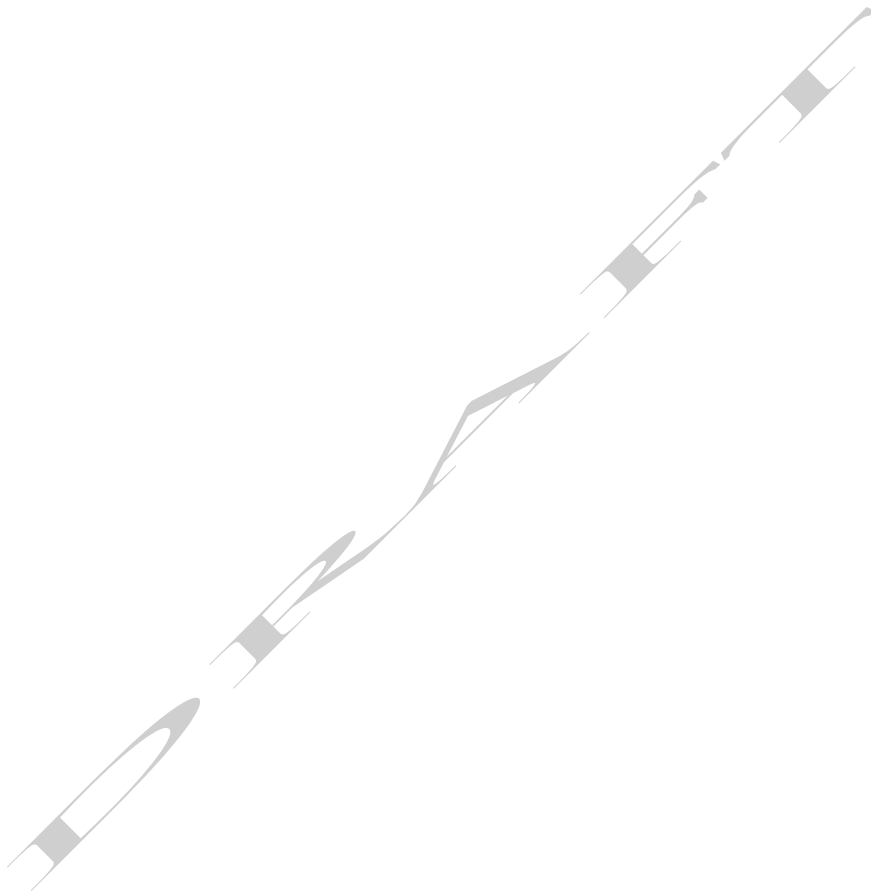




**ATTACHMENT NO. 7**

**ASSIGNMENT OF ENVIRONMENTAL CLEARANCE WORK PRODUCT**

[Behind this page.]



## **ASSIGNMENT OF ENVIRONMENTAL CLEARANCE WORK PRODUCT**

FOR VALUE RECEIVED, the undersigned, \_\_\_\_\_, a \_\_\_\_\_ (“Purchaser”), assigns to the **CITY OF PALMDALE**, a municipal corporation (“City”), all of its rights, title and interest in and to all Environmental Clearance Work Product (as defined in the Third Amendment) prepared by or for Purchaser for the development and construction of the Project and relating to the Released Property described on Schedule 1 attached hereto. The foregoing assignment by Purchaser is made without any representations or warranties of any kind or nature, express or implied.

This ASSIGNMENT OF ENVIRONMENTAL CLEARANCE WORK PRODUCT (“Assignment”) constitutes a collateral assignment to City as of the Effective Date and is made in conjunction with that certain Purchase and Sale Agreement dated effective as of \_\_\_\_\_, 2025 (the “PSA”). The PSA was entered into regarding the purchase and sale of certain property located in the City of Palmdale, County of Los Angeles, State of California (the “Property”), as more particularly described in the PSA, and its development by Purchaser. Capitalized terms not otherwise defined herein have the meaning set forth in the PSA.

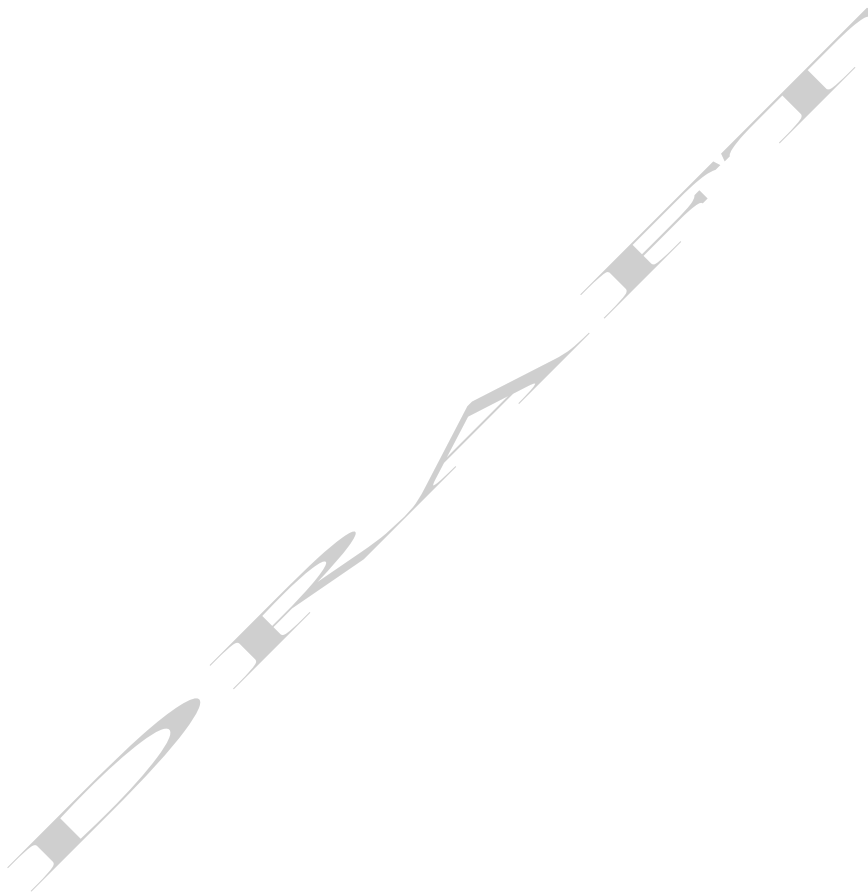
Upon the occurrence of a Triggering Event under the PSA, City may, in its sole discretion, give notice to Purchaser and its consultants responsible for any Environmental Clearance Work Product of its intent to enforce its rights to receive an assignment of the Environmental Clearance Work Product. Purchaser acknowledges that by accepting this Assignment, City does not assume any of Purchaser’s obligations under the Environmental Clearance Work Product agreements and documents. City acknowledges that by accepting this Assignment, Purchaser does not accrue any obligations or liability to City with respect to the Environmental Clearance Work Product from and after the occurrence of any Triggering Event. Notwithstanding anything herein to the contrary, at all times prior to a Triggering Event, Purchaser retains the right to exercise any and all rights and powers granted in connection with the Environmental Clearance Work Product and/or under any agreements with respect thereto, and the collateral assignment granted herein to the City shall become automatically subordinate in all respects to the rights of Purchaser's lender with respect to any portion of the Property that becomes subject to third party construction financing (as evidenced by a recorded deed of trust encumbering such portion of the Property).

This Assignment secures performance by Purchaser of all obligations of Purchaser under the PSA. This Assignment is supplemented by the provisions of the PSA and said provisions are incorporated herein by reference.

This Assignment will be governed by the laws of the State of California, without reference to the principles governing conflicts of laws, and Purchaser consents to the jurisdiction of any Federal or State Court within the State of California having proper venue for the filing and maintenance of any action arising hereunder and agrees that the prevailing party in any such action will be entitled, in addition to any other recovery, to reasonable attorney’s fees and costs.

This Assignment will be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors-in-interest of Purchaser and City; provided, however, this will not be construed and is not intended to waive any restrictions on assignment, sale, transfer, mortgage, pledge, hypothecation or encumbrance by Purchaser contained in the PSA.

The attached Consent of consultants, Schedule 2 and Attachment A are incorporated by reference.

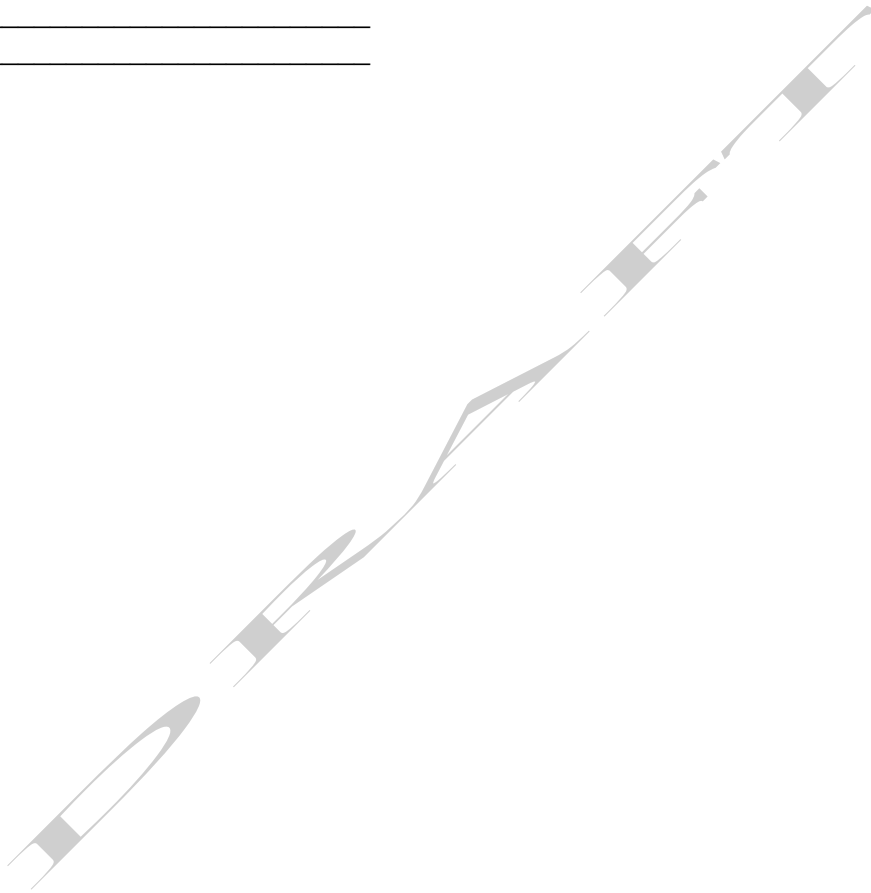


PURCHASER:

Executed as of \_\_\_\_\_ 202\_\_.

\_\_\_\_\_,  
a \_\_\_\_\_

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



## ATTACHMENT A

### CONSENT OF CONSULTANTS

The undersigned consultant (“Consultant”) hereby consents to the foregoing Assignment to which this Consultant’s Consent (“Consent”) is part, and acknowledges that there presently exists no unpaid claims due to the Consultant except as set forth on Schedule 1 attached hereto, arising out of the preparation and delivery of the Environmental Clearance Work Product to Purchaser and/or the performance of the Consultant’s obligations under the Assignment.

Consultant agrees that if, at any time, City will become the owner of said Property, or, pursuant to its rights under the PSA, elects to undertake or cause the completion of construction of the Project on any portion of the Property, in accordance with the Environmental Clearance Work Product, and gives Consultant written notice of such election; THEN, so long as Consultant has received, receives or continues to receive the compensation called for under the Agreement, City and its successor and assigns may, at its option, use and rely on the Environmental Clearance Work Product for the purposes for which they were prepared, and Consultant will continue to perform its obligations under the Agreements for the benefit and account of City in the same manner as if performed for the benefit or account of Purchaser in the absence of the Assignment.

Consultant warrants and represents that it/he has no knowledge of any prior assignment(s) of any interest in the Environmental Clearance Work Product. Except as otherwise defined herein, the terms used herein will have the meanings given them in the Assignment.

Executed as of \_\_\_\_\_, 202\_\_\_\_.

[Consultant’s Signature on Following Page]

[CONSULTANT'S NAME]

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

Title:

[address]

City's Address:

City of Palmdale  
38300 North Sierra Highway, Suite A  
Palmdale, California 93550  
Attention: Ronda Perez, City Manager

With a copy to:

City Attorney's Office  
City of Palmdale  
38300 North Sierra Highway, Suite A  
Palmdale, California 93550  
Attention: William P. Curley, III, City Attorney

#### SCHEDULE OF UNPAID CLAIMS

Schedule 1 to Assignment of Consultant Agreements, Environmental Clearance Work Product dated as of \_\_\_\_\_, 202\_\_\_\_ between \_\_\_\_\_, as Purchaser, and CITY PALMDALE, as City.

#### PROPERTY DESCRIPTION

Attachment A to Assignment of Environmental Clearance Work Product Agreement and Documents dated as of \_\_\_\_\_, 202\_\_\_\_, between \_\_\_\_\_, as Purchaser and CITY OF PALMDALE, as City.

[Immediately Follows This Page]

## **ASSIGNMENT OF PLANS, ENTITLEMENTS AND THIRD-PARTY REPORTS**

FOR VALUE RECEIVED, the undersigned, \_\_\_\_\_, a \_\_\_\_\_ (“Purchaser”), assigns to the **CITY OF PALMDALE**, a municipal corporation (“City”), all of its rights, title and interest in and to all Assignable Entitlements (as defined in the PSA) prepared or obtained by or for Purchaser for the development and construction of the Project and relating to the Released Property described on Schedule 1 attached hereto. The foregoing assignment by Purchaser is made without any representations or warranties of any kind or nature, express or implied.

This ASSIGNMENT OF PLANS, ENTITLEMENTS AND THIRD-PARTY REPORTS (“Assignment”) constitutes a collateral assignment to City as of the Effective Date and is made in conjunction with that certain Purchase and Sale Agreement dated effective as of \_\_\_\_\_, 2025 (the “PSA”). The PSA was entered into regarding the purchase and sale of certain property located in the City of Palmdale, County of Los Angeles, State of California (the “Property”), as more particularly described in the PSA, and its development by Purchaser. Capitalized terms not otherwise defined herein have the meaning set forth in the PSA.

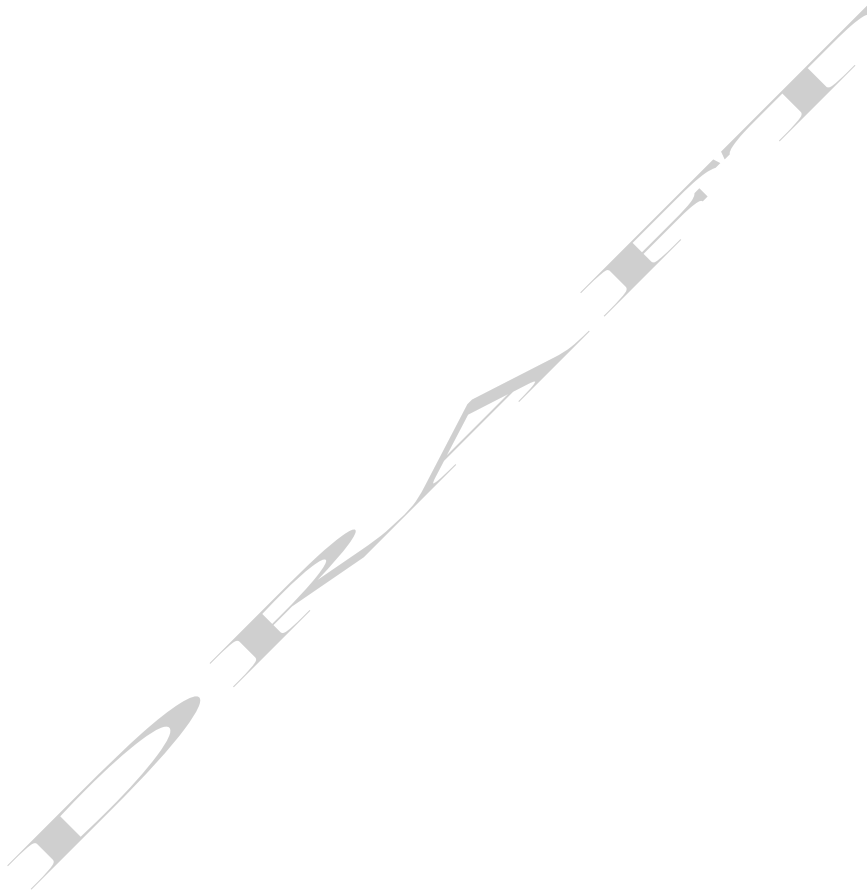
Upon the occurrence of a Triggering Event under the PSA, City may, in its sole discretion, give notice to Purchaser and its consultants responsible for any Assignable Entitlements of its intent to enforce its rights to receive an assignment of the Assignable Entitlements. Purchaser acknowledges that by accepting this Assignment, City does not assume any of Purchaser’s obligations under the Assignable Entitlements. City acknowledges that by accepting this Assignment, Purchaser does not accrue any obligations or liability to City with respect to the Assignable Entitlements from and after the occurrence of any Triggering Event. Notwithstanding anything herein to the contrary, at all times prior to a Triggering Event, Purchaser retains the right to use and possess the Assignable Entitlements, and the collateral assignment granted herein to the City shall become automatically subordinate in all respects to the rights of Purchaser's lender with respect to any portion of the Property that becomes subject to third party construction financing (as evidenced by a recorded deed of trust encumbering such portion of the Property).

This Assignment secures performance by Purchaser of all obligations of Purchaser under the PSA. This Assignment is supplemented by the provisions of the PSA and said provisions are incorporated herein by reference.

This Assignment will be governed by the laws of the State of California, without reference to the principles governing conflicts of laws, and Purchaser consents to the jurisdiction of any Federal or State Court within the State of California having proper venue for the filing and maintenance of any action arising hereunder and agrees that the prevailing party in any such action will be entitled, in addition to any other recovery, to reasonable attorney’s fees and costs.

This Assignment will be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors-in-interest of Purchaser and City; provided, however, this will not be construed and is not intended to waive any restrictions on assignment, sale, transfer, mortgage, pledge, hypothecation or encumbrance by Purchaser contained in the PSA.

The attached Consent of consultants, Schedule 2 and Attachment A are incorporated by reference.



PURCHASER:

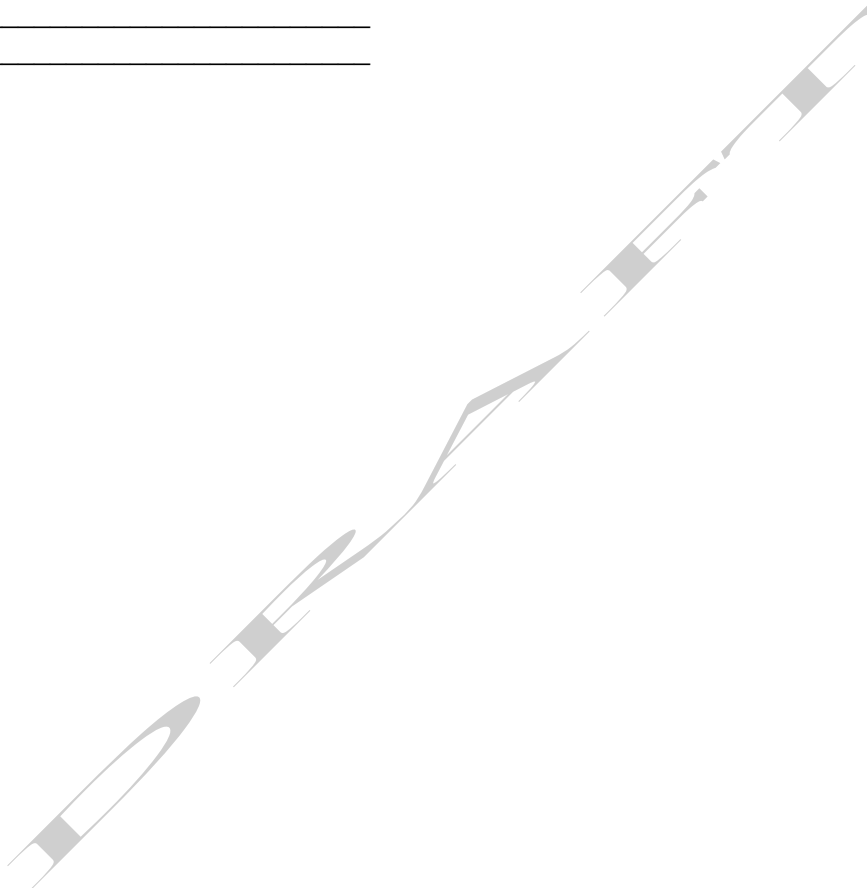
Executed as of \_\_\_\_\_ 202\_\_.

\_\_\_\_\_,  
a \_\_\_\_\_

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

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

Title: \_\_\_\_\_



## ATTACHMENT A

### CONSENT OF CONSULTANTS

The undersigned consultant (“Consultant”) hereby consents to the foregoing Assignment to which this Consultant’s Consent (“Consent”) is part, and acknowledges that there presently exists no unpaid claims due to the Consultant except as set forth on Schedule 1 attached hereto, arising out of the preparation the Assignable Entitlements for Purchaser and/or the performance of the Consultant’s obligations under the Assignment.

Consultant agrees that if, at any time, City will become the owner of said Property, or, pursuant to its rights under the PSA, elects to undertake or cause the completion of construction of the Project on any portion of the Property, and uses the Assignable Entitlements the completion of such construction, and gives Consultant written notice of such election; THEN, so long as Consultant has received, receives or continues to receive the compensation called for under the Agreement, City and its successor and assigns may, at its option, use and rely on the Assignable Entitlements for the purposes for which they were prepared, and Consultant will continue to perform its obligations under the Agreements for the benefit and account of City in the same manner as if performed for the benefit or account of Purchaser in the absence of the Assignment.

Consultant warrants and represents that it/he has no knowledge of any prior assignment(s) of any interest in the Assignable Entitlements. Except as otherwise defined herein, the terms used herein will have the meanings given them in the Assignment.

Executed as of \_\_\_\_\_, 202\_\_\_\_.

[Consultant’s Signature on Following Page]

[CONSULTANT'S NAME]

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

Title:

[address]

City's Address:

City of Palmdale  
38300 North Sierra Highway, Suite A  
Palmdale, California 93550  
Attention: Ronda Perez, City Manager

With a copy to:

City Attorney's Office  
City of Palmdale  
38300 North Sierra Highway, Suite A  
Palmdale, California 93550  
Attention: William P. Curley, III, City Attorney

#### SCHEDULE OF UNPAID CLAIMS

Schedule 1 to Assignment of Consultant Agreements, Assignable Entitlements dated as of \_\_\_\_\_, 202\_\_ between \_\_\_\_\_, as Purchaser, and CITY PALMDALE, as City.

#### PROPERTY DESCRIPTION

Attachment A to Assignable Entitlements Agreement and Documents dated as of \_\_\_\_\_, 202\_\_, between \_\_\_\_\_, as Purchaser and CITY OF PALMDALE, as City.

[Immediately Follows This Page]



# City Council Staff Report

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**DATE:** DECEMBER 2, 2025

**TO:** HONORABLE MAYOR PRO TEM AND CITY COUNCIL

**FROM:** ALEXANDRA SEVERINO, CITY ATTORNEY

**DISTRICT:** ALL

**SUBJECT:** ANNUAL SELECTION OF MAYOR AND MAYOR PRO TEM

## **RECOMMENDATION**

Staff recommend that Council:

1. Select a Mayor and Mayor Pro Tem for the 2026 calendar year.

## **BACKGROUND**

On April 1, 2025, the City Council approved Ordinance No. 1655 to establish the annual selection process for the Mayor and Mayor Pro Tem. The first meeting in December is designated for appointing a councilmember to serve as Mayor, followed immediately by the appointment of a councilmember to serve as Mayor Pro Tem.

## **DISCUSSION**

The City Council should act in accordance with its adopted procedure to ensure a definite and certain City Council leadership.

## **FISCAL IMPACT**

\$0; Minor costs related to updating the City's administrative records and public materials are expected, and can be absorbed within the existing budget.

## **STRATEGIC PLAN**

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

- C. Involve and expand engagement to enhance public oversight and transparency.

Report to Mayor Pro Tem and City Council  
Re: Annual Selection of Mayor and Mayor Pro Tem  
December 2, 2025  
Page 2

|                                        |                                        |
|----------------------------------------|----------------------------------------|
| Prepared by:                           | Alexandra Severino, City Attorney      |
| Certified as to availability of Funds: | Janelle Samson, Director of Operations |
| Approved by:                           | Salvador Mendez, Interim City Manager  |
| Approved as to form:                   | Alexandra Severino, City Attorney      |

**ATTACHMENTS:**

Ord. No. 1655

CITY COUNCIL  
CITY OF PALMDALE, CALIFORNIA  
ORDINANCE NO. 1655

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALMDALE, CALIFORNIA, A CHARTERED CITY, REPEALING AND RESCINDING SECTION 2.08.010 OF TITLE 2 OF THE PALMDALE MUNICIPAL CODE AND ADOPTING A NEW SECTION 2.08.010 OF TITLE 2 OF THE PALMDALE MUNICIPAL CODE, ESTABLISHING THE ANNUAL SELECTION OF MAYOR AND MAYOR PRO TEM BY THE MAJORITY VOTE OF THE ENTIRE COUNCIL

**I. Intent of City Council**

A. The present municipal code authority as set forth in Section 2.08.010 of Title 2 of the Palmdale Municipal Code establishes an automatic, district based, numerical rotation for both the office of Mayor and for Mayor Pro Tem. This structure removes the proper discretion of the entire City Council as regards the selection of Mayor and Mayor Pro Tem.

B. The City Council desires to annually exercise its discretion, and even from time to time in the course of the term defined by the calendar year, commencing in January of each year and terminating at the end of December of that calendar year.

C. All legal prerequisites to the adoption of this ordinance have occurred as required by law, and per Palmdale Municipal Code Sections 1.06.040 through and including 1.06.070, of Title I.

**II. Ordinance**

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES ORDAIN AS FOLLOWS:

**SECTION 1.** In all respects as set forth in Part I above of this Ordinance which are hereby incorporated by reference in their entirety.

**SECTION 2.** The presently adopted Section 2.08.010 of Title 2 of the Palmdale Municipal Code is revoked and rescinded in its entirety, effective upon the effective date of this Ordinance.

**SECTION 3.** A new Section 2.08.010 of Title 2 of the Palmdale Municipal Code, to read in words and figures as follows; is hereby adopted and will be effective thirty (30) days after its adoption:

“2.08.010

On an annual basis at the first meeting in December the City Council, by majority vote of those in attendance, shall first select a council member to serve as Mayor, and immediately thereafter select a council member, by majority vote of those in attendance, to serve as Mayor Pro Tem. At the pleasure of a majority of the City Council, the City Council may, from time to time, replace either or both the Mayor and Mayor Pro Tem. The Mayor and Mayor Pro Tem shall not serve consecutive terms.”

**SECTION 4.** The City Council finds that the adoption and codification of this Ordinance is not subject to review by the California Environmental Quality Act (“CEQA”) pursuant to Guidelines Sections 15060(c)(2) and 15061(b)(3) as there is no direct or reasonably foreseeable indirect change in the physical environment and no significant impact on the environment will occur.

**SECTION 5.** If any chapter, article, section, subsection, subdivision, sentence, clause, phrase, word, or portion of this Ordinance, or the application thereof to any person, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portion of this Ordinance or its application to other persons. The City Council hereby declares that it would have adopted this Ordinance and each chapter, article, section, subsection, subdivision, sentence, clause, phrase, word, or portion thereof, irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, phrases, or portions of the application thereof to any person, be declared invalid or unconstitutional. No portion of this Ordinance shall supersede any local, state, or federal law, regulation, or codes dealing with life safety factors.

**SECTION 6.** The City Clerk shall certify to the adoption of this Ordinance.

**PASSED, APPROVED and ADOPTED** this 1st day of April, 2025.

  
Richard J. Loa (Apr 15, 2025 16:03 PDT)

Richard J. Loa, Mayor

APPROVED AS TO FORM:

ATTEST:



Alexandra M. Halfman  
Acting City Attorney

  
Rochelle Scott (Apr 17, 2025 16:00 PDT)

Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing Ordinance was duly introduced, passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 1st day of April, 2025 effective on the 1st day of May, 2025 by the following roll call vote:

AYES: Bettencourt, Bishop, Ohlsen, Alarcón

NOES: Loa

ABSTAIN: None ABSENT: None

Date: 04/17/2025 *Rochelle Scott*  
Rochelle Scott (Apr 17, 2025 16:00 PDT)  
Rochelle Scott, City Clerk

**CITY OF PALMDALE  
OFFICE OF THE CITY COUNCIL**

**M E M O R A N D U M**

**TO:** City Clerk

**FROM:** Laura Bettencourt, Mayor Pro Tem

**SUBJECT:** Monthly Informational Report – Events and Meetings

**DATE:** December 2, 2025

During the period November 1 through November 30, 2025, I attended the following meetings and events:

|            |                                                                  |
|------------|------------------------------------------------------------------|
| Nov. 3     | Briefing re: Agenda Items + 5 yr CIP Plan                        |
| Nov. 3     | Barrel Springs Visit                                             |
| Nov. 4     | Regular Council Meeting                                          |
| Nov. 4     | Sam Yellen Phase 2 Ribbon Cutting                                |
| Nov. 5     | Coach's Tavern Grand Opening                                     |
| Nov. 6     | AV EDGE 2025 Fall Forum                                          |
| Nov. 8     | AV Wall Opening Ceremony at Palmdale Amphitheater                |
| Nov. 11    | Veterans Day Ceremony at Palmdale Amphitheater                   |
| Nov. 13    | LCC DMD Larry Chimbole Awards Luncheon                           |
| Nov. 19-23 | National League of Cities City Summit Conference, Salt Lake City |
| Nov. 25    | AVTA Board of Directors Meeting                                  |
| Nov. 26    | Sparkle Up the Square at Poncitlán Square                        |

**CITY OF PALMDALE  
OFFICE OF THE CITY COUNCIL**

**M E M O R A N D U M**

**TO:** City Clerk

**FROM:** Austin Bishop, Councilmember

**SUBJECT:** Monthly Informational Report – Events and Meetings

**DATE:** December 2, 2025

During the period November 1 through November 30, 2025, I attended the following meetings and events:

|            |                                                                  |
|------------|------------------------------------------------------------------|
| Nov. 3     | Briefing re: Agenda Items + 5 yr CIP Plan                        |
| Nov. 4     | Regular Council Meeting                                          |
| Nov. 4     | Sam Yellen Phase 2 Ribbon Cutting                                |
| Nov. 5     | Coach's Tavern Grand Opening                                     |
| Nov. 6     | SCAG Board Meeting                                               |
| Nov. 8     | AV Wall Opening Ceremony at Palmdale Amphitheater                |
| Nov. 12    | Together California Site Visit                                   |
| Nov. 19-23 | National League of Cities City Summit Conference, Salt Lake City |
| Nov. 25    | SAVES Thanksgiving Basket Distribution                           |

**CITY OF PALMDALE  
OFFICE OF THE CITY COUNCIL**

**M E M O R A N D U M**

**TO:** City Clerk

**FROM:** Richard Loa, Councilmember

**SUBJECT:** Monthly Informational Report – Events and Meetings

**DATE:** December 2, 2025

During the period November 1 through November 30, 2025, I attended the following meetings and events:

|         |                                                    |
|---------|----------------------------------------------------|
| Nov. 4  | Briefing re: Agenda Items + 5 yr CIP Plan          |
| Nov. 4  | Regular Council Meeting                            |
| Nov. 4  | Sheriff Boosters Meeting                           |
| Nov. 6  | AV EDGE 2025 Fall Forum                            |
| Nov. 8  | AV Wall Opening Ceremony at Palmdale Amphitheater  |
| Nov. 8  | AV BOGA Military Ball                              |
| Nov. 11 | Veterans Day Ceremony at Palmdale Amphitheater     |
| Nov. 17 | AV EDGE Lunch with Senator Valladares              |
| Nov. 20 | GAVAR Installation Brunch                          |
| Nov. 21 | Executive Committee on Regional Homeless Alignment |
| Nov. 26 | Sparkle Up the Square at Poncitlán Square          |

**CITY OF PALMDALE  
OFFICE OF THE CITY COUNCIL**

**M E M O R A N D U M**

**TO:** City Clerk

**FROM:** Eric Ohlsen, Councilmember

**SUBJECT:** Monthly Informational Report – Events and Meetings

**DATE:** December 2, 2025

During the period November 1 through November 30, 2025, I attended the following meetings and events:

|            |                                                                  |
|------------|------------------------------------------------------------------|
| Nov. 3     | Briefing re: Agenda Items + 5 yr CIP Plan                        |
| Nov. 4     | Regular Council Meeting                                          |
| Nov. 4     | Sam Yellen Phase 2 Ribbon Cutting                                |
| Nov. 6     | AV EDGE Fall Forum                                               |
| Nov. 8     | AV Wall Opening Ceremony at Palmdale Amphitheater                |
| Nov. 8     | AV BOGA Military Ball                                            |
| Nov. 11    | Veterans Day Ceremony at Palmdale Amphitheater                   |
| Nov. 12    | Together California Site Visit                                   |
| Nov. 12    | Metrolink Board Briefing                                         |
| Nov. 19-23 | National League of Cities City Summit Conference, Salt Lake City |
| Nov. 24    | SAVES Thanksgiving Basket Distribution                           |
| Nov. 25    | AVTA Board of Directors Meeting                                  |
| Nov. 26    | Sparkle Up The Square-Flip the Switch at Poncitlán               |