PALMDALE

a place to call home

CITY COUNCIL
ADJOURNED REGULAR MEETING
CITY COUNCIL CHAMBER
38300 SIERRA HIGHWAY
SUITE B
PALMDALE, CA 93550
WEDNESDAY, FEBRUARY 18, 2026
5:00 PM
www.cityofpalmdaleca.gov

WELCOME

LEGISLATIVE BODY

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

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Translation QR Code.
Translation QR Code.pdf

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.

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 agendized 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.

1. **CALL MEETING TO ORDER**

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

2. **ROLL CALL**
   MAYOR OHLSEN, MAYOR PRO TEM BISHOP, COUNCILMEMBERS LOA, BETTENCOURT, ALARCÓN

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

4. **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.

   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 Approve First Amendment with Wilson Events Incorporated for booking and onsite production services, increasing the agreement by $335,680 for a total not to exceed amount of $585,680 for a term of one-year with an option to extend an additional one-year term.
   SR Agrmt No. A-8054 First Amendment with Wilson Events, Inc.docx
   Agrmt No. A-8504 First Amendment with Wilson Events, Inc.pdf
   Agrmt No. A-8504 with Wilson Events, Inc.pdf

   4.3 Authorize an Energy Storage Resource Adequacy Agreement between Circle City Energy Storage LLC, an ENGIE company, and California Choice Energy Authority on behalf of Energy for Palmdale's Independent Choice (EPIC) for the purchase

of Resource Adequacy long-term, mid-term reliability capacity for a term of ten years.
SR Energy Storage Resource Adequacy Agreement.docx
Energy Storage Resource Adequacy Agreement.pdf

4.4 Approve Final Tract Map No. 53920-1 (located at the intersection of Kingman Drive and Westgate Drive).
SR Final Tract Map No. 53920-1.docx
Final Tract Map No. 53920-1.pdf
Location Map.pdf

4.5 Approve the Memorandum of Understanding (MOU) with WM pursuant to Conditional Use Permit (CUP) 98-12.
SR MOU Agrmt No. A-9686 with WM.docx
MOU Agrmt No. A-9686 with WM.pdf

4.6 Approve Requisition with SiteOne Landscape Supply, LLC for landscape aggregate, boulders, and materials in an amount not to exceed $200,000 for Fiscal Year 2025-26.
SR Req. No. 260863 with SiteOne Landscape Supply, LLC.docx
Req. No. 260863 with SiteOne Landscape Supply, LLC.pdf

4.7 Receive and file the City of Palmdale's 2025-2030 Five-Year Capital Improvement Plan.
SR Five-Year Capital Improvement Plan.docx
Five-Year 2025-2030 CIP Workbook.pdf

4.8 Approve Second Amendment to Agreement with Southern California Regional Rail Authority (SCRRA) for additional design review services for the Palmdale Boulevard and Sierra Highway Railroad Crossing Safety Upgrades Project, and increasing costs of $445,500.
SR Agrmt No. A-7943 Second Amendment with SCRRA.docx
Second Amendment to Agrmt No. A-7943 with SCRRA.docx
First Amendment to Agrmt No. A-7943 with SCRRA.pdf

4.9 Approve the minutes from the previous meeting.
Mins 02 03 2026.pdf
Mins 02 11 2026.pdf
Mins 02 12 2026.pdf

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

5.1 Discuss a potential amendment to the Palmdale Municipal Code (Chapter 2.08.040) regarding regular meeting date, time, place, and provide direction to staff.

SR Discussion PMC Chapter 2.08.040.docx

6. **CITY MANAGER'S REPORT**

7. **SHERIFF'S REPORT**

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

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

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

PRESENTATION BY CITY ATTORNEY

10.1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Sheils v. City of Palmdale
Los Angeles Superior Court 25STCV05268
This closed session is being held pursuant to the authority of California Government Code Section 54956.9, subdivision (d)(1).

10.2 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Concerning CV Communities, LLC v. Antelope Valley-East Kern Water Agency, et al.
Los Angeles Superior Court 20STCV10953
This closed session is being held pursuant to the authority of California Government Code Section 54956.9(d)(1).

10.3 PUBLIC EMPLOYMENT
Title: City Manager
This closed session is being held pursuant to the authority of California Government Code Section 54957.

10.4 PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: City Attorney
This closed session is being held pursuant to the authority of California Government Code Section 54957.

11. **ANNOUNCEMENT BY CITY ATTORNEY**

12. **ADJOURN** meeting to March 3, 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

City Council Staff Report

DATE: **FEBRUARY 18, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PARKS AND RECREATION DEPARTMENT**

DISTRICT: **ALL**

SUBJECT: **APPROVE FIRST AMENDMENT WITH WILSON EVENTS INCORPORATED FOR BOOKING AND ONSITE PRODUCTION SERVICES, INCREASING THE AGREEMENT BY $335,680 FOR A TOTAL NOT TO EXCEED AMOUNT OF $585,680 FOR A TERM OF ONE-YEAR WITH AN OPTION TO EXTEND AN ADDITIONAL ONE-YEAR TERM**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve First Amendment Agreement No. A-8504 with Wilson Events Incorporated for booking and onsite production services, increasing the agreement by $335,680 for a total not to exceed amount of $585,680 for a term of one year with an option to extend an additional one-year term;

2. Authorize the Interim City Manager or his designee to execute First Amendment Agreement No. A-8504 with Wilson Events Incorporated, including minimal and/or non-substantial changes; and,

3. Authorize the Interim City Manager or his designee to exercise the option to extend one additional one-year term.

BACKGROUND

Professional entertainment booking and management services are standard practice in the industry. To secure nationally recognized artists and manage complex contracts, the City contracts with Wilson Events, Inc., for headline entertainment booking services. These professional services include entertainers, performers, and specialty services for parks and recreation programs.

The Agreement is non-exclusive. The City may also secure entertainers directly or through other talent buyers as needed. The Agreement was executed pursuant to Ordinance No. 1599, Section 3.08.140, which exempts certain professional services from the competitive bidding process and requires selection based on qualifications.

DISCUSSION

This action authorizes additional funding to continue services and exercise an additional year of the existing agreement, with no changes to the scope of services or fee structure. Approval of the First Amendment will increase the contract amount by $335,680 to fund artist booking services for the upcoming contract year and any remaining option years.

Wilson Events' established industry reputation enables the City to secure a diverse range of high-quality, nationally recognized artists. The firm's experience representing the venue ensures compliance with City requirements and artist standards, supporting the delivery of well-managed, high-quality, and safe performances for the community.

Under the agreement, Wilson Events provides turnkey booking services, including artist procurement, contract negotiation, production coordination, and on-site artist management. As a major talent buyer in the Western United States, the firm leverages its industry relationships and client base to secure competitive pricing and access to touring artists. Wilson Events maintains ongoing communication with national artist agencies and talent management companies to monitor availability and touring schedules. Over the past 30 years, the firm has purchased nearly $500 million in talent and served clients nationwide.

FISCAL IMPACT

$335,680; Sufficient funds for these services are budgeted in Parks and Recreation Concert Program account. Annual funding necessary will be evaluated and approved as part of the City's budget adoption process.

STRATEGIC PLAN

Goal IV: Maintain a desirable community where everyone wants to live, work, and play.

D. Develop and maintain diverse programs and events that inspire growth, pride, and lifelong learning.

Prepared by:	Keri Smith, Director of Parks and Recreation
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-8504 First Amendment with Wilson Events Incorporated
Agrmt No. A-8504 with Wilson Events Incorporated

1st AMENDMENT TO AGREEMENT A- 8504
BETWEEN THE CITY OF PALMDALE AND WILSON EVENTS, INC.

This 1st Amendment to Agreement No. A-8504 (“Agreement”) is made and entered into by and between the City of Palmdale (hereinafter called “CITY”) and WILSON EVENTS, INC. (hereinafter called "CONTRACTOR"). This Contract shall become effective on the date of the last signatory.

WHEREAS, on January 10, 2024 ("Original Agreement") the CITY and CONTRACTOR entered into an agreement to provide:

• Provide booking and onsite production services for the Palmdale Concert Series.

• Consult and develop a talent plan including projections of budget and program considerations with regard to audience appeal, potential, and appropriateness to Concert Series.

• Secure booking for Palmdale Concert Series and facilitate City contact and insurance requirements.

• Identify, review and facilitate all backline and rider requirements.

WHEREAS, the parties desire to amend the Original Agreement to:

Amend contract price and extend additional year

NOW THEREFORE, the parties agree as follows:

1. Section 5 of the Agreement, PRICE, is hereby increased by an additional Three Hundred Eighty-Two Thousand Five Hundred dollars ($382,500.00) bringing the total amount of the contract to Five Hundred Eighty-Five Thousand Six Hundred Eighty dollars ($585,680.00).

2. Section 6 of the Agreement, TERM, is hereby extended for one (1) additional year, commencing on January 10, 2026, leaving one (1) additional year available for extension.

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

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:

SIGNATURE AREA

Salvador Mendez
Interim City Manager

SIGNATURE AREA

ADDRESS FOR NOTICE:
CITY OF PALMDALE
827 East Avenue Q-9
Palmdale, CA 93550

APPROVE AS TO FORM:

SIGNATURE AREA

Alexandra Severino
City Attorney

ATTEST:

SIGNATURE AREA

Roxanne Faber
City Clerk

WILSON EVENTS, INC.:

SIGNATURE AREA

Ethan Hirsch
Vice President

ADDRESS FOR NOTICE:
WILSON EVENTS, INC.
765 Baywood Dr., Ste. 235
Petaluma, CA 94954

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

□Certificate(s) and Endorsement(s) attached
□Confirmed business name on contract with certificate(s)
■Original contract and previous amendment(s) (if any) are attached
□Attached Agreement Checklist and met all requirements

AGREEMENT NO. A-8504
CONTRACT FOR SERVICES
BETWEEN THE CITY OF PALMDALE AND WILSON EVENTS INCORPORATED

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 WILSON EVENTS INCORPORATED, a California 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 Keri Smith 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:

• Provide booking and onsite production services for the Palmdale Concert Series.

• Consult and develop a talent plan including projections of budget and program considerations with regard to audience appeal, potential, and appropriateness to Concert Series.

• Secure booking for Palmdale Concert Series and facilitate City contact and insurance requirements.

• Identify, review and facilitate all backline and rider requirements.

• The Proposer should be qualified in the following:

• Demonstrated ability to secure timely booking of quality regional and national acts.

• Demonstrated ability to effectively identify and budget for all backline, rider, and contractual costs including lodging, hospitality, transport, equipment, sound, and staging.

• Demonstrated ability to provide quality production services.

• Demonstrated ability to work effectively with sponsors, event volunteers, and other service providers.

• Experience working with performers' booking agents and representatives to meet the specific requirements of each artist's contractual provisions.

• Demonstrated ability to work as a consultant with a government agency and provide quality services before, during, and after the scheduled event.

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 30 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:

Ethan Hirsch, Vice President
(707) 763-9534
amf@wilsonevents.com

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 TWO (2) 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 Thousand dollars ($250000.00) 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:

CITY shall pay CONTRACTOR a fee not to exceed the sum of Two Hundred Fifty Thousand Dollars ($250000.00) to provide artist booking and management services.

- Artist Booking Fee Per Act: $5,000 or 15% of artist contract, whichever is greater

- Artist Management Fee Per Act: $2,500

- Artist Backline Fee: $0-$20,000 pursuant to artist contract requirements

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 <u>Workers’ Compensation and Employer’s Liability</u>

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

10.1.2 <u>Commercial General Liability</u>

- $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

10.2 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.

10.9 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.

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.

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:

Ronda Perez
Signed: 1/8/2024

Laura Betencourt
Mayor

EWD for KS
Signed: 1/4/2024

ADDRESS FOR NOTICE:
CITY OF PALMDALE
827 East Avenue Q-9
Palmdale, CA 93550

WILSON EVENTS INCORPORATED:

Ethan Hirsch
Signed: 1/4/2024

Ethan Hirsch
Vice President

ADDRESS FOR NOTICE:
WILSON EVENTS INCORPORATED
765 Baywood Dr., Ste. 235
Petaluma, CA 94954

APPROVE AS TO FORM:

William Patrick Curley III
Signed: 1/8/2024

William P. Curley, III
Interim City Attorney

ATTEST:

Roxanne Faber
Signed: 1/10/2024

Roxanne Faber
Acting 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

EWD for KS

Signed on 2024-01-04 01:57:57 GMT

Secured by Concord™
DocumentID: OWU4NDRhMmEtMz
SigningID: ODMzZTYyMDQtOW
Signing date: 1/4/2024
IP Address: 206.171.111.149
Email: edombrowski@cityofpalmdale.org

For
Name
Title

Ethan Hirsch

Signed on 2024-01-04 16:49:57 GMT

Secured by Concord™
DocumentID: OWU4NDRhMmEtMz
SigningID: NDlmMDcwNjgtZm
Signing date: 1/4/2024
IP Address: 104.182.237.133
Email: ehh@wilsonevents.com

For
Name
Title

William Patrick Curley III

Signed on 2024-01-08 17:11:14 GMT

Secured by Concord™
DocumentID: OWU4NDRhMmEtMz
SigningID: NzFhMWFmZjctZD
Signing date: 1/8/2024
IP Address: 107.131.11.226
Email: wcurley@harperburns.com

For
Name
Title

Ronda Perez

Signed on 2024-01-08 19:09:38 GMT

Secured by Concord™
DocumentID: OWU4NDRhMmEtMz
SigningID: ZmYzYWMzN2MtNj
Signing date: 1/8/2024
IP Address: 108.147.175.80
Email: rperez@cityofpalmdale.org

For
Name
Title

Roxanne Faber

Signed on 2024-01-10 16:00:22 GMT

Secured by Concord™
DocumentID: OWU4NDRhMmEtMz
SigningID: MDlhNTQ5ZjEtYT
Signing date: 1/10/2024
IP Address: 206.171.111.149
Email: rfaber@cityofpalmdale.org

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City Council Staff Report

DATE: **FEBRUARY 18, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
INNOVATION AND ENVIRONMENTAL DIVISION

DISTRICT: **ALL**

SUBJECT: **AUTHORIZE AN ENERGY STORAGE RESOURCE ADEQUACY AGREEMENT BETWEEN CIRCLE CITY ENERGY STORAGE LLC, AN ENGIE COMPANY, AND CALIFORNIA CHOICE ENERGY AUTHORITY ON BEHALF OF ENERGY FOR PALMDALE'S INDEPENDENT CHOICE (EPIC) FOR THE PURCHASE OF RESOURCE ADEQUACY LONG-TERM, MID-TERM RELIABILITY CAPACITY FOR A TERM OF TEN YEARS**

RECOMMENDATION

Staff recommend that the City Council:

1. Authorize an Energy Storage Resource Adequacy Agreement between Circle City Energy Storage LLC, an ENGIE company, and California Choice Energy Authority (CalChoice), on behalf of EPIC, for the purchase of Resource Adequacy (RA) and long-term, mid-term reliability capacity for a term of ten years; and,

2. Authorize the Interim City Manager, or his designee, to execute a Resource Adequacy Agreement, subject to the approval of the City Attorney.

BACKGROUND

The City's Community Choice Aggregation (CCA) Program, Energy for Palmdale's Independent Choice (EPIC), was established by the City Council through adoption of Resolution No. CC 2018-087 on December 4, 2018. The Program successfully began serving customers on October 1, 2022. The actions before the City Council are in support of this effort.

To ensure long-term grid reliability for its customers and meet state-mandated procurement requirements, EPIC, through CalChoice, participates in the procurement of Resource Adequacy (RA) Capacity.

DISCUSSION

The California Public Utilities Commission (CPUC) previously issued Decision (D.) 21-06-035, and subsequently Decision (D.) 23-02-040, the latter of which mandates that load-serving entities, including CCAs, collectively procure substantial incremental capacity over a phased schedule reflecting two distinct compliance deadlines: June 1, 2026, and June 1, 2027. This procurement is intended to bolster system reliability by adding to California's resource fleet.

To further support meeting the CPUC's mid-term reliability procurement mandate, CalChoice's technical team identified a procurement opportunity associated with a standalone four-hour Battery Energy Storage System (BESS) located in the City of Corona, Riverside County. The project, Circle City Energy Storage, is being developed by ENGIE and has a total nameplate or maximum rated output capacity of 85 megawatts (MW), which can be dispatched over a four-hour period, providing up to 340 megawatt hours (MWh) to the grid.

The amount of capacity that has yet to be contracted from this facility is 17 MW, which is expected to achieve commercial operation on June 1, 2026. Note that this portion of the project will be constructed and contracted as a separately metered phase. CalChoice plans to contract, amongst various members, for the entirety of this capacity balance by arranging separate 10-year Energy Storage Resource Adequacy Agreements for each participating member.

EPIC's "Member's Share" of this allocation will be approximately 19%, equating to 3.25 MW of the project's capacity. The recommended Energy Storage Resource Adequacy Agreement, attached for Council consideration, contains terms, including financial security, performance standards, and remedy provisions, that are substantially similar to those used in other similar CalChoice agreements that adhere to industry best practices. The agreement incorporates a Contingent Firm delivery structure and robust financial security requirements, which protect EPIC from project delays and/or non-performance.

As a condition of the contract, the payment terms ensure that the City's general fund is protected through the Member Lockbox Arrangement. Circle City Energy Storage LLC recognizes and accepts the security provided in the name of the City as credit and collateral.

Based on the foregoing, staff recommends that the City Council approve entering into the Energy Storage Resource Adequacy Agreement with Circle City Energy Storage LLC on behalf of EPIC and authorize the Interim City Manager to execute this Agreement.

FISCAL IMPACT

$450,000 to $525,000 annually; Adequate annual revenues to support this agreement are forecasted within EPIC's Financial Pro Forma, contingent upon the appropriation of funds by the City Council during the adoption of future Palmdale Annual Budgets.

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

Goal III: Invest in infrastructure to improve community livability.

B. Implement and administer environmentally sustainable programs.

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

ATTACHMENT

Energy Storage Resource Adequacy Agreement between Circle City Energy Storage, LLC, an ENGIE company, and CalChoice, on behalf of Energy for Palmdale's Independent Choice (EPIC)

ENERGY STORAGE RESOURCE ADEQUACY AGREEMENT

COVER SHEET

Seller: Circle City Energy Storage LLC, a Delaware limited liability company ("**Seller**")

Buyer: California Choice Energy Authority, a California joint powers authority, on behalf of City of Palmdale, a California municipal corporation and charter city (d/b/a Energy for Palmdale's Independent Choice) ("**Buyer**")

Description of Facility: A 17 MW/68 MWh battery energy storage facility, located in Riverside County, in the State of California, as further described in Exhibit A, which is a separately-metered phase of a larger battery energy storage facility.

Milestones:

Milestone	Expected Date for Completion
Execute Interconnection Agreement	Complete
Procure Major Equipment	Complete
Obtain Conditional Use Permits	Complete
Expected Construction Start Date	September 15, 2025
Obtain Full Capacity Deliverability Status	Complete
Expected Commercial Operation Date	June 1, 2026

Product: The "**Product**" shall be Member's Share of all Capacity Attributes, including Resource Adequacy Benefits, associated with the Facility.

Delivery Term: Ten (10) Contract Years

Storage Contract Capacity: 17 MW_{AC} at four (4) hours of continuous discharge

Contract Price: [redacted]

Months after GCOD	[redacted]
< 1	
1-2	
2-3	
3-4	

4-5	[redacted]
5-6	
6-7	
7-8	
8-9	
9-10	
10-11	
>11	

Scheduling Coordinator: Seller or Seller's designee

Seller Credit Requirements:

Development Security: [redacted]

Performance Security: [redacted]

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Exhibit L	Storage Capacity Tests
Exhibit M	Metering Diagram
Exhibit N	Form of Guaranty

ENERGY STORAGE RESOURCE ADEQUACY AGREEMENT

This Energy Storage Resource Adequacy Agreement ("**Agreement**") is effective as of the last dated signature on the signature page hereto (the "**Effective Date**"), between Buyer and Seller. Buyer and Seller are sometimes referred to herein individually as a "**Party**" and jointly as the "**Parties**." Except as otherwise specified herein, all capitalized terms used in this Agreement are used with the meanings ascribed to them in Article 1 to this Agreement.

RECITALS

WHEREAS, Seller intends to develop, design, construct, own, and operate the Facility; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, on the terms and conditions set forth in this Agreement, the Product;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree to the following:

ARTICLE 1
DEFINITIONS

1.1 **Contract Definitions**. The following terms, when used herein with initial capitalization, shall have the meanings set forth below:

"**AC**" means alternating current.

"**Accepted Compliance Costs**" has the meaning set forth in Section 3.4(c).

[redacted]

"**Affiliate**" means, with respect to any Person, each Person that directly or indirectly controls, is controlled by, or is under common control with such designated Person. For purposes of this definition and the definition of "Qualified Transferee", "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean (a) the direct or indirect right to cast at least fifty percent (50%) of the votes exercisable at an annual general meeting (or its equivalent) of such Person or, if there are no such rights, ownership of at least fifty percent (50%) of the equity or other

ownership interest in such Person, or (b) the right to direct the policies or operations of such Person.

"**Agreement**" has the meaning set forth in the Preamble and includes the Cover Sheet; and any Exhibits, schedules, and written supplements hereto.

"**Availability Standards**" has the meaning set forth in the CAISO Tariff.

"**Bankrupt**" or "**Bankruptcy**" means with respect to any entity, such entity (a) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar Law, (b) has any such petition filed or commenced against it which remains unstayed or undismissed for a period of ninety (90) days, (c) makes an assignment or any general arrangement for the benefit of creditors, (d) otherwise becomes bankrupt or insolvent (however evidenced), (e) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (f) is generally unable to pay its debts as they fall due.

"**Business Day**" means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday in California. A Business Day begins at 8:00 a.m. and ends at 5:00 p.m. local time for the Party sending a Notice or payment or performing a specified action.

"**Buyer**" has the meaning set forth on the Cover Sheet.

"**Buyer's Indemnified Parties**" has the meaning set forth in Section 18.2.

"**CAISO**" means the California Independent System Operator Corporation or any successor entity performing similar functions.

"**CAISO Grid**" has the same meaning as "CAISO Controlled Grid" as defined in the CAISO Tariff.

"**CAISO Tariff**" means the California Independent System Operator Corporation Agreement and Tariff, Business Practice Manuals (BPMs), and Operating Procedures, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time to time and approved by FERC; provided that if there is a conflict between the BPMs, the CAISO Operating Agreement or the Operating Procedures, on the one hand, and the Tariff, on the other hand, the Tariff will control.

"**Capacity Attribute**" means any current or future defined characteristic, certificate, tag, credit, or accounting construct associated with the amount of power that the Facility can discharge to the Delivery Point, at a particular moment and that can be purchased, sold or conveyed under CAISO or CPUC market rules, including Resource Adequacy Benefits.

"**Change of Control**" means, except in connection with public market transactions of equity interests or capital stock of Seller's Ultimate Parent, any circumstance in which Ultimate Parent ceases to own, directly or indirectly through one or more intermediate entities, more than

fifty percent (50%) of the outstanding equity interests in Seller; provided that in calculating ownership percentages for all purposes of the foregoing:

(a) any ownership interest in Seller held by Ultimate Parent indirectly through one or more intermediate entities shall not be counted towards Ultimate Parent's ownership interest in Seller unless Ultimate Parent directly or indirectly owns more than fifty percent (50%) of the outstanding equity interests in each such intermediate entity; and

(b) ownership interests in Seller owned directly or indirectly by any Lender (including any tax equity provider) shall be excluded from the total outstanding equity interests in Seller.

"**Change in Law**" means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any Law; (b) any change in any Law or in the administration, interpretation or application of any Law by any Governmental Authority; (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority; (d) any change to a Resource Adequacy Ruling; (e) any order, decision, resolution, rule, regulation, guidance document, or other determination of the CPUC, or (f) any change in the CAISO Tariff or any document included in the definition thereof whether or not approved by FERC.

"**Charging Energy**" means all Energy delivered to the Facility, as measured at the Facility Metering Point by the Facility Meter, as such meter readings are adjusted by the CAISO for any applicable Electrical Losses or Station Use.

"**COD Certificate**" has the meaning set forth in Exhibit B.

"**Collateral Agent**" has the meaning in the Security Agreement.

"**Commercial Operation**" has the meaning set forth in Exhibit B.

"**Commercial Operation Date**" means the first day of the first Showing Month for which Seller delivers Product to Buyer hereunder after Commercial Operation is achieved.

"**Commercial Operation Storage Capacity Test**" means the Storage Capacity Test conducted in connection with Commercial Operation of the Facility.

"**Compliance Actions**" has the meaning set forth in Section 3.4(a).

"**Compliance Expenditure Cap**" has the meaning set forth in Section 3.4.

"**Compliance Showings**" means the (a) the Resource Adequacy Resource requirements compliance or advisory showings (or similar or successor showings), and (b) if applicable, the Local RAR compliance or advisory showings (or similar or successor showings) that Buyer is required to make to the CPUC (and, to the extent authorized by the CPUC, to the CAISO), pursuant to the Resource Adequacy Rulings, to the CAISO pursuant to the CAISO Tariff, or to any Governmental Authority having jurisdiction.

"**Confidential Information**" has the meaning set forth in Section 18.1.

"**Construction Start**" has the meaning set forth in Exhibit B.

"**Construction Start Date**" has the meaning set forth in Exhibit B.

"**Contract Price**" has the meaning set forth on the Cover Sheet.

"**Contract Term**" has the meaning set forth in Section 2.1.

"**Contract Year**" means a period of twelve (12) consecutive months. The first Contract Year shall commence on the Commercial Operation Date and each subsequent Contract Year shall commence on the anniversary of the Commercial Operation Date. The last Contract Year shall end at midnight on the day prior to the anniversary of the Commercial Operation Date.

"**Costs**" means, with respect to the Non-Defaulting Party, brokerage fees, commissions and other similar third-party transaction costs and expenses reasonably incurred by the Non-Defaulting Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace this Agreement; and all reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with terminating this Agreement.

"**Cover Sheet**" means the cover sheet to this Agreement, which is incorporated into this Agreement.

"**CPM Capacity**" has the meaning set forth in the CAISO Tariff.

"**CPUC**" means the California Public Utilities Commission, or successor entity.

"**CPUC System RA Penalty**" means the penalty rate assessed against load serving entities by the CPUC for "system" RA Capacity deficiencies that are not replaced or cured, as established by the CPUC in the Resource Adequacy Rulings.

"**Credit Rating**" means, with respect to any entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issuer rating by Fitch, S&P or Moody's. If ratings by Fitch, S&P and Moody's are not equivalent, the lower rating shall apply.

"**Damage Payment**" means the amount to be paid by Seller to Buyer as set forth in Section 11.3(a) or Exhibit B, as applicable.

"**Dedicated Interconnection Capacity**" has the meaning set forth in Section 6.3.

"**Defaulting Party**" has the meaning set forth in Section 11.1(a).

"**Delivery Point**" has the meaning set forth in Exhibit A.

"**Delivery Term**" shall mean the period of Contract Years set forth on the Cover Sheet beginning on the Commercial Operation Date, unless terminated earlier in accordance with the terms and conditions of this Agreement.

"**Development Cure Period**" has the meaning set forth in Exhibit B.

"**Development Security**" means (a) cash or (b) a Letter of Credit in the amount set forth for the Development Security on the Cover Sheet.

"**Discharging Energy**" means all Energy delivered to the Delivery Point from the Facility, as measured at the Facility Metering Point by the Facility Meter, as such meter readings are adjusted by the CAISO for any applicable Electrical Losses or Station Use. All Discharging Energy shall have originally been delivered to the Facility as Charging Energy.

"**Disclosing Party**" has the meaning set forth in Section 18.2.

"**Early Termination Date**" has the meaning set forth in Section 11.2(a).

"**Effective Date**" has the meaning set forth on the Preamble.

"**Effective Storage Capacity**" means the lesser of (a) PMAX, and (b) the maximum dependable operating capacity of the Facility to discharge Energy for four (4) hours of continuous discharge, as measured in MW AC at the Delivery Point (i.e., measured at the Facility Meter and as such meter readings are adjusted by the CAISO for any applicable Electrical Losses to the Delivery Point) pursuant to the most recent Storage Capacity Test, in either case (a) or (b) up to but not in excess of the Installed Capacity (with respect to any Storage Capacity Test after the Commercial Operation Date).

"**Electrical Losses**" means all transmission or transformation losses (a) between the Facility Metering Point and the Delivery Point associated with delivery of Discharging Energy, and (b) between the Delivery Point and the Facility Metering Point associated with delivery of Charging Energy to the Facility, in each case as applicable.

"**Energy**" means electrical energy, measured in kilowatt-hours or multiple units thereof.

"**Event of Default**" has the meaning set forth in Section 11.1.

"**Expected Commercial Operation Date**" is the date set forth on the Cover Sheet by which Seller reasonably expects as of the Effective Date to achieve Commercial Operation.

"**Expected Construction Start Date**" is the date set forth on the Cover Sheet by which Seller reasonably expects as of the Effective Date to achieve Construction Start.

"**Facility**" means the energy storage facility described on the Cover Sheet and in Exhibit A, located at the Site and including mechanical equipment and associated facilities and equipment, and as such storage facility may be expanded or otherwise modified from time to time in accordance with the terms hereof.

"**Facility Meter**" means the CAISO approved bi-directional revenue quality meter or meters (with a 0.3 accuracy class), along with a compatible data processing gateway or remote intelligence gateway, telemetering equipment and data acquisition services sufficient for monitoring, recording and reporting, in real time, the amount of Charging Energy delivered to the Facility Metering Point and the amount of Discharging Energy discharged from the Facility at the Facility Metering Point to the Delivery Point for the purpose of invoicing in accordance with Section 8.1. For clarity, the Facility may contain multiple measurement devices that will make up the Facility Meter, and, unless otherwise indicated, references to the Facility Meter shall mean all such measurement devices and the aggregated data of all such measurement devices, taken together.

"**Facility Metering Point**" means the location(s) of the Facility Meter shown in Exhibit M.

"**FERC**" means the Federal Energy Regulatory Commission or any successor government agency.

"**Fitch**" means Fitch Ratings Ltd., or its successor.

"**Force Majeure Event**" has the meaning set forth in Section 10.1.

"**Full Capacity Deliverability Status**" or "**FCDS**" has the meaning set forth in the CAISO Tariff.

"**Full Capacity Deliverability Status Finding**" means a written confirmation from the CAISO that the Facility is eligible for Full Capacity Deliverability Status.

"**Gains**" means, with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of this Agreement for the remaining Contract Term, determined in a commercially reasonable manner.

"**Governmental Authority**" means any federal, state, provincial, local or municipal government, any political subdivision thereof or any other governmental, congressional or parliamentary, regulatory, or judicial instrumentality, authority, body, agency, department, bureau, or entity with authority to bind a Party at law, including CAISO and the CPUC; *provided*, "Governmental Authority" shall not in any event include any Party.

"**Guaranteed Commercial Operation Date**" has the meaning set forth in Exhibit B.

"**Guaranteed Construction Start Date**" has the meaning set forth in Exhibit B.

"**Guarantor**" means any Person that [redacted]

"**Guaranty**" means a guaranty from a Guarantor provided for the benefit of the secured Party substantially in the form attached as Exhibit N, or as reasonably acceptable to the secured Party.

"**Hold-Back Capacity**" has the meaning set forth in Section 4.4.

"**Indemnified Party**" has the meaning set forth in Section 16.1.

"**Indemnifying Party**" has the meaning set forth in Section 16.1.

"**Installed Capacity**" means the lesser of (a) PMAX, and (b) maximum dependable operating capacity of the Facility to discharge Energy for four (4) hours of continuous discharge, as measured in MW AC at the Facility Meter Point by the Facility Meter as such meter readings are adjusted by the CAISO for any applicable Electrical Losses to the Delivery Point, that achieves Commercial Operation, as evidenced by a certificate substantially in the form attached as Exhibit F hereto.

"**Interconnection Agreement**" means the interconnection agreement entered into by Seller (or its Affiliate) pursuant to which the Facility will be interconnected with the Transmission System, and pursuant to which Seller's Interconnection Facilities and any other Interconnection Facilities will be constructed, operated and maintained during the Contract Term.

"**Interconnection Facilities**" means the interconnection facilities, control and protective devices and metering facilities required to connect the Facility with the Transmission System in accordance with the Interconnection Agreement.

"**Intercreditor and Collateral Agency Agreement**" means that certain Intercreditor and Collateral Agency Agreement, dated as of November 15, 2021, by and among River City Bank, as Collateral Agent, the Secured Creditors from time to time party thereto, and Member.

"**Interest Rate**" has the meaning set forth in Section 8.2.

"**Joinder**" has the meaning set forth in the Intercreditor and Collateral Agency Agreement.

"**Joint Powers Act**" means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.).

"**Joint Powers Agreement**" means that certain Joint Powers Agreement dated August 14, 2012, as amended, under which Buyer is organized as a Joint Powers Authority in accordance with the Joint Powers Act.

"**kW**" means a kilowatt measured in alternating current, unless expressly stated in terms of direct current.

"**Law**" means any applicable law, statute, rule, regulation, decision, writ, order, decree or judgment, permit or any interpretation thereof, promulgated or issued by a Governmental Authority.

"**Lender**" means, collectively, any Person (i) providing senior or subordinated construction, interim, back leverage or long-term debt, equity or tax equity financing or refinancing for or in connection with the development, construction, purchase, installation or operation of the Facility, whether that financing or refinancing takes the form of private debt (including back-leverage debt), equity (including tax equity), public debt or any other form (including financing or refinancing provided to a member or other direct or indirect owner of Seller), including any equity or tax equity investor directly or indirectly providing financing or refinancing for the Facility or purchasing equity ownership interests of Seller and/or its Affiliates, and any trustee or agent or similar representative acting on their behalf, (ii) providing interest rate or commodity protection under an agreement hedging or otherwise mitigating the cost of any of the foregoing obligations and/or (iii) participating in a lease financing (including a sale leaseback or leveraged leasing structure) with respect to the Facility.

"**Letter(s) of Credit**" means one or more irrevocable, standby letters of credit issued by (a) a U.S. commercial bank or (b) a foreign bank reasonably acceptable to Buyer with a U.S. branch, with such bank having a Credit Rating of at least A- with an outlook of "stable" from S&P or A3 with an outlook of "stable" from S&P from Moody's, in a form substantially similar to the letter of credit set forth in Exhibit I.

"**Licensed Professional Engineer**" means an independent, professional engineer selected by Seller and reasonably acceptable to Buyer, licensed in the State of California. For the avoidance of doubt, the Licensed Professional Engineer may be the same engineer contracted under the engineering, procurement, and construction contract for the Facility.

"**Local RAR**" means the local Resource Adequacy Requirements established for load-serving entities by the CAISO pursuant to the CAISO Tariff, the CPUC pursuant to the Resource Adequacy Rulings, or by any other Governmental Authority having jurisdiction. "Local RAR" may also be known as local area reliability, local resource adequacy, local resource adequacy procurement requirements, or local capacity requirement in other regulatory proceedings or legislative actions.

"**Lockbox Account**" has the meaning set forth in the Security Agreement.

"**Losses**" means, with respect to the Non-Defaulting Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from termination of this Agreement for the remaining Contract Term, determined in a commercially reasonable manner.

"**Member**" means City of Palmdale a California municipal corporation and charter city (d/b/a Energy for Palmdale's Independent Choice).

"**Member Lockbox Arrangement**" has the meaning set forth in Section 8.9.

"**Member's Share**" means nineteen percent (19%).

"**Milestones**" means the development activities for significant permitting, interconnection, and construction milestones set forth on the Cover Sheet.

"**Monthly Payment**" has the meaning set forth in Exhibit C.

"**Moody's**" means Moody's Investors Service, Inc., or its successor.

"**MW**" means megawatts in alternating current, unless expressly stated in terms of direct current.

"**MWh**" means megawatt-hour measured in alternating current, unless expressly stated in terms of direct current.

"**Net Qualifying Capacity**" has the meaning set forth in the CAISO Tariff ; *provided*, the Net Qualifying Capacity of the Facility will not decrease as a result of any change by CAISO, the CPUC or other Governmental Authority after the Effective Date that results in a change in the calculation of Net Qualifying Capacity.

"**Network Upgrades**" has the meaning set forth in the CAISO Tariff.

"**Non-Defaulting Party**" has the meaning set forth in Section 11.2.

"**Notice**" shall, unless otherwise specified in the Agreement, mean written communications by a Party to be delivered by hand delivery, United States mail, overnight courier service, or electronic messaging (email).

"**Party**" or "**Parties**" has the meaning set forth in the Preamble.

"**Performance Security**" means (i) cash, (ii) a Letter of Credit, or (iii) a Guaranty in the amount set forth for the Performance Security on the Cover Sheet.

"**Person**" means any individual, sole proprietorship, corporation, limited liability company, limited or general partnership, joint venture, association, joint-stock company, trust, incorporated organization, institution, public benefit corporation, unincorporated organization, government entity or other entity.

"**Planned Outage**" means a period during which the Facility is either in whole or in part not capable of providing service due to planned maintenance that has been scheduled in advance in accordance with Section 4.6(a).

"**PMAX**" means the applicable CAISO-certified maximum operating level of the Facility.

"**PNode**" has the meaning set forth in the CAISO Tariff.

"**Product**" has the meaning set forth on the Cover Sheet.

"**Progress Report**" means a progress report including the items set forth in Exhibit D or in an alternate form agreed upon by the Parties.

"**Prudent Operating Practice**" means (a) the applicable practices, methods and acts required by or consistent with applicable Laws and reliability criteria, and otherwise engaged in or approved by a significant portion of the electric industry during the relevant time period with respect to grid-interconnected, utility-scale storage facilities in the Western United States, or (b) any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Operating Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to acceptable practices, methods or acts generally accepted in the industry with respect to grid-interconnected, utility-scale energy storage in the Western United States. Prudent Operating Practice shall include compliance with applicable Laws, applicable reliability criteria, and the applicable criteria, rules and standards promulgated in the National Electric Safety Code and the National Electrical Code, as they may be amended or superseded from time to time, including the criteria, rules and standards of any successor organizations.

"**Qualified Transferee**" means (i) any Affiliate of Seller or (ii) any entity that satisfies, or is controlled by another Person that satisfies, the following requirements:

(a) A tangible net worth of not less than [redacted] or a Credit Rating of at least BBB- from S&P, BBB- from Fitch, or Baa3 from Moody's; and

(b) At least two (2) years of experience in the ownership and operations of energy storage facilities similar to the Facility or has retained a third-party with such experience to operate the Facility.

"**Qualifying Capacity**" has the meaning set forth in the CAISO Tariff.

"**RA Deficiency Amount**" has the meaning set forth in Section 3.3(a).

"**RA Guarantee Date**" means the date that is sixty (60) days after the Commercial Operation Date.

"**RA Product**" has the meaning set forth in Section 4.1(a).

"**RA Shortfall**" has the meaning set forth in Section 3.3(a).

"**RA Shortfall Month**" means, for purposes of calculating an RA Deficiency Amount under Section 3.3(a), any Showing Month during the Delivery Term, commencing with the first Showing Month after the Showing Month that includes the RA Guarantee Date, during which there is an RA Shortfall.

"**Receiving Party**" has the meaning set forth in Section 18.2.

"**Remedial Action Plan**" has the meaning set forth in Section 2.4.

"**Replacement RA**" means Resource Adequacy Benefits, if any, equivalent to or better than those that would have been provided by the Facility with respect to the applicable month in which a RA Deficiency Amount is due to Buyer.

"**Replacement Unit**" has the meaning set forth in Section 4.2.

"**Requested Confidential Information**" has the meaning set forth in Section 18.2.

"**Resource Adequacy Benefits**" means the rights and privileges attached to Member's Share of the Capacity Attributes of the Facility that satisfy any entity's resource adequacy obligations, as those obligations are set forth in any Resource Adequacy Rulings and shall include Member's Share of any local, zonal or otherwise locational attributes associated with the Facility.

"**Resource Adequacy Plan**" has the meaning set forth in the CAISO Tariff.

"**Resource Adequacy Requirements**" or "**RAR**" means the resource adequacy requirements applicable to an entity as established by the CAISO pursuant to the CAISO Tariff, by the CPUC pursuant to the Resource Adequacy Rulings, or by any other Governmental Authority having jurisdiction.

"**Resource Adequacy Resource**" shall have the meaning used in Resource Adequacy Rulings.

"**Resource Adequacy Rulings**" means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-04-040, 06-06-064, 06-07-031 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024, 14-06-050, 15-06-063, 16-06-045, 17-06-027, 18-06-030, 18-06-031, 19-02-022, 19-06-026, 19-10-021, 20-01-004, 20-03-016, 20-06-002, 20-06-028, 20-12-006 and any other existing or subsequent ruling or decision, or any other resource adequacy laws, rules or regulations enacted, adopted or promulgated by any applicable Governmental Authority having jurisdiction, however described, as such decisions, rulings, Laws, rules or regulations may be amended or modified from time-to-time throughout the Contract Term.

"**S&P**" means the Standard & Poor's Financial Services, LLC (a subsidiary of S&P Global Inc.) or its successor.

"**Scheduling Coordinator**" or "**SC**" means an entity certified by the CAISO as qualifying as a Scheduling Coordinator pursuant to the CAISO Tariff for the purposes of undertaking the functions specified in "Responsibilities of a Scheduling Coordinator," of the CAISO Tariff, as amended from time to time.

"**Secured Creditor**" means each PPA Provider or other party that is a Secured Creditor under the Intercreditor and Collateral Agency Agreement and its respective successors and assigns.

"**Security Agreement**" means the Security Agreement, dated as of November 15, 2021, between Member and Collateral Agent, as collateral agent for the benefit of the Secured Creditors, or any successor agreement generally available to Member's creditors.

"**Security Interest**" has the meaning set forth in Section 8.10.

"**Seller**" has the meaning set forth on the Cover Sheet.

"**Settlement Amount**" means the Non-Defaulting Party's Costs and Losses, on the one hand, netted against its Gains, on the other. If the Non-Defaulting Party's Costs and Losses exceed its Gains, then the Settlement Amount shall be an amount owing to the Non-Defaulting Party. If the Non-Defaulting Party's Gains exceed its Costs and Losses, then the Settlement Amount shall be zero dollars ($0). The Settlement Amount does not include consequential, incidental, punitive, exemplary or indirect or business interruption damages.

"**Shared Facilities**" means the gen-tie lines, transformers, substations, or other equipment, permits, contract rights, and other assets and property (real or personal), in each case, as necessary to enable delivery of Energy from the Facility (which is excluded from Shared Facilities) to the point of interconnection, including the Interconnection Agreement itself, that are used in common with third parties.

"**Showing Month**" means the calendar month of the Delivery Term that is the subject of the Compliance Showing, as set forth in the Resource Adequacy Rulings and outlined in the CAISO Tariff. For illustrative purposes only, pursuant to the CAISO Tariff and Resource Adequacy Rulings in effect as of the Effective Date, the monthly Compliance Showing made in June is for the Showing Month of August.

"**Shown Unit(s)**" means the Facility or any Replacement Unit providing Replacement RA.

"**Site**" means the real property on which the Facility is or will be located, as further described in Exhibit A, and as shall be updated by Seller at the time Seller provides an executed Construction Start Date certificate in the form of Exhibit H to Buyer.

"**Site Control**" means that, for the Contract Term, Seller (or, prior to the Delivery Term, its Affiliate): (a) owns or has the option to purchase the Site; (b) is the lessee or has the option to lease the Site; or (c) is the holder of an easement or an option for an easement, right-of-way grant, or similar instrument with respect to the Site.

"**Station Use**" means the Energy (including Energy produced or discharged by the Facility) that is used within the Facility to power the information technology, telecommunications, lights, motors, temperature control systems, control facility systems and other electrical loads that are necessary for operation of the Facility.

"**Storage Capacity Test**" means any test or retest of the Facility to establish the Installed Capacity or Effective Storage Capacity conducted in accordance with the testing procedures, requirements and protocols set forth in Section 4.7 and Exhibit L.

"**Storage Contract Capacity**" has the meaning set forth on the Cover Sheet.

"**Subsequent Buyer**" means the purchaser of RA Product from Buyer in a re-sale of RA Product by Buyer.

"**Substitute Capacity**" means "RA Substitute Capacity" as defined in the CAISO Tariff.

"**Substitute Capacity Request**" has the meaning set forth in Section 4.4(b).

"**Supply Plan**" has the meaning set forth in the CAISO Tariff.

"**System Emergency**" means any condition that requires, as determined and declared by CAISO or the Transmission Provider, automatic or immediate action to (i) prevent or limit harm to or loss of life or property, (ii) prevent loss of transmission facilities or generation supply in the immediate vicinity of the Facility, or (iii) to preserve Transmission System reliability.

"**Tax**" or "**Taxes**" means all U.S. federal, state and local and any foreign taxes, levies, assessments, surcharges, duties and other fees and charges of any nature imposed by a Governmental Authority, whether currently in effect or adopted during the Contract Term, including ad valorem, excise, franchise, gross receipts, import/export, license, property, sales and use, stamp, transfer, payroll, unemployment, income, and any and all items of withholding, deficiency, penalty, additions, interest or assessment related thereto.

"**Terminated Transaction**" has the meaning set forth in Section 11.2(a).

"**Termination Payment**" has the meaning set forth in Section 11.3(b).

"**Transmission Provider**" means any entity that owns, operates and/or maintains transmission or distribution lines and associated facilities and/or has entitlements to use certain transmission or distribution lines and associated facilities for the purpose of transmitting or transporting the Energy from the Delivery Point.

"**Transmission System**" means the transmission facilities operated by the CAISO, now or hereafter in existence, which provide energy transmission service downstream from the Delivery Point.

"**Transmission System Outage**" means an outage on the Transmission System, other than a System Emergency, that is not caused by Seller's actions or inactions and that prevents Buyer or the Transmission Provider (as applicable) from receiving Energy onto the Transmission System.

"**Ultimate Parent**" means Engie Holdings Inc.

1.2 **Rules of Interpretation**. In this Agreement, except as expressly stated otherwise or unless the context otherwise requires:

(a) headings and the rendering of text in bold and italics are for convenience and reference purposes only and do not affect the meaning or interpretation of this Agreement;

(b) words importing the singular include the plural and vice versa and the masculine, feminine and neuter genders include all genders;

(c) the words "hereof", "herein", and "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement;

(d) a reference to an Article, Section, paragraph, clause, Party, or Exhibit is a reference to that Article, Section, paragraph, clause of, or that Party or Exhibit to, this Agreement unless otherwise specified;

(e) a reference to a document or agreement, including this Agreement shall mean such document, agreement or this Agreement including any amendment or supplement to, or replacement, novation or modification of this Agreement, but disregarding any amendment, supplement, replacement, novation or modification made in breach of such document, agreement or this Agreement;

(f) a reference to a Person includes that Person's successors and permitted assigns;

(g) the terms "include" and "including" mean "include or including (as applicable) without limitation" and any list of examples following such term shall in no way restrict or limit the generality of the word or provision in respect of which such examples are provided;

(h) references to any statute, code or statutory provision are to be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or reenacted, and include references to all bylaws, instruments, orders and regulations for the time being made thereunder or deriving validity therefrom unless the context otherwise requires;

(i) in the event of a conflict, a mathematical formula or other precise description of a concept or a term shall prevail over words providing a more general description of a concept or a term;

(j) references to any amount of money shall mean a reference to the amount in United States Dollars;

(k) the expression "and/or" when used as a conjunction shall connote "any or all of";

(l) words, phrases or expressions not otherwise defined herein that (i) have a generally accepted meaning in Prudent Operating Practice shall have such meaning in this Agreement or (ii) do not have well known and generally accepted meaning in Prudent Operating Practice but that have well known and generally accepted technical or trade meanings, shall have such recognized meanings; and

(m) each Party acknowledges that it was represented by counsel in connection with this Agreement and that it or its counsel reviewed this Agreement and that any rule of

construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

ARTICLE 2
TERM; CONDITIONS PRECEDENT

2.1 **Contract Term**.

(a) The term of this Agreement shall commence on the Effective Date and shall remain in full force and effect until the conclusion of the Delivery Term, subject to any early termination provisions set forth herein ("**Contract Term**"); *provided*, Buyer's obligations to pay for or accept any Product are subject to Seller's completion of the conditions precedent pursuant to Section 2.2.

(b) Applicable provisions of this Agreement shall continue in effect after termination, including early termination, to the extent necessary to enforce or complete the duties, obligations or responsibilities of the Parties arising prior to termination. The confidentiality obligations of the Parties under Article 18 shall remain in full force and effect for two (2) years following the termination of this Agreement, and all indemnity and audit rights shall remain in full force and effect for one (1) year following the termination of this Agreement.

2.2 **Conditions Precedent**. The Delivery Term shall not commence until Seller completes each of the following conditions:

(a) Seller shall have delivered to Buyer (i) a completion certificate from a Licensed Professional Engineer substantially in the form of Exhibit E and (ii) a certificate from a Licensed Professional Engineer substantially in the form of Exhibit F setting forth the Installed Capacity on the Commercial Operation Date;

(b) Seller shall have delivered to Buyer a certificate from an authorized officer of Seller certifying that all applicable permits and government approvals, including under the California Environmental Quality Act ("**CEQA**") or other environmental law, from the local jurisdiction where the Facility is or will be constructed, required to commence commercial operation of the Facility have been obtained;

(c) The Facility has achieved Full Capacity Deliverability Status and Seller has provided Buyer with a copy of the Full Capacity Deliverability Status Finding;

(d) Seller shall have delivered to Buyer a certificate from an authorized officer of Seller certifying that Seller complied with the prevailing wage requirements of Section 13.4(b);

(e) Seller has satisfied the applicable insurance requirements in Article 17; and

(f) Seller has delivered the Performance Security to Buyer in accordance with Section 8.8.

2.3 **Development; Construction; Progress Reports**.

(a) Within fifteen (15) days after the close of (i) each calendar quarter from the first calendar quarter following the Effective Date until the Expected Construction Start Date, and (ii) each calendar month from the first calendar month following the Expected Construction Start Date until the Commercial Operation Date, Seller shall provide to Buyer a Progress Report and agree to regularly scheduled meetings between representatives of Buyer and Seller to review the Progress Reports and discuss Seller's construction progress.

(b) The form of the Progress Report is set forth in Exhibit D or an alternate form agreed upon by the Parties. Seller shall also provide Buyer with any reasonably requested documentation (subject to confidentiality restrictions) directly related to the achievement of Milestones within ten (10) Business Days of receipt of such request by Seller. Seller is solely responsible for the design and construction of the Facility, including the location of the Site, the Facility layout, and the selection and procurement of the equipment comprising the Facility.

2.4 **Remedial Action Plan**. If Seller (a) misses the Guaranteed Construction Start Date, (b) misses three (3) or more Milestones (other than the Guaranteed Construction Start Date), or (c) misses any one (1) Milestone (other than the Guaranteed Construction Start Date) by more than ninety (90) days, Seller shall provide a remedial action plan ("**Remedial Action Plan**"), which will describe in detail any delays (actual or anticipated) beyond the scheduled Milestone dates, including the cause of the delay (e.g., governmental approvals, financing, property acquisition, design activities, equipment procurement, project construction, interconnection, or any other factor), Seller's detailed description of its proposed course of action to achieve the missed Milestones and all subsequent Milestones by the Guaranteed Commercial Operation Date (as may be extended in accordance with Section 3 of Exhibit B); provided, delivery of any Remedial Action Plan shall not relieve Seller of its obligation to provide Remedial Action Plans with respect to any subsequent Milestones and to achieve the Guaranteed Commercial Operation Date in accordance with the terms of this Agreement. Subject to the provisions of Exhibit B, so long as Seller complies with its obligations under this Section 2.4, Seller shall not be considered in default of its obligations under this Agreement solely as a result of missing any Milestone.

2.5 **CPUC Mid-Term Reliability Requirements**. Buyer intends to apply this Agreement towards Buyer's compliance with mandatory procurement obligations for incremental zero-emissions capacity pursuant to CPUC Decision 21-06-035. Seller will provide additional information and documentation to Buyer upon reasonable request to enable Buyer to demonstrate that the Facility meets the procurement mandates set forth in CPUC Decision 21-06-035 to the extent such information and documentation is available to Seller and not separately available to Buyer. Seller represents and warrants to Buyer that:

(a) As of the Effective Date, the Facility is not on the CPUC baseline list set forth at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-planand-long-term-procurement-plan-irpltpp/d2106035_baseline_gen_list_20220902.xlsx (updated September 2, 2022);

(b) The Product shall include the exclusive right to claim Member's Share of the Capacity Attributes of the Facility as an incremental resource for purposes of CPUC Decision 21-06-035, other future CPUC decisions mandating procurement, and any other existing or future compliance program administered by any regulatory agency to which Buyer is accountable, with respect to the Delivery Term, provided that Seller makes no representation or warranty with respect to eligibility of the Facility or Product for any such compliance program; and

(c) Seller has not and will not sell, assign or transfer the right to claim procurement of Member's Share of the Capacity Attributes of the Facility as an incremental resource for purposes of CPUC Decision 21-06-035, other future CPUC decisions mandating procurement, and any other existing or future compliance program administered by any regulatory agency to which Buyer is accountable, with respect to the Delivery Term to any other Person or entity, provided that Seller makes no representation or warranty with respect to eligibility of the Facility or Product for any such compliance program.

ARTICLE 3
PURCHASE AND SALE

3.1 **Purchase and Sale of Product**.

(a) Subject to the terms and conditions of this Agreement, during the Delivery Term, Buyer shall purchase all the Product produced by or associated with the Facility at the Contract Price and in accordance with Exhibit C, and Seller shall supply and deliver to Buyer all the Product produced by or associated with the Facility. At its sole discretion, Buyer may during the Delivery Term re-sell or use for another purpose all or a portion of the Product, provided that no such re-sale or use shall relieve Buyer of any obligations hereunder. For clarity, to the extent not inconsistent with its obligations under the Agreement to deliver Product to Buyer, Seller has the right to sell all or any portion of the other products to one or more third parties and to retain all associated revenue.

[redacted]

[redacted]

[redacted]

[redacted]

3.2 **Full Capacity Deliverability Status.** The Facility will have Full Capacity Deliverability Status by the Commercial Operation Date. As between Buyer and Seller, Seller shall be responsible for the cost and installation of any Network Upgrades associated with obtaining such Full Capacity Deliverability Status.

(a) Throughout the Delivery Term, Seller grants, pledges, assigns and otherwise commits to Buyer Member's Share all the Capacity Attributes from the Facility.

(b) Throughout the Delivery Term, subject to Section 3.4, Seller shall use commercially reasonable efforts to maintain eligibility for Full Capacity Deliverability Status for the Facility from the CAISO and shall perform all commercially reasonable actions necessary to ensure that the Facility qualifies to provide all Resource Adequacy Benefits to Buyer.

(c) Throughout the Delivery Term, Seller hereby covenants and agrees to transfer all Resource Adequacy Benefits to Buyer.

(d) For the duration of the Delivery Term, and subject to Section 3.4, Seller shall take all commercially reasonable actions, including complying with all applicable registration and reporting requirements, and execute all documents or instruments necessary to enable Buyer to use all of Member's Share of the Capacity Attributes committed by Seller to Buyer pursuant to this Agreement.

(e) If Seller anticipates that it will have any RA Deficiency Amounts in a Showing Month, Seller may provide Replacement RA for such Showing Month in an amount up to (i) the Qualifying Capacity of the Facility with respect to such Showing Month, *minus* (ii) the expected Net Qualifying Capacity of the Facility with respect to such Showing Month, provided that any intended Replacement RA is communicated by Seller to Buyer in a Notice substantially in the form of Exhibit J no later than seventy-five (75) days before the start of the applicable Showing Month.

3.3 **Resource Adequacy Failure**.

(a) RA Deficiency Determination. For each RA Shortfall Month, Seller shall pay to Buyer the RA Deficiency Amount as liquidated damages or provide Replacement RA, in each case, as the sole remedy for the Capacity Attributes Seller failed to convey to Buyer. For each RA Shortfall Month, Seller shall pay to Buyer an amount (the "**RA Deficiency Amount**") equal to the product of the difference, expressed in kW, of (i) Member's Share of the Qualifying Capacity of the Facility for such Showing Month, minus (ii) Member's Share of the Net Qualifying Capacity of the Facility shown on the Supply Plan for such Showing Month, minus (iii) Member's Share of any portion of the Net Qualifying Capacity of the Facility that is not shown on the Supply Plan for such Showing Month due to a Planned Outage scheduled in such month in accordance with Section 4.6(a), [redacted] (such difference, the "**RA Shortfall**"), multiplied by the sum of [redacted] provided that Seller may, as an alternative to paying RA Deficiency Amounts, provide Replacement RA in amounts up to the RA Shortfall, provided that any Replacement RA capacity is communicated by Seller to Buyer with Replacement RA product information in a written notice to Buyer no later than seventy-five (75) days before the start of the applicable Showing Month. Buyer shall ensure that any Slice of Day showing submitted by Buyer reflects the Facility as providing capacity equal to Member's Share of the then-current Effective Storage Capacity for 4 hours of discharge daily, and Buyer shall be responsible for ensuring that it has sufficient charging capacity included in such Slice of Day showing to support the showing with respect to the Facility.

(b) Replacement RA. Seller may, as an alternative to paying RA Deficiency Amounts, provide Replacement RA in amounts up to the RA Shortfall pursuant to Section 4.2.

3.4 **Compliance Expenditure Cap**. If a Change in Law occurring after the Effective Date has increased Seller's cost to comply with Seller's obligations under this Agreement with respect to obtaining, maintaining, conveying or effectuating Buyer's use of Member's Share of Capacity Attributes that Seller would reasonably be expected to avoid incurring in the absence of

such obligations, then the Parties agree that the maximum aggregate amount of costs and expenses Seller shall be required to bear during the Contract Term to comply with all of such obligations shall be capped at [redacted] per MW of Member's Share of Installed Capacity ("**Compliance Expenditure Cap**").

(a) Any actions required for Seller to comply with its obligations set forth in the first paragraph above, the cost of which will be included in the Compliance Expenditure Cap, shall be referred to collectively as the "**Compliance Actions**."

(b) If Seller reasonably anticipates the need to incur costs and expenses in excess of the Compliance Expenditure Cap in order to take any Compliance Action Seller shall provide Notice to Buyer of such anticipated cost and expenses.

(c) Buyer will have sixty (60) days to evaluate such Notice (during which time period Seller is not obligated to take any Compliance Actions described in the Notice) and shall, within such time, either (1) agree to reimburse Seller for all or some portion of the costs and expenses that exceed the Compliance Expenditure Cap (such Buyer-agreed upon costs, the "**Accepted Compliance Costs**"), or (2) waive Seller's obligation to take such Compliance Actions, or any part thereof for which Buyer has not agreed to reimburse Seller. If Buyer does not respond to a Notice given by Seller under this Section 3.4 within sixty (60) days after Buyer's receipt of same, Buyer shall be deemed to have waived its rights to require Seller to take the Compliance Actions that are the subject of the Notice, and Seller shall have no further obligation to take, and no liability or obligation under this Agreement for any failure to take, such Compliance Actions until (and only to the extent then still feasible) such time as Buyer agrees to pay such Accepted Compliance Costs.

(d) If Buyer agrees to reimburse Seller for the Accepted Compliance Costs, then Seller shall take the Compliance Actions covered by the Accepted Compliance Costs as agreed upon by the Parties and Buyer shall reimburse Seller for Seller's actual costs and expenses to effect the Compliance Actions, not to exceed the Accepted Compliance Costs, within sixty (60) days from the time that Buyer receives an invoice and documentation of such costs and expenses from Seller.

(e) If a Change in Law prevents Seller from complying with its obligations under this Agreement with respect to obtaining, maintaining, conveying or effectuating Buyer's use of Member's Share of Capacity Attributes, and it is not possible to overcome the Change in Law through Compliance Actions or the expenditure of money, then (i) Seller shall provide Notice to Buyer of such Change in Law and the consequences for Seller's performance hereunder, and (ii) Seller shall be excused from the affected compliance and delivery obligations hereunder to the extent arising from the Change in Law (including, if applicable, the obligation to pay RA Deficiency Amounts and/or provide Replacement RA with respect to RA Shortfalls).

ARTICLE 4
OBLIGATIONS AND DELIVERIES

4.1 **Transfer of Resource Adequacy Benefits**.

(a) Seller shall transfer the Product from the Facility and, if applicable, Replacement RA that Seller has elected to provide from any Replacement Units (collectively, the "**RA Product**") to Buyer by submitting Supply Plans to CAISO for the Shown Unit(s).

(b) Seller shall cause all Supply Plans to meet and be filed in conformance with the requirements of the CPUC and the CAISO Tariff. Seller shall submit, or cause the Shown Unit's SC to submit, Supply Plans at least fifteen (15) Business Days before the deadline for Buyer's Compliance Showings identifying and confirming the RA Product delivered in accordance with Buyer's instructions for each Showing Month of the Delivery Term and shall provide emailed confirmation to Buyer that such Supply Plans have been timely submitted. For the avoidance of doubt, if Buyer subsequently notifies Seller of a resale of RA Product for a Showing Month, then any subsequent Supply Plan submitted by Seller or the Shown Unit's SC for such Showing Month will be deemed to have met the delivery timing obligations set forth in this Section 4.1(b).

(c) If CAISO rejects the Supply Plan or the Resource Adequacy Plan with respect to any part of the RA Product in any Showing Month, the Parties shall confer, make such corrections as are necessary for acceptance, and resubmit the corrected Supply Plan for validation before the applicable cure deadline for the Showing Month.

(d) The RA Product is received when the CIRA Tool shows that the Supply Plan submitted in compliance with Buyer's instructions, including Buyer's instructions to withhold all or part of the RA Product for such Showing Month, has been accepted for the RA Product from the Shown Unit(s) by CAISO. Seller has failed to transfer the RA Product hereunder if Buyer has elected to submit the RA Product from the Shown Unit(s) in its Resource Adequacy Plan and such submission is accepted by the CPUC and the CAISO but the Supply Plan and Resource Adequacy Plan are not matched in the CIRA Tool and are rejected by CAISO due to the acts or omissions of Seller notwithstanding performance of the Parties' obligations in Section 4.1(c). Seller will not have failed to properly transfer the RA Product if Buyer fails or chooses not to submit the Shown Unit(s) and the RA Product in its Resource Adequacy Plan with the CPUC or CAISO.

(e) Hold-Back Capacity, if any, is deemed RA Product received by Buyer, unless utilized under Section 4.4 as Substitute Capacity, then RA Product is considered received according to the requirements therein.

(f) To the extent Seller reduces deliveries of Product pursuant to Section 4.6 prior to the Facility being included in the applicable Supply Plan and does not elect to provide Replacement RA, Buyer shall be responsible for procuring Substitute Capacity, and all costs associated therewith, to the extent Buyer directs Seller to include the Facility in the applicable Supply Plan and the Facility is permitted to be included in the applicable Supply Plan in accordance with the CAISO Tariff.

4.2 **Seller's Option To Provide Alternate Capacity**. If Seller is unable to provide the Resource Adequacy Benefits from the Facility for a Showing Month for any reason or Seller elects to provide Replacement RA pursuant to Section 3.3, then Seller may, at no cost to Buyer, provide Buyer with Replacement RA from one or more replacement units having the same or

better Capacity Attributes as the Facility (each such unit, a "**Replacement Unit**"), provided that in each case:

(a) Seller shall notify Buyer in writing of its intent to provide Replacement RA and shall identify the proposed Replacement Units from which such Replacement RA shall be provided no later than seventy-five (75) days before the start of the applicable Showing Month;

(b) The proposed Replacement Units must (i) be accepted by the CAISO, and (ii) otherwise satisfy the requirements of this Agreement;

(c) Seller shall, or shall cause the SC to submit, a Supply Plan for each Showing Month and, if applicable, annual filing (but only if the Replacement Unit is proposed for a Showing Month prior to the deadline for submission of the annual filing corresponding to such Showing Month), no later than fifteen (15) Business Days before the deadline for Buyer's Compliance Showings, provided, for the avoidance of doubt, that if Buyer subsequently notifies Seller of a resale of RA Product for a Showing Month, then any subsequent Supply Plan submitted by Seller or the Shown Unit's SC for such Showing Month will be deemed to have met the delivery timing obligations set forth in this Section 4.2(c);

(d) If Seller does not comply with the requirements of Sections 4.2(a), (b) and (c) for the applicable Showing Month and, if applicable, annual filing (but only if the Replacement Unit is proposed for a Showing Month prior to the deadline for submission of the annual filing corresponding to such Showing Month), then any such Replacement Units shall not be deemed a Replacement Unit for purposes of this Agreement for that Showing Month; and

(e) In no event shall a Replacement Unit utilize coal or coal materials as a source of fuel. A Replacement Unit must be a specific resource that is connected directly to the CAISO Grid or be under the operational control of CAISO. A Replacement Unit may not be an unspecified import.

(f) Once Seller has identified in writing any Replacement Units that meet the requirements of this Section 4.2, then any such Replacement Units shall be deemed a Shown Unit for purposes of this Agreement for that Showing Month.

4.3 **Buyer's Re-Sale of RA Product**.

(a) Buyer may re-sell all or part of the RA Product; provided that any such re-sale must not increase Seller's obligations hereunder other than as set forth in this Section 4.3. For any such resale, the Resource Adequacy Plan of Buyer as used herein will refer to the Resource Adequacy Plan of the Subsequent Buyer. Seller shall, or shall cause the Shown Unit's SC, to follow Buyer's instructions with respect to providing such resold RA Product to Subsequent Buyers, to the extent such instructions are consistent with Seller's obligations under this Agreement. Seller shall, and shall cause the Shown Unit's SC, to take all commercially reasonable actions and execute all documents or instruments reasonably necessary to allow such Subsequent Buyers to use such resold RA Product in a manner consistent with Buyer's rights under this Agreement. If Buyer incurs any liability to a Subsequent Buyer due to the failure of Seller or the Shown Unit's SC to comply with this Agreement, Seller will be liable to Buyer for

the amounts Seller would have owed Buyer under this Agreement if Buyer had not resold the RA Product.

(b) Buyer shall notify Seller in writing of any resale of RA Product and the Subsequent Buyer no later than two (2) Business Days before the deadline for the Compliance Showing for each Showing Month for which Buyer has resold the RA Product. Buyer shall notify Seller of any subsequent changes or further resales no later than two (2) Business Days before the deadline for the Compliance Showing for each Showing Month for which Buyer has resold the RA Product.

(c) Subject to Section 3.4, if CAISO or CPUC develops a centralized capacity market, Buyer will have exclusive rights to direct the Seller or the Shown Unit's SC to offer, bid or otherwise submit the RA Product for re-sale into such market, and (i) Seller and the Shown Unit's SC shall comply with the Buyer's direction to offer, bid or otherwise submit the RA Product for re-sale into such market, provided that any such direction and any actions required to implement such direction (and any resulting requirements and other results thereof) are permitted by (and capable of being implemented pursuant to) the CAISO Tariff and applicable Laws, (ii) Buyer shall retain and receive all revenues and costs from such re-sale, and (iii) Buyer shall reimburse Seller for any incremental costs and lost revenues incurred by Seller arising from such re-sale.

(d) Unless otherwise instructed by Buyer, to the extent permitted under the CAISO Tariff (i) Seller shall not, and shall cause the Shown Unit's SC to not, offer any portion of the RA Product to CAISO as CPM Capacity and (ii) if CAISO designates any portion of the RA Product as CPM Capacity, then Seller shall, and shall cause the Shown Unit's SC to, promptly (and in any event within one (1) Business Day of the time Seller receives notification from CAISO) notify Buyer of such designation, and if CAISO makes such a designation, to the extent permitted under the CAISO Tariff, Seller shall not, and shall cause the Shown Unit's SC to not, accept any such designation by CAISO unless and until Buyer has agreed to accept such designation.

4.4 **Hold-Back and Substitute Capacity**.

(a) No later than five (5) Business Days before the relevant deadline for the initial Compliance Showing with respect to a particular Showing Month, Buyer may request in writing that Seller not list, or cause the Shown Unit's SC not to list, in the Shown Unit's Supply Plan a portion or all of the RA Product for such Showing Month ("**Hold-Back Capacity**"). The amount of RA Product that is the subject of Buyer's request for Hold-Back Capacity shall be deemed RA Product received by Buyer consistent with Section 4.1 for purposes of calculating the payments due hereunder, unless utilized under Section 4.4(b) as Substitute Capacity, then RA Product is considered received according to the requirements therein. Seller shall, or shall cause the Shown Unit's SC to, comply with Buyer's request under this Section 4.4.

(b) In any Showing Month in which Buyer has designated Hold-Back Capacity, Buyer may request, in writing, that Seller make the Hold-Back Capacity available for Buyer's use as Substitute Capacity within the respective Showing Month ("**Substitute Capacity Request**") with the following schedule:

(i) For Buyer's Substitute Capacity Requests that are to be scheduled with CAISO prior to the Showing Month (e.g., through the CAISO RA Substitute Capacity assessment), the Substitute Capacity Request shall be received by Seller at least five (5) Business Days prior to the applicable CAISO scheduling deadline. Seller shall, or shall cause the Shown Unit's Scheduling Coordinator to, comply with Buyer's request under this Section 4.4(b), provided that to the extent Seller is unable to provide the requested Substitute Capacity due to a Planned Outage or a Forced Facility Outage or if Seller makes such requested Substitute Capacity available but it is not accepted by the CAISO, Seller shall not have any liability for such failure.

(ii) For Buyer's Substitute Capacity Requests that are to be scheduled with CAISO after the commencement of the Showing Month, the Substitute Capacity Request shall be received by Seller at least five (5) Business Days before Buyer submits its Substitute Capacity in the CIRA Tool and Buyer shall not make more than three (3) such requests per Showing Month. Seller shall, or shall cause the Shown Unit's Scheduling Coordinator to, comply with Buyer's request under this Section 4.4(b), provided that to the extent Seller is unable to provide the requested Substitute Capacity due to a Planned Outage or a Forced Facility Outage or if Seller makes such requested Substitute Capacity available but it is not accepted by the CAISO, Seller shall not have any liability for such failure.

(iii) For any day of a Showing Month for which Buyer has requested Substitute Capacity in compliance with this Section 4.4(b), if there is an unexcused failure of Seller to provide such requested Substitute Capacity for such day, then, as Buyer's sole and exclusive remedy for such failure, Seller will owe Buyer liquidated damages in the amount equal to [redacted] multiplied by (B) the quotient of (I) one (1) day, divided by (II) the total number of days in such Showing Month, multiplied by (C) the quantity of Substitute Capacity requested by Buyer in compliance with this Section 4.4(b) for such day for which there was an unexcused failure of Seller to deliver.

4.5 **Charging and Discharging Energy**. Seller shall have exclusive rights to charge and discharge the Facility, which shall be in accordance with the CAISO Tariff.

4.6 **Reduction in Product Delivery Obligation**.

(a) Facility Maintenance.

(i) Seller shall provide to Buyer written schedules for Planned Outages for each Contract Year no later than thirty (30) days prior to the first day of the applicable Contract Year. During the months of June through September, Seller shall not schedule any Planned Outage that reduces the energy storage capability of the Facility by more than [redacted] unless (A) such Planned Outage is required to avoid damage to the Facility, (B) such Planned Outage is necessary to maintain equipment warranties and cannot be scheduled outside the months of June through September, (C) such Planned Outage is required in accordance with Prudent Operating Practices, or (D) the Parties agree otherwise in writing.

(ii) If reasonably required in accordance with Prudent Operating Practices, Seller may perform maintenance at a different time than maintenance scheduled pursuant to Section 4.6(a)(i). Seller shall provide Notice to Buyer within the time period determined by the CAISO for the Facility, as a Resource Adequacy Resource that is subject to the Availability Standards, to qualify for an "Approved Maintenance Outage" under the CAISO Tariff (or such shorter period as may be reasonably acceptable to Buyer based on the likelihood the change will have a material adverse effect on Buyer).

(b) System Emergencies and other Interconnection Events. Seller shall be permitted to reduce deliveries of Product during any period of System Emergency or Transmission System Outage pursuant to the terms of this Agreement, the Interconnection Agreement or applicable tariff.

(c) Force Majeure Event. Subject to Article 10, Seller shall be permitted to reduce deliveries of Product during any Force Majeure Event to the extent such Force Majeure Event prevents Seller from delivering any such Product.

(d) Health and Safety. Seller shall be permitted to reduce deliveries of Product as necessary to maintain health and safety pursuant to Section 6.2.

4.7 **Facility Testing**.

(a) Storage Capacity Tests. Prior to the Commercial Operation Date, Seller shall schedule and complete a Commercial Operation Storage Capacity Test in accordance with Exhibit L. Thereafter, Seller and Buyer shall have the right to run additional Storage Capacity Tests in accordance with Exhibit L.

(i) Buyer shall have the right to send one or more representative(s) to witness all Storage Capacity Tests.

(ii) Following each Storage Capacity Test, Seller shall submit a testing report in accordance with Exhibit L. If the actual capacity determined pursuant to a Storage Capacity Test varies from the then-current Effective Storage Capacity, then the actual capacity determined pursuant to such Storage Capacity Test shall become the new Effective Storage Capacity at the beginning of the day following the completion of the test for all purposes under this Agreement.

(b) Reserved.

ARTICLE 5
TAXES

5.1 **Allocation of Taxes and Charges**. Seller shall pay or cause to be paid all Taxes on or with respect to the Facility or on or with respect to the sale and making available of Product to Buyer, that are imposed on Product prior to its delivery to Buyer at the time and place contemplated under this Agreement. Buyer shall pay or cause to be paid all Taxes on or with respect to the delivery to and purchase by Buyer of Product that are imposed on Product at and after its delivery to Buyer at the time and place contemplated under this Agreement (other than

withholding or other Taxes imposed on Seller's income, revenue, receipts or employees). If a Party is required to remit or pay Taxes that are the other Party's responsibility hereunder, such Party shall promptly pay the Taxes due and then seek and receive reimbursement from the other for such Taxes. In the event any sale of Product hereunder is exempt from or not subject to any particular Tax, Buyer shall provide Seller with all necessary documentation to evidence such exemption or exclusion within thirty (30) days after the date Buyer makes such claim. Buyer shall indemnify, defend, and hold Seller harmless from any liability with respect to Taxes for which Buyer is responsible hereunder and from which Buyer claims it is exempt.

5.2 **Cooperation**. Each Party shall use reasonable efforts to implement the provisions of and administer this Agreement in accordance with the intent of the Parties to minimize all Taxes, so long as no Party is materially adversely affected by such efforts. The Parties shall cooperate to minimize Tax exposure; *provided*, however, that neither Party shall be obligated to incur any financial or operational burden to reduce Taxes for which the other Party is responsible hereunder without receiving due compensation therefor from the other Party. All Product delivered by Seller to Buyer hereunder shall be a sale made at wholesale, with Buyer reselling such Product.

ARTICLE 6
MAINTENANCE OF THE STORAGE FACILITY

6.1 **Maintenance of the Facility**. Seller shall, as between Seller and Buyer, be solely responsible for the operation and maintenance of the Facility and shall comply with Law and Prudent Operating Practice relating to the operation and maintenance of the Facility and the generation and sale of Product.

6.2 **Maintenance of Health and Safety**. Seller shall take reasonable safety precautions with respect to the operation, maintenance, repair and replacement of the Facility.

6.3 **Dedicated Interconnection Capacity.** Seller shall ensure throughout the Delivery Term, Seller shall have sufficient interconnection capacity and rights under such Interconnection Agreement to interconnect the Facility with the CAISO Grid, to fulfill Seller's obligations under the Agreement, including with respect to Resource Adequacy Benefits (collectively, the "**Dedicated Interconnection Capacity**").

6.4 **Shared Facilities**. The Parties acknowledge and agree that certain of the Shared Facilities and Interconnection Facilities, and Seller's rights and obligations under the Interconnection Agreement, may be subject to certain shared facilities and/or co-tenancy agreements to be entered into among Seller, the Transmission Provider, Seller's Affiliates, and/or third parties pursuant to which certain Interconnection Facilities may be subject to joint ownership and shared maintenance and operation arrangements, including through shared ownership of an Affiliate or other entity that is the party to and interconnection customer under the Interconnection Agreement; *provided*, such agreements shall permit Seller to perform or satisfy, and shall not purport to limit, its obligations hereunder.

ARTICLE 7
METERING

7.1 **Metering**. Seller shall be responsible for designing, furnishing, installing, operating, maintaining and testing a real-time system in accordance with the CAISO monitoring and communication requirements, which is capable of interconnecting to the Facility Meter(s) and the Facility's control system with the CAISO infrastructure network (data highway) used by all CAISO participants to exchange data to and from resources and CAISO (the "**Energy Communication Network**").

ARTICLE 8
INVOICING AND PAYMENT; CREDIT

8.1 **Invoicing**. Seller shall use commercially reasonable efforts to deliver an invoice to Buyer for Product within ten (10) days after the end of each month of the Delivery Term. Each invoice shall: (a) include data showing a calculation of the Monthly Payment and other relevant data for the prior month; and (b) be in a format reasonably specified by Buyer, covering the Product provided in the preceding month determined in accordance with the applicable provisions of this Agreement.

8.2 **Payment**.

(a) Buyer shall make payment to Seller for the Product by wire transfer or ACH payment to the bank account designated by Seller in Exhibit K, which may be updated by Seller by Notice hereunder; *provided, however*, that changes to invoice, payment, wire transfer and other banking information must be made in writing and delivered via certified mail and shall include contact information for an authorized individual who is available by telephone to verify the authenticity of such requested changes. Buyer shall pay undisputed invoiced amounts in accordance with (a) the monthly distribution date under the Member Lockbox Arrangement, if existing, of the month in which the invoice was received, provided that such invoice was received by the tenth (10th) day of the month, otherwise the invoice will be paid on the next month's monthly distribution date, or (b) if the Member Lockbox Arrangement is no longer existing, thirty (30) days from receipt of the invoice, or the end of the prior monthly delivery period, whichever is later; *provided*, if such due date falls on a weekend or legal holiday, such due date shall be the next Business Day. Payments made after the due date will be considered late and will bear interest on the unpaid balance.

(b) If the amount due is not paid on or before the due date or if any other payment that is due and owing from one Party to another under this Agreement is not paid on or before its applicable due date, a late payment charge shall be applied to the unpaid balance and shall be added to the next billing statement. Such late payment charge shall be calculated based on an annual Interest Rate equal to the prime rate published on the date of the invoice in The Wall Street Journal (or, if The Wall Street Journal is not published on that day, the next succeeding date of publication), plus two percent (2%) (the "**Interest Rate**"). If the due date occurs on a day that is not a Business Day, the late payment charge shall begin to accrue on the next succeeding Business Day.

8.3 **Books and Records**. To facilitate payment and verification, each Party shall maintain all books and records necessary for billing and payments, including copies of all invoices under this Agreement, for a period of at least two (2) years or as otherwise required by Law. Upon fifteen (15) days' Notice to the other Party, either Party shall be granted reasonable access to the accounting books and records within the possession or control of the other Party pertaining to all invoices generated pursuant to this Agreement.

8.4 **Payment Adjustments; Billing Errors**. Payment adjustments shall be made if Buyer or Seller discovers there have been good faith inaccuracies in invoicing that are not otherwise disputed under Section 8.5 or an adjustment to an amount previously invoiced or paid is required due to a correction of data by the CAISO, or there is determined to have been a meter inaccuracy sufficient to require a payment adjustment. If the required adjustment is in favor of Buyer, Buyer's next monthly payment shall be credited in an amount equal to the adjustment. If the required adjustment is in favor of Seller, Seller shall add the adjustment amount to Buyer's next monthly invoice. Adjustments in favor of either Buyer or Seller shall bear interest, until settled in full, in accordance with Section 8.2, accruing from the date on which the adjusted amount should have been due.

8.5 **Billing Disputes**. A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within five (5) Business Days of such resolution along with interest accrued at the Interest Rate from and including the original due date to but excluding the date paid. Inadvertent overpayments shall be returned via adjustments in accordance with Section 8.4. Any dispute with respect to an invoice is waived if the other Party is not notified in accordance with this Section 8.5 within twelve (12) months after the invoice is rendered or subsequently adjusted, except to the extent any misinformation was from the CAISO or a third party not affiliated with any Party and the CAISO or such third party corrects its information after the twelve-month period. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

8.6 **Netting of Payments**. The Parties hereby agree that they shall discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts owed by each Party to the other Party for the purchase and sale of Product during the monthly billing period under this Agreement or otherwise arising out of this Agreement, including any related damages calculated pursuant to Exhibit B, interest, and payments or credits, shall be netted so that only the excess amount remaining due shall be paid by the Party who owes it.

8.7 **Seller's Development Security**. To secure its obligations under this Agreement, Seller shall deliver the Development Security to Buyer within thirty (30) days after the Effective

Date. Seller shall maintain the Development Security in full force and effect until the earlier of (a) Seller's delivery of the Performance Security, or (b) sixty (60) days after termination of this Agreement, at which time Buyer shall return the Development Security to Seller, less any amounts drawn in accordance with this Agreement. Subject to this Section 8.7 and the other terms of this Agreement governing Seller's Development Security requirements, Seller may change the type and/or issuer (as applicable) of the Development Security from time to time and at any time. Buyer acknowledges that Seller may provide the Development Security to Buyer as part of a single larger posting of credit support securing Seller's performance under other contracts between Seller and Buyer, and Buyer agrees that, notwithstanding the total available amount under such credit support posting, Buyer's right to draw on such credit support posting is limited to the amount of the Development Security required under this Agreement at the time of such draw.

8.8 **Seller's Performance Security**. To secure its obligations under this Agreement, Seller shall deliver Performance Security to Buyer on or before the Commercial Operation Date. If the Performance Security is not in the form of cash or Letter of Credit, it shall be substantially in the form of Guaranty set forth in Exhibit N. Seller shall maintain the Performance Security in full force and effect, and Seller shall within five (5) Business Days after any draw thereon replenish the Performance Security in the event Buyer collects or draws down any portion of the Performance Security for any reason permitted under this Agreement other than to satisfy a Termination Payment, until the following have occurred: (a) the Delivery Term has expired or terminated early; and (b) all payment obligations of Seller due and payable under this Agreement are paid in full (whether directly or indirectly such as through set-off or netting). Following the occurrence of both events, Buyer shall promptly return to Seller the unused portion of the Performance Security. Subject to this Section 8.8 and the other terms of this Agreement governing Seller's Performance Security requirements, Seller may change the type and/or issuer (as applicable) of the Performance Security from time to time and at any time. Buyer acknowledges that Seller may provide the Performance Security to Buyer as part of a single larger posting of credit support securing Seller's performance under other contracts between Seller and Buyer, and Buyer agrees that, notwithstanding the total available amount under such credit support posting, Buyer's right to draw on such credit support posting is limited to the amount of the Performance Security required under this Agreement at the time of such draw.

8.9 **Buyer Credit Support**.

(a) To secure Buyer's obligations under this Agreement, Seller shall have the right to execute a Joinder, which shall allow Seller to become a PPA Provider and Secured Creditor under the Intercreditor and Collateral Agency Agreement for so long as Member is subject to the Security Agreement and Lockbox Account (or any successor arrangement generally available to Buyer's creditors and permitted under Section 8.9(b)(iii)) (the current arrangement and any successor arrangement generally available to Member's creditors is the "**Member Lockbox Arrangement**").

(b) Under the Member Lockbox Arrangement:

(i) Buyer shall cause Member to provide notice to Seller of the termination of all security interests under the Security Agreement.

(ii) Buyer further agrees it will cause Member to not create any additional security interests (i) under the Security Agreement on terms more favorable than those currently offered to Seller, or (ii) under any arrangement similar to the Security Agreement that is generally available to Member's creditors unless Seller is offered the right to participate in such arrangement on terms no less favorable than those offered to the other participants.

(iii) In addition, so long as Buyer (or Member, as applicable) is not in default under this Agreement and Member is not in default under the Intercreditor and Collateral Agency Agreement or the Security Agreement, Buyer may request the dissolution of the current Member Lockbox Arrangement in order to permit Member to enter into a substantially similar successor Member Lockbox Arrangement and, provided that Seller is allowed to become a PPA Provider (or its equivalent) and Secured Creditor (or its equivalent) under the successor Member Lockbox Arrangement and upon Seller's entering into such successor Member Lockbox Arrangement (which shall not be unreasonably withheld, conditioned or delay by Seller), Seller hereby agrees that (x) its security interest under the Security Agreement shall terminate, without further action, effective upon the termination of the security interests of all other PPA Providers under the Security Agreement and the grant of a security interest under the successor Member Lockbox Arrangement, and (y) if requested by Buyer, Seller would promptly execute a written termination statement confirming such termination in accordance with Section 7.12 of the Security Agreement.

8.10 **First Priority Security Interest in Cash or Cash Equivalent Collateral**. To secure its obligations under this Agreement, and until released as provided herein, each Party hereby grants the other Party a present and continuing first-priority security interest ("**Security Interest**") in, and lien on (and right to net against), and assignment of the Development Security and/or Performance Security (collectively, "**Security**") posted as cash pursuant to Sections 8.7 and 8.8, and any and all interest thereon or proceeds resulting therefrom or from the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of such other Party. Each Party agrees to take all action as the other Party reasonably requires in order to perfect such Security Interest in, and lien on (and right to net against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence of an Event of Default, an Early Termination Date resulting from an Event of Default, or an occasion provided for in this Agreement where a secured Party is authorized to retain all or a portion of the Development Security or Performance Security, then the secured Party may do any one or more of the following (in each case subject to the final sentence of this Section 8.10, and in the case of Buyer as the secured Party, subject to the limits set forth in Section 8.7 and Section 8.8):

(a) Exercise any of its rights and remedies with respect to the Security, including any such rights and remedies under Law then in effect;

(b) Draw on any outstanding Letter of Credit issued for its benefit and retain any cash held as Security; and

(c) Liquidate all Security then held by or for the benefit of the secured Party free from any claim or right of any nature whatsoever of posting Party, including any equity or right of purchase or redemption.

The secured Party shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce the posting Party's obligations under this Agreement (such posting Party remains liable for any amounts owing to the secured Party after such application), subject to the obligation of the secured Party to return any surplus proceeds remaining after such obligations are satisfied in full.

ARTICLE 9
NOTICES

9.1 **Addresses for the Delivery of Notices**. Any Notice required, permitted, or contemplated hereunder shall be in writing, shall be addressed to the Party to be notified at the address set forth in Exhibit K or at such other address or addresses as a Party may designate for itself from time to time by Notice hereunder.

9.2 **Acceptable Means of Delivering Notice**. Each Notice required, permitted, or contemplated hereunder shall be deemed to have been validly served, given or delivered as follows: (a) if sent by United States mail with proper first class postage prepaid, three (3) Business Days following the date of the postmark on the envelope in which such Notice was deposited in the United States mail; (b) if sent by a regularly scheduled overnight delivery carrier with delivery fees either prepaid or an arrangement with such carrier made for the payment of such fees, the next Business Day after the same is delivered by the sending Party to such carrier; (c) if sent by electronic communication (including electronic mail or other electronic means) at the time indicated by the time stamp upon delivery and, if after 5 pm, on the next Business Day; or (d) if delivered in person, upon receipt by the receiving Party. Notwithstanding the foregoing, Notices of outages or other scheduling or dispatch information or requests, may be sent by electronic communication and shall be considered delivered upon successful completion of such transmission.

ARTICLE 10
FORCE MAJEURE

10.1 **Definition**.

(a) "**Force Majeure Event**" means any act or event or circumstance occurring after the Effective Date that delays or prevents a Party from timely performing all or a portion of its obligations under this Agreement or from complying with all or a portion of the conditions under this Agreement if such act or event, despite the exercise of reasonable efforts, cannot be avoided by and is beyond the reasonable control (whether direct or indirect) of and without the fault or negligence of the Party relying thereon as justification for such delay, nonperformance, or noncompliance.

(b) Without limiting the generality of the foregoing, so long as the following events, despite the exercise of reasonable efforts, cannot be avoided by, and are beyond the reasonable control (whether direct or indirect) of and without the fault or negligence of the Party relying thereon as justification for such delay, nonperformance or noncompliance, a Force Majeure Event shall include: an act of God or the elements, such as flooding, lightning, hurricanes, tornadoes, or ice storms; explosion; fire; volcanic eruption; flood; epidemic;

pandemic, landslide; mudslide; sabotage; terrorism; earthquake; or other cataclysmic events; an act of public enemy; war; blockade; civil insurrection; riot; civil disturbance; strikes or other labor difficulties caused or suffered by a Party or any third party; delays resulting from action or inaction of a local public permitting authority; and any temporary restraint or restriction imposed by applicable Law or any directive from a Governmental Authority.

(c) Notwithstanding the foregoing, the term "**Force Majeure Event**" does not include (i) economic conditions that render a Party's performance of this Agreement at the Contract Price unprofitable or otherwise uneconomic (including Buyer's ability to buy the Product at a lower price, or Seller's ability to sell Product at a higher price, than the Contract Price); (ii) Seller's inability to obtain permits or approvals of any type for the construction, operation, or maintenance of the Facility except to the extent such inability is caused by a Force Majeure Event; (iii) the inability of a Party to make payments when due under this Agreement, unless the cause of such inability is an event that would otherwise constitute a Force Majeure Event as described above that disables physical or electronic facilities necessary to transfer funds to the payee Party; (iv) Seller's inability to obtain sufficient labor, equipment, materials, or other resources to build or operate the Facility except to the extent such inability is caused by a Force Majeure Event; (v) a strike, work stoppage or labor dispute limited only to any one or more of Seller, Seller's Affiliates, Seller's contractors, their subcontractors thereof or any other third party employed by Seller to work on the Facility, except to the extent such strikes or labor disturbances at the Facility Site or contractor's or any subcontractor's facilities are directly related to strikes or labor disturbances that are (x) on a regional or national level and are (y) simultaneously disrupting other business operations in the applicable regional or national area, but only to the extent there are other like business operations in the applicable regional or national area; or (vi) any equipment failure except if such equipment failure is due to a serial defect or is caused by a Force Majeure Event. Notwithstanding the foregoing, the occurrence and continuation of a Force Majeure Event shall not (a) suspend or excuse the obligation of Seller to achieve the Guaranteed Construction Start Date or the Guaranteed Commercial Operation Date beyond the extensions provided in Exhibit B, or (b) limit Buyer's right to declare an Event of Default pursuant to Section 11.1(b)(i) and receive a Damage Payment upon exercise of Buyer's default right pursuant to Sections 11.2 and 11.3.

10.2 **No Liability If a Force Majeure Event Occurs**. Neither Seller nor Buyer shall be liable to the other Party in the event it is prevented or delayed from performing its obligations hereunder in whole or in part due to a Force Majeure Event. The Party rendered unable to fulfill any obligation by reason of a Force Majeure Event shall take reasonable actions necessary to remove such inability with due speed and diligence. Nothing herein shall be construed as permitting that Party to continue to fail to perform after said cause has been removed. The obligation to use due speed and diligence shall not be interpreted to require resolution of labor disputes by acceding to demands of the opposition when such course is inadvisable in the discretion of the Party having such difficulty. Neither Party shall be considered in breach or default of this Agreement if and to the extent that any failure or delay in the Party's performance of one or more of its obligations hereunder is caused by a Force Majeure Event. The occurrence and continuation of a Force Majeure Event shall not suspend or excuse the obligation of a Party to make any payments due hereunder.

10.3 **Notice**. Within ten (10) Business Days of becoming aware of the commencement of a Force Majeure Event, the non-performing Party shall provide the other Party with oral notice of the Force Majeure Event, and within two (2) weeks of the commencement of the Force Majeure Event (or, if later, as soon as practicable following the date when the non-performing Party became aware of the Force Majeure Event), the non-performing Party shall provide the other Party with Notice in the form of a letter describing in detail the particulars of the occurrence giving rise to the Force Majeure Event claim. Failure to provide timely Notice as described in the preceding sentence constitutes a waiver of a Force Majeure Event claim as to all time periods prior to the delivery of the Notice. The suspension of performance due to a claim of Force Majeure Event must be of no greater scope and of no longer duration than is required by the Force Majeure Event.

10.4 **Termination Following Force Majeure Event**. If a Force Majeure Event has occurred after the Commercial Operation Date that has caused either Party to be wholly or partially unable to perform its obligations hereunder in any material respect, and the impacted Party has claimed and received relief from performance of its obligations for a consecutive twelve (12) month period, then the non-claiming Party may terminate this Agreement upon Notice to the Party experiencing the Force Majeure Event. Upon any such termination, neither Party shall have any liability to the other Party, save and except for those obligations specified in Section 2.1(b), and Buyer shall promptly return to Seller any Performance Security then held by Buyer, less any amounts drawn in accordance with this Agreement.

ARTICLE 11
DEFAULTS; REMEDIES; TERMINATION

11.1 **Events of Default**. An "**Event of Default**" shall mean,

(a) with respect to a Party (the "**Defaulting Party**") that is subject to the Event of Default, the occurrence of any of the following:

(i) the failure by such Party to make, when due, any payment required pursuant to this Agreement and such failure is not remedied within ten (10) Business Days after Notice thereof;

(ii) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated, and such default is not remedied within thirty (30) days after Notice thereof (or such longer additional period, not to exceed an additional sixty (60) days, if such Party is unable to remedy such default within such initial thirty (30)-day period despite exercising commercially reasonable efforts);

(iii) the failure by such Party to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default set forth in this Section 11.1; and except for the failure to provide Capacity Attributes, the exclusive remedies for which are set forth in Section 3.3) and such failure is not remedied within thirty (30) days after Notice thereof (or such longer additional period, not to exceed an additional ninety (90) days, if the Defaulting Party is unable to remedy such default within such initial thirty (30) days period despite exercising commercially reasonable efforts);

(iv) such Party becomes Bankrupt;

(v) such Party assigns this Agreement or any of its rights hereunder other than in compliance with Article 14, as applicable;

(vi) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of Law or pursuant to an agreement reasonably satisfactory to the other Party; or

(vii) with respect to any outstanding Letter of Credit provided for the benefit of a Party that is not then required under this Agreement to be canceled or returned, the failure by the Party required to post such Letter of Credit to provide for the benefit of the other Party either (1) cash, or (2) a substitute Letter of Credit from a different issuer meeting the criteria set forth in the definition of Letter of Credit, in each case, in the amount required hereunder within ten (10) Business Days after the Party providing the Letter of Credit receives Notice of the occurrence of any of the following events:

(A) the issuer of the outstanding Letter of Credit shall fail to maintain a Credit Rating of at least "BBB-" by S&P or "Baa3" by Moody's;

(B) the issuer of such Letter of Credit becomes Bankrupt;

(C) the issuer of the outstanding Letter of Credit shall fail to comply with or perform its obligations under such Letter of Credit and such failure shall be continuing after the lapse of any applicable grace period permitted under such Letter of Credit;

(D) the issuer of the outstanding Letter of Credit shall fail to honor a properly documented request to draw on such Letter of Credit;

(E) the issuer of the outstanding Letter of Credit shall disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, such Letter of Credit;

(F) such Letter of Credit fails or ceases to be in full force and effect at any time; or

(G) the Party required to maintain such Letter of Credit shall fail to renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit and as provided in accordance with this Agreement, and in no event less than sixty (60) days prior to the expiration of the outstanding Letter of Credit.

(b) with respect to Seller as the Defaulting Party, the occurrence of any of the following:

(i) the failure by Seller to achieve Commercial Operation within [redacted] after the Guaranteed Commercial Operation Date;

(ii) failure by Seller to satisfy the collateral requirements pursuant to Sections 8.7 or 8.8 within five (5) Business Days after Notice from Buyer, including the failure to replenish the Performance Security amount in accordance with this Agreement in the event Buyer draws against it for any reason other than to satisfy a Termination Payment;

(iii) the failure by Seller to achieve Construction Start within [redacted] after the Guaranteed Construction Start Date;

(iv) the failure by Seller to deliver a Remedial Action Plan if not remedied within ten (10) Business Days after written Notice thereof;

(v) with respect to any Guaranty provided for the benefit of Buyer, the failure by Seller to provide for the benefit of Buyer either (1) cash or (2) a replacement Letter of Credit from an issuer meeting the criteria set forth in the definition of Letter of Credit, in each case, in the amount required hereunder within ten (10) Business Days after Seller receives Notice of the occurrence of any of the following events:

(A) if any representation or warranty made by the Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated;

(B) the failure of the Guarantor to make any payment required or to perform any other material covenant or obligation in any Guaranty;

(C) the Guarantor becomes Bankrupt;

(D) the Guarantor shall fail to meet the criteria for an acceptable Guarantor as set forth in the definition of Guarantor;

(E) the failure of the Guaranty to be in full force and effect (other than in accordance with its terms) prior to the indefeasible satisfaction of all obligations of Seller hereunder; or

(F) the Guarantor shall repudiate, disaffirm, disclaim, or reject, in whole or in part, or challenge the validity of any Guaranty.

(c) with respect to Buyer as the Defaulting Party, the occurrence of any of the following:

(i) if Member defaults under the Member Lockbox Arrangement; or

(ii) the failure by Buyer to satisfy the collateral requirements pursuant to Section 8.9.

11.2 **Remedies; Declaration of Early Termination Date**. If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party ("**Non-Defaulting Party**") shall have the following rights:

(a) to send Notice, designating a day, no earlier than the day such Notice is deemed to be received and no later than twenty (20) days after such Notice is deemed to be received, as an early termination date of this Agreement ("**Early Termination Date**") that terminates this Agreement (the "**Terminated Transaction**") and ends the Delivery Term effective as of the Early Termination Date;

(b) to accelerate all amounts owing between the Parties, and to collect as liquidated damages (i) the Damage Payment, or (ii) the Termination Payment, as applicable, in each case calculated in accordance with Section 11.3 below;

(c) to withhold any payments due to the Defaulting Party under this Agreement pending declaration of an Early Termination Date under Section 11.2(a);

(d) to suspend performance pending declaration of an Early Termination Date under Section 11.2(a); and

(e) to exercise any other right or remedy available at law or in equity, including specific performance or injunctive relief to the extent monetary remedies are inadequate, except to the extent such remedies are expressly limited under this Agreement; *provided*, payment by the Defaulting Party of the Damage Payment or Termination Payment, as applicable, shall constitute liquidated damages and the Non-Defaulting Party's sole and exclusive remedy for any Terminated Transaction and the Event of Default related thereto.

11.3 **Damage Payment; Termination Payment**. If an Early Termination Date has been declared, the Non-Defaulting Party shall calculate, in a commercially reasonable manner, the Damage Payment or Termination Payment, as applicable, in accordance with this Section 11.3.

(a) Damage Payment. If the Seller is the Defaulting Party and the Early Termination Date occurs before the Commercial Operation Date, a Damage Payment shall be calculated in accordance with this Section 11.3(a). The Damage Payment shall be owed to Buyer and, subject to Section 11.8, shall be equal to the entire Development Security amount. Subject to the foregoing, Buyer shall be entitled to immediately retain for its own benefit those funds held as Development Security and any interest accrued thereon, and any amount of Development Security that Seller has not yet posted with Buyer shall be immediately due and payable by Seller to Buyer. The Parties agree that Buyer's damages in the event of an Early Termination Date prior to the Commercial Operation Date where Seller is the Defaulting Party would be difficult or impossible to determine and that the damages set forth in this Section 11.3(a) are a reasonable approximation of Buyer's harm or loss.

(b) Termination Payment. Except for an Early Termination Date occurring before the Commercial Operation Date where Seller is the Defaulting Party, which is provided for in Section 11.3(a), the payment owed by the Defaulting Party to the Non-Defaulting Party for a Terminated Transaction shall be the aggregate of all Settlement Amounts plus any and all other amounts due to or from the Non-Defaulting Party (as of the Early Termination Date) netted into a single amount (the "**Termination Payment**"). The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for the Terminated Transaction as of the Early Termination Date. Third parties supplying information for purposes of the calculation of Gains or Losses may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information. The Settlement Amount shall not include consequential, incidental, punitive, exemplary, indirect or business interruption damages. Without prejudice to the Non-Defaulting Party's duty to mitigate, the Non-Defaulting Party shall not have to enter into replacement transactions to establish a Settlement Amount. Each Party agrees and acknowledges that (i) the actual damages that the Non-Defaulting Party would incur in connection with a Terminated Transaction would be difficult or impossible to predict with certainty, (ii) the Termination Payment described in this Section 11.3(b) is a reasonable and appropriate approximation of such damages, and (iii) the Termination Payment described in this Section 11.3(b) is the exclusive remedy of the Non-Defaulting Party in connection with a Terminated Transaction but shall not otherwise act to limit any of the Non-Defaulting Party's rights or remedies if the Non-Defaulting Party does not elect a Terminated Transaction as its remedy for an Event of Default by the Defaulting Party.

11.4 **Notice of Payment of Termination Payment or Damage Payment**. As soon as practicable after a Terminated Transaction, but in no event later than sixty (60) days after the Early Termination Date, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Damage Payment or Termination Payment, as applicable, and, in the case of the Termination Payment, whether the Termination Payment is due to or from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of such amount and the sources for such calculation. The Termination Payment or Damage Payment, as applicable, shall be made within ten (10) Business Days after such Notice is effective.

11.5 **Disputes With Respect to Termination Payment or Damage Payment**. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment or Damage Payment, as applicable, in whole or in part, the Defaulting Party shall, within five (5) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment or Damage Payment, as applicable, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute. Disputes regarding the Termination Payment or Damage Payment, as applicable, shall be determined in accordance with Article 15.

11.6 **Rights And Remedies Are Cumulative**. Except where liquidated damages or other remedy are explicitly provided as the exclusive remedy, the rights and remedies of a Party pursuant to this Article 11 shall be cumulative and in addition to the rights of the Parties otherwise provided in this Agreement.

11.7 **Mitigation**. Any Non-Defaulting Party shall be obligated to use commercially reasonable efforts to mitigate its Costs, Losses and damages resulting from any Event of Default of the other Party under this Agreement.

[redacted]

ARTICLE 12
LIMITATION OF LIABILITY AND EXCLUSION OF WARRANTIES.

12.1 **No Consequential Damages**. EXCEPT TO THE EXTENT PART OF (A) AN EXPRESS REMEDY OR MEASURE OF DAMAGES HEREIN, (B) AN ARTICLE 16 INDEMNITY CLAIM, (C) INCLUDED IN A LIQUIDATED DAMAGES CALCULATION, OR (D) RESULTING FROM A PARTY'S FRAUD OR WILLFUL MISCONDUCT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER OR ITS INDEMNIFIED PERSONS FOR ANY SPECIAL, PUNITIVE, EXEMPLARY, INDIRECT, OR CONSEQUENTIAL DAMAGES, OR LOSSES OR DAMAGES FOR LOST REVENUE OR LOST PROFITS, WHETHER FORESEEABLE OR NOT, ARISING OUT OF, OR IN CONNECTION WITH THIS AGREEMENT, BY STATUTE, IN TORT OR CONTRACT.

12.2 **Waiver and Exclusion of Other Damages**. EXCEPT AS EXPRESSLY SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. ALL LIMITATIONS OF LIABILITY CONTAINED IN THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, THOSE PERTAINING TO SELLER'S LIMITATION OF LIABILITY AND THE PARTIES' WAIVER OF CONSEQUENTIAL DAMAGES, SHALL APPLY EVEN IF THE REMEDIES FOR BREACH OF WARRANTY PROVIDED IN THIS AGREEMENT ARE DEEMED TO "FAIL OF THEIR ESSENTIAL PURPOSE" OR ARE OTHERWISE HELD TO BE INVALID OR UNENFORCEABLE.

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS AND EXCLUSIVE REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED.

IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT DAMAGES ONLY.

TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, INCLUDING UNDER SECTIONS 3.3, 11.2 AND 11.3 AND AS PROVIDED IN EXHIBIT B, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, THAT OTHERWISE OBTAINING AN ADEQUATE

REMEDY IS INCONVENIENT, AND THAT THE LIQUIDATED DAMAGES CONSTITUTE A REASONABLE APPROXIMATION OF THE ANTICIPATED HARM OR LOSS. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. THE PARTIES HEREBY WAIVE ANY RIGHT TO CONTEST SUCH PAYMENTS AS AN UNREASONABLE PENALTY.

ARTICLE 13
REPRESENTATIONS AND WARRANTIES; ADDITIONAL COVENANTS

13.1 **Seller's Representations and Warranties**. As of the Effective Date, Seller represents and warrants as follows:

(a) Seller is a limited liability company, duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and is qualified to conduct business in each jurisdiction where the failure to so qualify would have a material adverse effect on the business or financial condition of Seller.

(b) Seller has the limited liability company power and authority to enter into and perform this Agreement and is not prohibited from entering into this Agreement or discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement, except where such failure does not have a material adverse effect on Seller's performance under this Agreement. The execution, delivery and performance of this Agreement by Seller has been duly authorized by all necessary limited liability company action on the part of Seller and does not and will not require the consent of any trustee or holder of any indebtedness or other obligation of Seller or any other party to any other agreement with Seller.

(c) The execution and delivery of this Agreement, consummation of the transactions contemplated herein, and fulfillment of and compliance by Seller with the provisions of this Agreement will not conflict with or constitute a breach of or a default under any Law presently in effect having applicability to Seller, subject to any permits that have not yet been obtained by Seller, the documents of formation of Seller or any outstanding trust indenture, deed of trust, mortgage, loan agreement or other evidence of indebtedness or any other agreement or instrument to which Seller is a party or by which any of its property is bound.

(d) This Agreement has been duly executed and delivered by Seller. This Agreement is a legal, valid and binding obligation of Seller enforceable in accordance with its terms, except as limited by laws of general applicability limiting the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity.

(e) The Facility is located in the State of California.

13.2 **Buyer's Representations and Warranties**. As of the Effective Date, Buyer represents and warrants as follows:

(a) Buyer is a joint powers authority and a validly existing community choice aggregator, duly organized, validly existing and in good standing under the laws of the State of California and the rules, regulations and orders of the California Public Utilities Commission, and is qualified to conduct business in each jurisdiction of the Joint Powers Agreement members, where the failure to so qualify would have a material adverse effect on the business or financial condition of Buyer. All Persons making up the governing body of Buyer are the elected or appointed incumbents in their positions and hold their positions in good standing in accordance with applicable Law.

(b) Buyer has the power and authority to enter into and perform this Agreement and is not prohibited from entering into this Agreement or discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement, except where such failure does not have a material adverse effect on Buyer's performance under this Agreement. The execution, delivery and performance of this Agreement by Buyer has been duly authorized by all necessary action on the part of Buyer and does not and will not require the consent of any trustee or holder of any indebtedness or other obligation of Buyer or any other party to any other agreement with Buyer.

(c) The execution and delivery of this Agreement, consummation of the transactions contemplated herein, and fulfillment of and compliance by Buyer with the provisions of this Agreement will not conflict with or constitute a breach of or a default under any Law presently in effect having applicability to Buyer, including but not limited to community choice aggregation, competitive bidding, public notice, open meetings, election, referendum, or prior appropriation requirements, the documents of formation of Buyer or any outstanding trust indenture, deed of trust, mortgage, loan agreement or other evidence of indebtedness or any other agreement or instrument to which Buyer is a party or by which any of its property is bound.

(d) This Agreement has been duly executed and delivered by Buyer. This Agreement is a legal, valid and binding obligation of Buyer enforceable in accordance with its terms, except as limited by laws of general applicability limiting the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity.

(e) Buyer warrants and covenants that with respect to its contractual obligations under this Agreement, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from (1) suit, (2) jurisdiction of court, (3) relief by way of injunction, order for specific performance or recovery of property, (4) attachment of assets, or (5) execution or enforcement of any judgment.

(f) Buyer is a "local public entity" as defined in Section 900.4 of the Government Code of the State of California.

13.3 **General Covenants**. Each Party covenants that commencing on the Effective Date and continuing throughout the Contract Term:

(a) It shall continue to be duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and to be qualified to conduct

business in each jurisdiction where the failure to so qualify would have a material adverse effect on its business or financial condition;

(b) It shall take all commercially reasonable actions required to maintain (or obtain from time to time as required) all regulatory authorizations necessary for it to legally perform its obligations under this Agreement; and

(c) It shall perform its obligations under this Agreement in compliance with all terms and conditions in its governing documents and in material compliance with any Law.

13.4 **Additional Seller Commitments**.

(a) Seller (or its Affiliate) shall maintain Site Control throughout the Delivery Term.

(b) Seller covenants that commencing on the Effective Date and continuing throughout the Contract Term, Seller shall materially comply with all applicable federal, state and local Laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals, including without limitation applicable employment discrimination laws and prevailing wage laws.

(c) Seller shall enter into a project labor agreement for construction of the Facility and agrees to demonstrate, upon request, compliance with this requirement via copies of executed project labor agreements or similar agreements, a certified payroll system and such other documentation reasonably requested by Buyer, including pursuant to an audit.

13.5 **Additional Buyer Commitments**.

(a) Buyer acknowledges that it has read and supports the commitments adopted by Engie on ethics and social and environmental responsibility, as set out in its reference documents and in its Vigilance Plan; Engie's commitments can be found on its website (www.engie.com).

ARTICLE 14
ASSIGNMENT

14.1 **General Prohibition on Assignments**. Except as provided below in this Article 14, neither Party may voluntarily assign this Agreement or its rights or obligations under this Agreement, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. Any Change of Control of Seller or direct or indirect change of control of Buyer (whether voluntary or by operation of law) will be deemed an assignment and will require the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that Buyer's prior written consent will not be required for any Change of Control of Seller where the Person controlling Seller after such Change of Control is a Qualified Transferee.

14.2 **Collateral Assignment**. Subject to the provisions of this Section 14.2, Seller has the right to assign this Agreement as collateral for any financing or refinancing of the Facility. In

connection with any financing or refinancing of the Facility, upon request by Seller, Buyer shall in good faith work with Seller and Lender to agree upon a consent to collateral assignment of this Agreement, estoppels, or other required documentation in connection with Seller's financing for the Facility. Seller shall pay Buyer's reasonable expenses, including attorneys' fees, incurred to provide consents, estoppels, or other required documentation in connection with Seller's financing for the Facility. Buyer will have no obligation to provide any consent, or enter into any agreement, that materially and adversely affects any of Buyer's rights, benefits, risks or obligations under this Agreement.

14.3 **Permitted Assignment by Seller**. Seller may, without the prior written consent of Buyer, transfer or assign this Agreement to: (a) an Affiliate of Seller, or (b) [redacted]

ARTICLE 15
DISPUTE RESOLUTION

15.1 **Governing Law**. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of Law. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement.

15.2 **Dispute Resolution**. In the event of any dispute arising under the Agreement, within ten (10) days following the receipt of a written Notice from either Party identifying such dispute, the authorized members of the Parties' senior management shall meet, negotiate and attempt, in good faith, to resolve the dispute quickly, informally and inexpensively. If the Parties are unable to resolve a dispute arising hereunder within thirty (30) days of initiating such discussions, the Parties shall submit the dispute to mediation prior to seeking any and all remedies available to it at Law in or equity.

15.3 **Attorneys' Fees**. In any proceeding brought to enforce this Agreement or because of the breach by any Party of any covenant or condition herein contained, the prevailing Party shall be entitled to reasonable attorneys' fees (including reasonably allocated fees of in-house counsel) in addition to court costs and any and all other costs recoverable in said action.

15.4 **Venue**. The Parties agree that any suit, action or other legal proceeding by or against any party (or its Affiliates or designees) with respect to or arising out of this Agreement shall be brought in the federal courts of the United States, or the courts of the State of California, sitting in Los Angeles, California.

ARTICLE 16
INDEMNIFICATION

16.1 **Indemnification**.

(a) Each Party (the "**Indemnifying Party**") agrees to indemnify, defend and hold harmless the other Party and its Affiliates, directors, officers, employees and agents

(collectively, the "**Indemnified Party**") from and against all third party claims, demands, losses, liabilities, penalties, and expenses (including reasonable attorneys' fees) for personal injury or death to Persons and damage to the property of any third party to the extent arising out of, resulting from, or caused by the negligence or willful misconduct of the Indemnifying Party, its Affiliates, or its directors, officers, employees, or agents.

(b) Nothing in this Section 16.1 shall enlarge or relieve a Party of any liability to the other for any breach of this Agreement. The Indemnified Party shall not be indemnified for its damages resulting from its sole negligence, intentional acts or willful misconduct. These indemnity provisions shall not be construed to relieve any insurer of its obligation to pay claims consistent with the provisions of a valid insurance policy.

16.2 **Claims**. Promptly after receipt by a Party of any claim or Notice of the commencement of any action, administrative, or legal proceeding, or investigation as to which the indemnity provided for in this Article 16 may apply, the Indemnified Party shall notify the Indemnifying Party in writing of such fact. The Indemnifying Party shall assume the defense thereof with counsel designated by the Indemnifying Party and satisfactory to the Indemnified Party, *provided*, if the defendants in any such action include both the Indemnified Party and the Indemnifying Party and the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to, or inconsistent with, those available to the Indemnifying Party, the Indemnified Party shall have the right to select and be represented by separate counsel, at the Indemnifying Party's expense, unless a liability insurer is willing to pay such costs. If the Indemnifying Party fails to assume the defense of a claim meriting indemnification, the Indemnified Party may at the expense of the Indemnifying Party contest, settle, or pay such claim, *provided* that settlement or full payment of any such claim may be made only following consent of the Indemnifying Party or, absent such consent, written opinion of the Indemnified Party's counsel that such claim is meritorious or warrants settlement. Except as otherwise provided in this Article 16, in the event that a Party is obligated to indemnify and hold the other Party and its successors and assigns harmless under this Article 16, the amount owing to the Indemnified Party will be the amount of the Indemnified Party's damages net of any insurance proceeds received by the Indemnified Party following a reasonable effort by the Indemnified Party to obtain such insurance proceeds.

ARTICLE 17
INSURANCE

17.1 **Insurance**.

(a) General Liability. Seller shall maintain, or cause to be maintained at its sole expense, (i) commercial general liability insurance, including products and completed operations and personal injury insurance, in a minimum amount of Five Million Dollars ($5,000,000) per occurrence, and an annual aggregate of not less than Five Million Dollars ($5,000,000), endorsed to provide contractual liability in said amount, specifically covering Seller's obligations under this Agreement and including Buyer as an additional insured; and (ii) an umbrella insurance policy in a minimum limit of liability of Five Million Dollars ($5,000,000) per occurrence and in aggregate. Defense costs shall be provided as an additional benefit and not included within the limits of liability. Such insurance shall contain standard cross-liability and

severability of interest provisions. The amount of insurance required above may be satisfied by any combination of primary and excess insurance.

(b) Employer's Liability Insurance. Employers' Liability insurance shall not be less than One Million Dollars ($1,000,000) for injury or death occurring as a result of each accident. With regard to bodily injury by disease, the One Million Dollar ($1,000,000) policy limit will apply to each employee.

(c) Workers Compensation Insurance. Seller, if it has employees, shall also maintain at all times during the Contract Term workers' compensation and employers' liability insurance coverage in accordance with applicable requirements of Law.

(d) Business Auto Insurance. Seller shall maintain at all times during the Contract Term business auto insurance for bodily injury and property damage with limits of One Million Dollars ($1,000,000) per occurrence. Such insurance shall cover liability arising out of Seller's use of all owned (if any), non-owned and hired vehicles, including trailers or semi-trailers in the performance of the Agreement.

(e) Builder's All-Risk Insurance. Seller shall maintain or cause to be maintained during the construction of the Facility prior to the Commercial Operation Date, builder's all-risk insurance covering the Facility during such construction periods to the extent such coverage is commercially available.

(f) Evidence of Insurance. Within ten (10) days after execution of the Agreement and upon annual renewal thereafter, Seller shall deliver to Buyer certificates of insurance evidencing such coverage. Such certificates shall specify that Buyer shall be given at least thirty (30) days prior Notice by Seller in the event of any material modification, cancellation or termination of coverage. Such insurance shall be primary coverage without right of contribution from any insurance of Buyer. Any other insurance maintained by Seller is for the exclusive benefit of Seller and shall not in any manner inure to the benefit of Buyer. The general liability, auto liability and worker's compensation policies shall be endorsed with a waiver of subrogation in favor of Buyer for all work performed by Seller, its employees, agents and sub-contractors.

(g) Failure to Comply with Insurance Requirements. If Seller fails to comply with any of the provisions of this Article 17, Seller, among other things and without restricting Buyer's remedies under the Law or otherwise, shall, at its own cost and expense, act as an insurer and self-insure in accordance with the terms and conditions above. With respect to the required general liability, umbrella liability and business automobile liability insurance, Seller shall provide a current, full and complete defense to Buyer, its subsidiaries and Affiliates, and their respective officers, directors, shareholders, agents, employees, assigns, and successors in interest, in response to a third-party claim in the same manner that an insurer would have, had the insurance been maintained in accordance with the terms and conditions set forth above. In addition, alleged violations of the provisions of this Article 17 means that Seller has the initial burden of proof regarding any legal justification for refusing or withholding coverage and Seller shall face the same liability and damages as an insurer for wrongfully refusing or withholding coverage in accordance with the laws of California.

ARTICLE 18
CONFIDENTIAL INFORMATION

18.1 **Definition of Confidential Information**. The following constitutes "**Confidential Information**," whether oral or written which is delivered by Seller to Buyer or by Buyer to Seller including: (a) the terms and conditions of, and proposals and negotiations related to, this Agreement, and (b) information that either Seller or Buyer stamps or otherwise identifies as "confidential" or "proprietary" before disclosing it to the other. Confidential Information does not include (i) information that was publicly available at the time of the disclosure, other than as a result of a disclosure in breach of this Agreement; (ii) information that becomes publicly available through no fault of the recipient after the time of the delivery; (iii) information that was rightfully in the possession of the recipient (without confidential or proprietary restriction) at the time of delivery or that becomes available to the recipient from a source not subject to any restriction against disclosing such information to the recipient; and (iv) information that the recipient independently developed without a violation of this Agreement.

18.2 **Duty to Maintain Confidentiality**. The Party receiving Confidential Information (the "**Receiving Party**") from the other Party (the "**Disclosing Party**") shall not disclose Confidential Information to a third party (other than the Party's employees, lenders and investors (including bona fide prospective lenders and other investors), counsel, accountants, directors or advisors, or any such representatives of a Party's Affiliates, who have a need to know such information and have agreed to keep such terms confidential) except in order to comply with any applicable Law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding applicable to such Party or any of its Affiliates; *provided*, each Party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation. The Parties agree and acknowledge that nothing in this Section 18.2 prohibits a Party from disclosing any one or more of the commercial terms of a transaction (other than the name of the other Party unless otherwise agreed to in writing by the Parties) to any industry price source for the purpose of aggregating and reporting such information in the form of a published energy price index.

The Parties acknowledge and agree that the Agreement and any transactions entered into in connection herewith are subject to the requirements of the California Public Records Act (Government Code Section 7920 et seq.). In order to designate information as confidential, the Disclosing Party must clearly stamp and identify the specific portion of the material designated with the word "Confidential." The Parties agree not to over-designate material as Confidential Information. Over-designation includes stamping whole agreements, entire pages or series of pages as "Confidential" that clearly contain information that is not Confidential Information.

Upon request or demand of any third person or entity not a Party hereto to Buyer pursuant to the California Public Records Act for production, inspection and/or copying of Confidential Information ("**Requested Confidential Information**"), Buyer shall as soon as practical notify Seller in writing via email that such request has been made. Seller shall be solely responsible for taking at its sole expense whatever legal steps are necessary to prevent release of the Requested Confidential Information to the third party by Buyer. If Seller takes no such action after receiving the foregoing Notice from Buyer, Buyer shall, at its discretion, be permitted to

comply with the third party's request or demand and is not required to defend against it. If Seller does take or attempt to take such action, Buyer shall provide timely and reasonable cooperation to Seller, if requested by Seller, and Seller agrees to indemnify and hold harmless Buyer, its officers, employees and agents ("**Buyer's Indemnified Parties**"), from any claims, liability, award of attorneys' fees, or damages, and to defend any action, claim or lawsuit brought against any of Buyer's Indemnified Parties for Buyer's refusal to disclose any Requested Confidential Information.

18.3 **Irreparable Injury; Remedies**. Receiving Party acknowledges that its obligations hereunder are necessary and reasonable in order to protect Disclosing Party and the business of Disclosing Party, and expressly acknowledges that monetary damages would be inadequate to compensate Disclosing Party for any breach or threatened breach by Receiving Party of any covenants and agreements set forth in this Article 18. Accordingly, Receiving Party acknowledges that any such breach or threatened breach will cause irreparable injury to Disclosing Party and that, in addition to any other remedies that may be available, in law, in equity or otherwise, Disclosing Party will be entitled to obtain injunctive relief against the threatened breach of this Article 18 or the continuation of any such breach, without the necessity of proving actual damages.

18.4 **Further Permitted Disclosure**. Notwithstanding anything to the contrary in this Article 18, Confidential Information may be disclosed by the Receiving Party to any of its agents, consultants, contractors, trustees, or actual or potential financing parties (including, in the case of Seller, its actual or potential Lender(s)), so long as such Person to whom Confidential Information is disclosed is bound by contract or Law or otherwise agrees in writing to be bound by confidentiality provisions that are at least as restrictive as this Article 18 to the same extent as if it were a Party.

18.5 **Press Releases**. Neither Party shall issue (or cause its Affiliates to issue) a press release regarding the transactions contemplated by this Agreement unless both Parties have agreed upon the contents of any such press release.

ARTICLE 19
MISCELLANEOUS

19.1 **Entire Agreement; Integration; Exhibits**. This Agreement, together with the Cover Sheet and Exhibits attached hereto constitutes the entire agreement and understanding between Seller and Buyer with respect to the subject matter hereof and supersedes all prior agreements relating to the subject matter hereof, which are of no further force or effect. The Exhibits attached hereto are integral parts hereof and are made a part of this Agreement by reference. The headings used herein are for convenience and reference purposes only. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof.

19.2 **Amendments**. This Agreement may only be amended, modified or supplemented by an instrument in writing executed by duly authorized representatives of Seller and Buyer; *provided*, this Agreement may not be amended by electronic mail communications.

19.3 **No Waiver**. Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default.

19.4 **No Agency, Partnership, Joint Venture or Lease**. Seller and the agents and employees of Seller shall, in the performance of this Agreement, act in an independent capacity and not as officers or employees or agents of Buyer. Under this Agreement, Seller and Buyer intend to act as energy seller and energy purchaser, respectively, and do not intend to be treated as, and shall not act as, partners in, co-venturers in or lessor/lessee with respect to the Facility or any business related to the Facility. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement) and/or, to the extent set forth herein, any Lender and/or Indemnified Party.

19.5 **Severability**. In the event that any provision of this Agreement is unenforceable or held to be unenforceable, the Parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby. The Parties shall, however, use their best endeavors to agree on the replacement of the void, illegal or unenforceable provision(s) with legally acceptable clauses which correspond as closely as possible to the sense and purpose of the affected provision and this Agreement as a whole.

19.6 **Mobile-Sierra**. Notwithstanding any other provision of this Agreement, neither Party shall seek, nor shall they support any third party seeking, to prospectively or retroactively revise the rates, terms or conditions of service of this Agreement through application or complaint to FERC pursuant to the provisions of Section 205, 206 or 306 of the Federal Power Act, or any other provisions of the Federal Power Act, absent prior written agreement of the Parties. Further, absent the prior written agreement in writing by both Parties, the standard of review for changes to the rates, terms or conditions of service of this Agreement proposed by a Party shall be the "public interest" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956). Changes proposed by a non-Party or FERC acting *sua sponte* shall be subject to the most stringent standard permissible under applicable Law.

19.7 **Counterparts**. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument and each of which shall be deemed an original.

19.8 **Electronic Delivery**. This Agreement may be duly executed and delivered by a Party by electronic format (including portable document format (.pdf)) delivery of the signature page of a counterpart to the other Party.

19.9 **Binding Effect**. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

19.10 **No Recourse to Members of Buyer**. Buyer is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to its Joint Powers Agreement and is a public entity separate from its constituent members. Except as otherwise set forth in this Agreement with respect to the Member Lockbox Arrangement, Buyer shall solely be responsible for all

debts, obligations and liabilities accruing and arising out of this Agreement. Except as otherwise set forth in this Agreement with respect to the Member Lockbox Arrangement, Seller shall have no rights and shall not make any claims, take any actions or assert any remedies against any of Buyer's constituent members, or the employees, directors, officers, consultants or advisors or Buyer or its constituent members, in connection with this Agreement.

19.11 **Forward Contract**. The Parties acknowledge and agree that this Agreement constitutes a "forward contract" within the meaning of the U.S. Bankruptcy Code, and Buyer and Seller are "forward contract merchants" within the meaning of the U.S. Bankruptcy Code. Each Party further agrees that, for all purposes of this Agreement, each Party waives and agrees not to assert the applicability of the provisions of 11 U.S.C. § 366 in any Bankruptcy proceeding wherein such Party is a debtor. In any such proceeding, each Party further waives the right to assert that the other Party is a provider of last resort to the extent such term relates to 11 U.S.C. §366 or another provision of 11 U.S.C. § 101-1532.

19.12 **Change in Electric Market Design**. If a change in the CAISO Tariff (i) renders this Agreement or any provisions hereof incapable of being performed or administered, or (ii) a change in the CAISO Tariff, CPUC rules or other Law (or any new Law) results in the Net Qualifying Capacity of the Facility on a consistent or ongoing basis falling below the Qualifying Capacity of the Facility through no fault of Seller and such change in Law is not reasonably addressable by Seller under Section 3.4, then any Party may request that Buyer and Seller enter into negotiations to make the minimum changes to this Agreement necessary to make this Agreement capable of being performed and administered, while attempting to preserve to the maximum extent possible the benefits, burdens, and obligations set forth in this Agreement as of the Effective Date. Upon delivery of such a request, Buyer and Seller shall engage in such negotiations in good faith. If Buyer and Seller are unable, within sixty (60) days after delivery of such request, to agree upon changes to this Agreement or to resolve issues relating to changes to this Agreement, then any Party may submit issues pertaining to changes to this Agreement to the dispute resolution process set forth in Article 15. Notwithstanding the foregoing, (i) a change in cost shall not in and of itself be deemed to render this Agreement or any of the provisions hereof incapable of being performed or administered, and (ii) all of the unaffected provisions of this Agreement shall remain in full force and effect during any period of such negotiation or dispute resolution.

19.13 **Further Assurances**. Each of the Parties hereto agrees to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by the other Party which are not inconsistent with the provisions of this Agreement and which do not involve the assumptions of obligations other than those provided for in this Agreement, to give full effect to this Agreement and to carry out the intent of this Agreement.

19.14 **Lockbox Account**. For so long as the Member Lockbox Arrangement exists, Buyer's obligations to make payments with respect to this Agreement are to be made solely from the Member Lockbox Account, as set forth in the applicable Member Security Agreement. For so long as the Member Lockbox Arrangement exists, obligations to make payments under this Agreement do not constitute any kind of indebtedness of Member or create any kind of lien on, or security interest in, any property or revenues of Member, except as set forth in the Member

Lockbox Arrangement.

19.15 **Service Contract**. The Parties acknowledge and agree that this Agreement is intended to constitute a "service contract" within the meaning of Section 7701(e) of the Internal Revenue Code of 1986, as amended from time to time.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the Effective Date.

CIRCLE CITY ENERGY STORAGE LLC

By: _____
Name: _____
Title: _____
Date: _____

CALIFORNIA CHOICE ENERGY AUTHORITY, a California joint powers authority

By: _____
Name: _____
Title: _____
Date: _____

ACKNOWLEDGED:

City of Palmdale, a California municipal corporation and charter city (d/b/a Energy for Palmdale's Independent Choice)

City of Palmdale

By: _____
Name: _____
Title: _____

EXHIBIT A

FACILITY DESCRIPTION

Site Name: Circle City

Site includes all or some of the following APNs: [redacted]

County: Riverside County

CEQA Lead Agency: City of Corona, statutory exemption

Type of Facility: Lithium-Ion Battery Energy Storage

Operating Characteristics of Facility:

Maximum Stored Energy Level (MWh) at COD: [redacted]

Minimum Stored Energy Level (MWh) at COD: [redacted]

Maximum Charging Capacity (MW) at COD: [redacted]

Minimum Charging Capacity (MW) at COD: [redacted]

Maximum Discharging Capacity (MW) at COD: [redacted]

Minimum Discharging Capacity (MW) at COD: [redacted]

Annual Cycles: [redacted]

Storage Contract Capacity: 17 MW_{AC}

Delivery Point: Interconnection Point Mira Loma-Corona-Pedley 66 kV line

Facility Metering Points: See Exhibit M

Facility Interconnection Point: The Facility shall interconnect to the Southern California Edison ("**SCE**") Mira Loma-Corona-Pedley 66 kV line (the "**Interconnection Point**").

Facility PNode: [redacted] or alternate PNode assigned to the Facility by CAISO

Participating Transmission Owner: SCE

EXHIBIT B

FACILITY CONSTRUCTION AND COMMERCIAL OPERATION

1) **Construction of the Facility**.

a) "**Construction Start**" will occur upon Seller's (i) acquisition of all applicable regulatory authorizations, approvals and permits necessary to commence the construction of the Facility, (ii) engagement of all primary contractors and ordering of all essential equipment and supplies as, in each case, can reasonably be considered necessary so that physical construction of the Facility may begin, and (iii) execution of an engineering, procurement, and construction contract and issuance thereunder of a full notice to proceed that authorizes the contractor to mobilize to Site and begin physical construction at the Site. The date of Construction Start will be evidenced by and subject to Seller's delivery to Buyer of a certificate substantially in the form attached as Exhibit H hereto, and the date certified therein shall be the "**Construction Start Date**."

b) The "**Guaranteed Construction Start Date**" means the Expected Construction Start Date, subject to extensions on a day-for-day basis for the Development Cure Period.

2) **Commercial Operation of the Facility**.

a) "**Commercial Operation**" means the condition existing when Seller has fulfilled all of the conditions precedent in Section 2.2 of the Agreement and provided Notice to Buyer substantially in the form of Exhibit E (the "**COD Certificate**"). Seller shall provide Notice of expected COD to Buyer in writing no less than sixty (60) days in advance of such date.

b) The "**Guaranteed Commercial Operation Date**" means the Expected Commercial Operation Date, subject to extensions on a day-for-day basis for the Development Cure Period.

3) **Development Cure Period**. The "**Development Cure Period**" means delays in achieving the Milestones due to Force Majeure Events [redacted] The Development Cure Period, including for Force Majeure Event, shall be no longer than [redacted] on a cumulative basis. For clarity, the Development Cure Period extends both the Guaranteed Construction Start Date and the Guaranteed Commercial Operation Date simultaneously. Notwithstanding anything to the contrary, no extension shall be given if (i) the delay was the result of Seller's failure to take all commercially reasonable actions to meet its requirements and deadlines, (ii) Seller failed to provide requested documentation as provided below, or (iii) Seller failed to provide written Notice to Buyer as required in the next sentence. Seller shall provide prompt written Notice to Buyer of a delay, but in no case more than thirty (30) days after Seller became aware of such delay, except that in the case of a delay occurring within sixty (60) days of the Expected Commercial Operation

Date, or after such date, Seller must provide written Notice within five (5) Business Days of Seller becoming aware of such delay. Upon request from Buyer, Seller shall provide documentation demonstrating to Buyer's reasonable satisfaction that the delays described above did not result from Seller's actions or failure to take commercially reasonable actions.

4) **Termination for Failure to Achieve Construction Start or Commercial Operation**

a) **Termination for Failure to Achieve Construction Start**. Failure to achieve Construction Start by the date that is [redacted] after the Guaranteed Construction Start Date shall constitute an Event of Default, and Buyer shall have the right, in its sole discretion, to terminate the Agreement and, subject to Section 11.8, retain a Damage Payment in the amount of the Development Security.

b) **Termination for Failure to Achieve Commercial Operation**. Failure to achieve the Commercial Operation Date by the date that is [redacted] after the Guaranteed Commercial Operation Date shall constitute an Event of Default, and Buyer shall have the right, in its sole discretion, to terminate the Agreement and, subject to Section 11.8, retain a Damage Payment in the amount of the Development Security. Notwithstanding anything herein to the contrary, if Buyer does not terminate the Agreement by the date that is [redacted] after the Guaranteed Commercial Operation Date, and Seller still has not achieved the Commercial Operation Date, then Seller shall have the right, in its sole discretion, to terminate the Agreement by written Notice to Buyer, which termination right must be exercised by the date that is [redacted] after the Guaranteed Commercial Operation Date. If Seller exercises such termination right Seller shall, subject to Section 11.8, pay Buyer a Damage Payment in the amount of the Development Security, which Buyer may draw from the Development Security.

EXHIBIT C

COMPENSATION

Buyer shall compensate Seller for the Product as follows:

The "**Monthly Payment**" shall equal (i) the Contract Price, [redacted]

Such payment constitutes the entirety of the amount due to Seller from Buyer for the Product.

EXHIBIT D

PROGRESS REPORTING FORM

Each Progress Report must include the following items:

1. Executive Summary.

2. Facility description.

3. Site plan of the Facility.

4. Description of any material planned changes to the Facility or the Site.

5. Gantt chart schedule showing progress toward meeting each of the Milestones.

6. Summary of activities during the previous calendar quarter or month, as applicable.

7. Forecast of activities scheduled for the current calendar quarter.

8. Written description (a) about the progress relative to Seller's Milestones, including whether Seller has met or is on target to meet the Milestones, (b) identifying any missed Seller's Milestones and the cause of the delay and providing a detailed description of Seller's corrective actions to achieve the missed Seller's Milestones and all subsequent Seller's Milestones by the Guaranteed Commercial Operation Date.

9. List of issues that are reasonably likely to affect Seller's Milestones.

10. A status report of start-up activities including a forecast of activities ongoing and after start-up, a report on Facility performance including performance projections for the next twelve (12) months.

11. Prevailing wage reports as required by Law.

12. Progress and schedule of all material agreements, contracts, permits, approvals, technical studies, financing agreements and major equipment purchase orders showing the start dates, completion dates, and completion percentages.

13. Pictures, in sufficient quantity and of appropriate detail, in order to document construction and startup progress of the Facility, the interconnection into the Transmission System and all other interconnection utility services.

14. Any other documentation reasonably requested by Buyer.

EXHIBIT E

FORM OF COMMERCIAL OPERATION DATE CERTIFICATE

This certification ("**Certification**") of Commercial Operation is delivered by [*Licensed Professional Engineer*] ("**Engineer**") to California Choice Energy Authority, a California joint powers authority, on behalf of City of Palmdale, a California municipal corporation and charter city (d/b/a Energy for Palmdale's Independent Choice) ("**Buyer**") in accordance with the terms of that certain Energy Storage Resource Adequacy Agreement dated [*date*] ("**Agreement**") by and between Circle City Energy Storage LLC ("**Seller**") and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

As of [*date*], Engineer hereby certifies and represents to Buyer the following:

1. The Facility has met all Interconnection Agreement requirements.

2. Seller has installed and commissioned equipment for the Facility with an Installed Capacity of no less than fourteen (14) MW.

3. The Facility has successfully completed all testing required by Prudent Operating Practices and any requirement of Law to operate the Facility.

EXECUTED by [LICENSED PROFESSIONAL ENGINEER]

this _____ day of _____, 20__.

[LICENSED PROFESSIONAL ENGINEER]

By: _____

Printed Name: _____

Title: _____

EXHIBIT F

FORM OF INSTALLED CAPACITY CERTIFICATE

This certification ("**Certification**") of Installed Capacity and related characteristics of the Facility is delivered by [*Licensed Professional Engineer*] ("**Engineer**") to California Choice Energy Authority, a California joint powers authority, on behalf of City of Palmdale, a California municipal corporation and charter city (d/b/a Energy for Palmdale's Independent Choice) ("**Buyer**") in accordance with the terms of that certain Energy Storage Resource Adequacy Agreement dated [*date*] ("**Agreement**") by and between Circle City Energy Storage LLC ("**Seller**") and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

I hereby certify that the Commercial Operation Storage Capacity Test conducted on [*date*] demonstrated a maximum dependable operating capability to discharge electric energy of __ MW AC to the Delivery Point at four (4) hours of continuous discharge, in accordance with the testing procedures, requirements and protocols set forth in Section 4.7 and Exhibit L (the "**Installed Capacity**").

EXECUTED by [LICENSED PROFESSIONAL ENGINEER]

this _____ day of _____, 20__.

[LICENSED PROFESSIONAL ENGINEER]

By: _____

Printed Name: _____

Title: _____

EXHIBIT G

RESERVED

EXHIBIT H

FORM OF CONSTRUCTION START DATE CERTIFICATE

This certification of Construction Start Date ("**Certification**") is delivered by Circle City Energy Storage LLC ("**Seller**") to California Choice Energy Authority, a California joint powers authority, on behalf of City of Palmdale, a California municipal corporation and charter city (d/b/a Energy for Palmdale's Independent Choice) ("**Buyer**") in accordance with the terms of that certain Energy Storage Resource Adequacy Agreement dated [*date*] ("**Agreement**") by and between Seller and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

Seller hereby certifies and represents to Buyer the following:

1. Construction Start (as defined in Exhibit B of the Agreement) has occurred, and a copy of the full notice to proceed that Seller issued to its contractor as part of Construction Start is attached hereto;

2. the Construction Start Date occurred on [*date*] (the "**Construction Start Date**"); and

3. the precise Site on which the Facility is located is, which must be within the boundaries of the previously identified Site: _____.

IN WITNESS WHEREOF, the undersigned has executed this Certification on behalf of Seller as of the ___ day of _____.

[SELLER ENTITY]

By: _____

Printed Name: _____

Title: _____

EXHIBIT I

FORM OF LETTER OF CREDIT

[Issuing Bank Letterhead and Address]

IRREVOCABLE STANDBY LETTER OF CREDIT NO. [XXXXXXX]

Date: _____
Bank Ref.: _____
Stated Amount: US$_____

Beneficiary:
California Choice Energy Authority
Attn: Cathy DeFalco
44933 Fern Avenue
Lancaster, CA 93534

Applicant:
[Entity]
[on behalf of entity]
[address]
[Attn:]

To Whom It May Concern:

By the order of [*Entity name, state of formation, type of entity*] ("Applicant"), we, [*Bank name and address*] ("Issuer") hereby issue our Irrevocable Standby Letter of Credit No. [*XXXXXX*] (the "Letter of Credit") in favor of California Choice Energy Authority, a California joint powers authority ("Beneficiary"), for an amount of U.S. $[*XXXXXX*] (United States Dollars [*XXXXXX*] and 00/100) ("Stated Amount"), pursuant to that certain Energy Storage Resource Adequacy Agreement dated as of [*Date*] and as amended (the "Agreement") between Applicant and Beneficiary. This Letter of Credit shall become effective immediately and shall expire on [*Date*] which is one year after the issue date of this Letter of Credit, or any expiration date extended in accordance with the terms hereof (the "Expiration Date").

Funds under this Letter of Credit are available to Beneficiary by valid presentation on or before the Expiration Date of a dated statement purportedly signed by Beneficiary's duly authorized representative, in the form attached hereto as Exhibit A, containing one of the two alternative paragraphs set forth in paragraph 2 therein, referencing our Letter of Credit No. [*XXXXXX*] ("Drawing Certificate").

The Drawing Certificate may be presented by (a) physical delivery to bank address at [bank address], (b) as a PDF attachment to an email to [*Bank email address*] or (c) facsimile to [*Bank fax number*] confirmed by [email to [*Bank email address*]]. Transmittal by facsimile or email shall be deemed delivered when received.

The original of this Letter of Credit (and all amendments, if any) is not required to be presented in connection with any presentment of a Drawing Certificate by Beneficiary hereunder in order to receive payment.

We hereby agree with the Beneficiary that all documents presented under and in compliance with the terms of this Letter of Credit, that such drafts will be duly honored upon presentation to the Issuer on or before the Expiration Date. All payments made under this Letter of Credit shall be made with Issuer's own immediately available funds by means of wire transfer in immediately available United States dollars to Beneficiary's account as indicated by Beneficiary in its Drawing Certificate or in a communication accompanying its Drawing Certificate.

Partial draws are permitted under this Letter of Credit and shall reduce the Stated Amount available under this Letter of Credit, and this Letter of Credit shall remain in full force and effect with respect to any continuing balance; provided that the aggregate draws on this portfolio shall not exceed the Stated Amount at the time of such draw.

This Letter of Credit is not transferrable. Any purported transfer shall be deemed void in all respects. All account charges are the sole responsibility of the Applicant.

It is a condition of this Letter of Credit that the Expiration Date shall be deemed automatically extended without an amendment for a one year period beginning on the present Expiration Date hereof and upon each anniversary for such date, unless at least one hundred twenty (120) days prior to any such Expiration Date we have sent to you written notice by overnight courier service that we elect not to extend this Letter of Credit, in which case it will expire on such Expiration Date, or such later date as may be specified in such notice. No presentation made under this Letter of Credit after such Expiration Date (or such later date, if applicable) will be honored.

This Letter of Credit is issued subject to the rules of the 'International Standby Practices 1998', International Chamber of Commerce Publication No. 590 ("ISP98") and, as to matters not addressed by ISP98, shall be governed and construed in accordance with the laws of state of New York.

Notwithstanding any reference in this Letter of Credit to any other documents, instruments or agreements (other than as set forth in the immediately prior paragraph), this Letter of Credit contains the entire agreement between Beneficiary and Issuer relating to the obligations of Issuer hereunder.

Please address all correspondence regarding this Letter of Credit to the attention of the Letter of Credit Department at [*Bank name and address*], referring specifically to Issuer's Letter of Credit No. [*XXXXXX*]. For telephone assistance, please contact Issuer's Standby Letter of Credit Department at [*Bank phone number*] and have this Letter of Credit available.

All notices to Beneficiary shall be in writing and are required to be sent by certified letter, overnight courier, or delivered in person to: California Choice Energy Authority, Attn: Cathy DeFalco, 44933 Fern Avenue, Lancaster, CA 93534. Only notices to Beneficiary meeting the requirements of this paragraph shall be considered valid. Any notice to Beneficiary which is not in accordance with this paragraph shall be void and of no force or effect.

[*Bank Name*]

_____

[*Officer name*]
[*Officer title*]

Exhibit A

Drawing Certificate

(DRAW REQUEST SHOULD BE ON BENEFICIARY'S LETTERHEAD)

[Insert Bank Name and Address]

To Whom It May Concern:

The undersigned, a duly authorized representative of California Choice Energy Authority, a California joint powers authority, as beneficiary (the "Beneficiary") of the Irrevocable Letter of Credit No. [*XXXXXX*] (the "Letter of Credit") issued by [*Bank name*] (the "Bank") by order of [*Entity name, state of formation, type of entity*] (the "Applicant"), hereby certifies to the Bank as follows:

1. Applicant and Beneficiary are party to that certain Energy Storage Resource Adequacy Agreement dated as of [*Date*] (the "Agreement").

2. Beneficiary is making a drawing under this Letter of Credit in the amount of U.S. $_____ because a Seller Event of Default (as such term is defined in the Agreement) has occurred or other occasion provided for in the Agreement where Beneficiary is authorized to draw on the Letter of Credit has occurred, and the amount of this draw does not exceed any limit on Beneficiary's rights to draw on this Letter of Credit set forth in the Agreement.

   OR

   Beneficiary is making a drawing under this Letter of Credit in the amount of U.S. $_____, which equals the lesser of the full available amount under the Letter of Credit or any applicable limit on Beneficiary's rights to draw on this Letter of Credit set forth in the Agreement, because Applicant is required to maintain the Letter of Credit in force and effect beyond the Expiration Date of the Letter of Credit but has failed to provide Beneficiary with a replacement Letter of Credit or other acceptable instrument within thirty (30) days prior to such Expiration Date.

3. The undersigned is a duly authorized representative of California Choice Energy Authority and is authorized to execute and deliver this Drawing Certificate on behalf of Beneficiary.

You are hereby directed to make payment of the requested amount to California Choice Energy Authority by wire transfer in immediately available funds to the following account: [*Specify account information*]

California Choice Energy Authority

_____

[*Name and Title of Authorized Representative*]

Date_____

EXHIBIT J

FORM OF REPLACEMENT RA NOTICE

This Replacement RA Notice (this "**Notice**") is delivered by Circle City Energy Storage LLC ("**Seller**") to California Choice Energy Authority, a California joint powers authority, on behalf of City of Palmdale, a California municipal corporation and charter city (d/b/a Energy for Palmdale's Independent Choice) ("**Buyer**") in accordance with the terms of that certain Energy Storage Resource Adequacy Agreement dated _____ ("**Agreement**") by and between Seller and Buyer. All capitalized terms used in this Notice but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

Pursuant to Section 3.3 of the Agreement, Seller hereby provides the below Replacement RA product information:

Unit Information[1]

Name	
Location	
CAISO Resource ID	
Unit SCID	
Prorated Percentage of Unit Factor	
Resource Type	
Point of Interconnection with the CAISO Controlled Grid ("substation or transmission line")	
Path 26 (North or South)	
LCR Area (if any)	
Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment	
Run Hour Restrictions	
Delivery Period	

Month	Unit CAISO NQC (MW)	Unit Contract Quantity (MW)
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		

[1] To be repeated for each unit if more than one.

[SELLER ENTITY]

By:_____
Its:_____
Date:_____

EXHIBIT K

NOTICES

Circle City Energy Storage LLC	**California Choice Energy Authority**
All Notices: Circle City Energy Storage LLC 1360 Post Oak Blvd. Houston, TX 77056 Attn: Nicole Sergent Phone: (713) 725-7569 Email: Nicole.Sergent@engie.com	**All Notices:** California Choice Energy Authority Attn: Cathy DeFalco 44933 Fern Avenue Lancaster, CA 93534 Phone: 805-260-9047 Email: Cathy@CalChoice.org
Reference Numbers: Duns: Federal Tax ID Number: xxxxxx128	**Reference Numbers:** Duns: [redacted] Federal Tax ID Number: [redacted]
Invoices: Attn: GBS NorAm Phone: (712) 636-1173 Email: Rhonda.Campbell@engie.com	**Invoices:** Attn: Kirby Dusel Phone: (916) 936-3302 Email: kirby@pacificea.com
Payments: Attn: GBS NorAm Phone: (712) 636-1173 Email: Rhonda.Campbell@engie.com	**Payments:** Attn: Kirby Dusel Phone: (916) 936-3302 Email: kirby@pacificea.com
Wire Transfer: [redacted]	**Wire Transfer:** [redacted]
With additional Notices of an Event of Default to: Attn: General Counsel Phone: (713) 636-0000 Email: engiena-legal@engie.com	**With additional Notices of an Event of Default to:** Allison Burns 44933 Fern Avenue Lancaster, CA 93534 Phone: (949) 725-4187 Email: ABurns@stradlinglaw.com **With a copy to**: Hall Energy Law PC Attn: Stephen Hall Email: steve@hallenergylaw.com

EXHIBIT L

STORAGE CAPACITY TESTS

Storage Capacity Test Notice and Frequency

A. Storage Capacity Test. Upon no less than ten (10) Business Days prior Notice to Buyer, Seller shall schedule and complete a Storage Capacity Test prior to the Commercial Operation Date. Such initial Storage Capacity Test and any subsequent Commercial Operation Storage Capacity Test conducted pursuant to Section 4.7 shall be performed in accordance with this Exhibit L and shall establish the Effective Storage Capacity hereunder based on the actual capacity and capabilities of the Facility determined by such Storage Capacity Test(s).

B. Test Results and Re-Setting of Effective Storage Capacity. No later than five (5) Business Days following any Storage Capacity Test, Seller shall submit a testing report detailing results and findings of the test. The report shall include Facility meter readings and plant log sheets verifying the operating conditions and output of the Facility. In accordance with Section 4.7 of the Agreement, Part II.I below, the Effective Storage Capacity determined pursuant to a Storage Capacity Test (in the case of the Effective Storage Capacity, up to, but not in excess of, [redacted] shall become the new Effective Storage Capacity at the beginning of the day following the completion of the test for calculating the Monthly Payment and all other purposes under this Agreement.

Storage Capacity Test Procedures

PART I. GENERAL.

Each Storage Capacity Test (including the initial Storage Capacity Test and all re-performances thereof) shall be conducted in accordance with Prudent Operating Practices, all operating restrictions applicable to the Facility, and the provisions of this Exhibit L. For ease of reference, a Storage Capacity Test is sometimes referred to in this Exhibit L as a "SCT". Buyer or its representative may be present for the SCT and may, for informational purposes only, use its own metering equipment (at Buyer's sole cost).

PART II. REQUIREMENTS APPLICABLE TO ALL STORAGE CAPACITY TESTS.

Note: Seller shall have the right and option in its sole discretion to install storage capacity in excess of the initial Storage Contract Capacity of [redacted]; provided, for all purposes of this Agreement, the amount of Effective Storage Capacity shall never be deemed to exceed [redacted].

A. Purpose of Test. Each SCT shall:

(1) Determine an updated Effective Storage Capacity;

B. Test Elements. Each SCT shall include the following test elements:

- The measurement of discharging energy, as measured by the Facility Meter or other mutually agreed meter, that is discharged from the Facility

to the Delivery Point until the Stored Energy Level reaches zero MWh as indicated by the battery management system ("**Energy Out**");

- Electrical output at maximum discharging capacity at the Facility Meter (MW);

C. Parameters. During each SCT, the following parameters shall be measured and recorded simultaneously for the Facility, at ten (10) minute intervals:

(1) discharge time (minutes);

(2) discharging energy (MWh);

(3) discharging power (MW);

(4) Stored Energy Level (MWh).

D. Site Conditions. During each SCT, the following conditions at the Site shall be measured and recorded simultaneously at thirty (30) minute intervals:

(1) Relative humidity (%);

(2) Barometric pressure (inches Hg) near the horizontal centerline of the Facility; and

(3) Ambient air Temperature (°F).

E. Test Conditions.

(i) General. At all times during a SCT, the Facility shall be operated in compliance with Prudent Operating Practices and all operating protocols recommended, required or established by the manufacturer for operation at maximum charging capacity and maximum discharging capacity.

(ii) Abnormal Conditions. If abnormal operating conditions that prevent the recordation of any required parameter occur during a SCT, Seller may postpone or reschedule all or part of such SCT in accordance with Part II.F below.

(iii) Instrumentation and Metering. Seller shall provide all instrumentation, metering and data collection equipment required to perform the SCT. The instrumentation, metering and data collection equipment electrical meters shall be calibrated in accordance with Prudent Operating Practice.

F. Incomplete Test. If any SCT is not completed in accordance herewith, Buyer may in its sole discretion: (i) accept the results up to the time the SCT stopped; (ii) require that the portion of the SCT not completed, be completed within a reasonable specified time period; or (iii) require that the SCT be entirely repeated. Notwithstanding the above, if Seller is unable to complete a SCT due to a Force Majeure Event or the actions or inactions of Buyer or the CAISO or the PTO or the Transmission Provider, Seller shall be permitted to reconduct such SCT on

dates and at times reasonably acceptable to the Parties.

G. Final Report. Within five (5) Business Days after the completion of any SCT, Seller shall prepare and submit to Buyer a written report of the results of the SCT, which report shall include:

(1) a record of the personnel present during the SCT that served in an operating, testing, monitoring or other such participatory role;

(2) the measured data for each parameter set forth in Part II.A through C, including copies of the raw data taken during the test;

(3) the level of Effective Storage Capacity, Energy In, Energy Out, charging capacity, the current charge and discharge Ramp Rate, and Stored Energy Level determined by the SCT, including supporting calculations; and

(4) Seller's statement of either Seller's acceptance of the SCT or Seller's rejection of the SCT results and reason(s) therefor.

Within ten (10) Business Days after receipt of such report, Buyer shall notify Seller in writing of either Buyer's acceptance of the SCT results or Buyer's rejection of the SCT and reason(s) therefor.

If either Party rejects the results of any SCT, such SCT shall be repeated in accordance with Part II.F.

H. Supplementary Storage Capacity Test Protocol. No later than sixty (60) days prior to commencing Facility construction, Seller shall deliver to Buyer for its review and approval (such approval not to be unreasonably delayed or withheld) an updated supplement to this Exhibit L with additional and supplementary details, procedures and requirements applicable to Storage Capacity Tests based on the then current design of the Facility ("**Supplementary Storage Capacity Test Protocol**"). Thereafter, from time to time, Seller may deliver to Buyer for its review and approval (such approval not to be unreasonably delayed or withheld) any Seller recommended updates to the then current Supplementary Storage Capacity Test Protocol. The initial Supplementary Storage Capacity Test Protocol (and each update thereto), once approved by Buyer, shall be deemed an amendment to this Exhibit L.

I. Adjustment to Effective Storage Capacity. The total amount of discharging energy delivered to the Delivery Point (expressed in MWh AC) during the first four (4) hours of discharge (up to, but not in excess of, [redacted]), shall be divided by four (4) hours to determine the Effective Storage Capacity, which shall be expressed in MW AC, and shall be the new Effective Storage Capacity in accordance with Section 4.7 of the Agreement until updated pursuant to a subsequent Storage Capacity Test.

Part III. INITIAL SUPPLEMENTARY STORAGE CAPACITY TEST PROTOCOL

The initial Supplementary Storage Capacity Test Protocol outlined below shall be subject to any approved terms and conditions set forth in a Supplementary Storage Capacity Test Protocol in accordance with Part II.H above.

A. Procedure:

(1) System Starting State: The Facility shall be balanced using OEM procedures as appropriate and will be in the on-line state at the Minimum Stored Energy Level.

(2) Record the initial value of the Facility State-of-Charge ("**SOC**").

(3) Charge the Facility at the maximum charging capacity until the battery reaches the maximum SOC allowed at that rate. Continue charging the Facility at the fixed maximum battery voltage (CV charging). Stop the Facility charge routine when the battery has reached the desired SOC, not to exceed six hours of charging.

(4) Following an agreed-upon rest period, command a real power discharge that results in an AC power output of the Facility's maximum discharging capacity and maintain the discharging state until the earlier of (a) the Facility has discharged at the maximum discharging level for four (4) consecutive hours, (b) the Facility has reached zero percent (0%) state of charge (the "**Minimum Stored Energy Level**"), or (c) the sustained discharging level is at least 2% less than the maximum discharging capacity.

(5) Record and store the AC Energy discharged (in MWh) as measured at the Facility Meter. Such data point shall be used for purposes of calculation of the Effective Storage Capacity.

(6) If the Facility has not reached the Minimum Stored Energy Level pursuant to Part III.A.4, continue discharging the Facility until it reaches the Minimum Stored Energy Level.

(7) Record and store the AC Energy discharged (in MWh) as measured at the Facility Metering Points. "Energy Out" means that total AC Energy discharged (in MWh) as measured at the Facility Metering Point associated with Charging Energy from the commencement of discharging pursuant to Part III.A.4 until the Facility has reached the Minimum Stored Energy Level pursuant to either Part III.A.4 or Part III.A.6, as applicable. All separately metered Facility Station Use shall be excluded from the measurement of Energy Out.

(8) Test Results: The resulting Effective Storage Capacity measurement is the sum of the total discharging energy at the Facility Meter divided by four (4) hours.

EXHIBIT M

METERING DIAGRAM

[*To Follow***]**

EXHIBIT N

FORM OF GUARANTY

This Guaranty (this "**Guaranty**") is entered into as of [_____] (the "**Effective Date**") by and between _____ ("**Guarantor**"), California Choice Energy Authority, a California joint powers authority, on behalf of City of Palmdale, a California municipal corporation and charter city (d/b/a Energy for Palmdale's Independent Choice) (together with its successors and permitted assigns, "**Buyer**").

Recitals

A. Buyer and Circle City Energy Storage LLC, a Delaware limited liability company ("**Seller**"), entered into that certain Energy Storage Resource Adequacy Agreement (as amended, restated or otherwise modified from time to time, the "**PPA**") dated as of [____].

B. Guarantor is entering into this Guaranty as Performance Security to secure Seller's obligations under the PPA, as required by Section 8.8 of the PPA.

C. Guarantor is entering into this Guaranty in as much as Guarantor expects to derive substantial direct and indirect benefits from the execution and delivery of the PPA.

D. Initially capitalized terms used but not defined herein have the meaning set forth in the PPA.

Agreement

1. Guaranty. For value received, Guarantor does hereby unconditionally, absolutely and irrevocably guarantee, as primary obligor and not as a surety, to Buyer the full, complete and prompt payment by Seller of any and all amounts and payment obligations now or hereafter owing from Seller to Buyer under the PPA, including, without limitation, compensation for penalties, the Termination Payment, indemnification payments or other damages, as and when required pursuant to the terms of the PPA (the "**Guaranteed Amount**"), provided, that Guarantor's aggregate liability under or arising out of this Guaranty shall not exceed _____ Dollars ($_____). The Parties understand and agree that any payment by Guarantor or Seller of any portion of the Guaranteed Amount shall thereafter reduce Guarantor's maximum aggregate liability hereunder on a dollar-for-dollar basis. This Guaranty is an irrevocable, absolute, unconditional and continuing guarantee of the full and punctual payment and performance, and not of collection, of the Guaranteed Amount and, except as otherwise expressly addressed herein, is in no way conditioned upon any requirement that Buyer first attempt to collect the payment of the Guaranteed Amount from Seller, any other guarantor of the Guaranteed Amount or any other Person or entity or resort to any other means of obtaining payment of the Guaranteed Amount. In the event Seller shall fail to duly, completely or punctually pay any Guaranteed Amount as required pursuant to the PPA, Guarantor shall promptly pay such amount as required herein.

2. Demand Notice. For avoidance of doubt, a payment shall be due for purposes of this Guaranty only when and if a payment is due and payable by Seller to Buyer under the terms and

conditions of the Agreement. If Seller fails to pay any Guaranteed Amount as required pursuant to the PPA for five (5) Business Days following Seller's receipt of Buyer's written notice of such failure (the "**Demand Notice**"), then Buyer may elect to exercise its rights under this Guaranty and may make a demand upon Guarantor (a "**Payment Demand**") for such unpaid Guaranteed Amount. A Payment Demand shall be in writing and shall reasonably specify in what manner and what amount Seller has failed to pay and an explanation of why such payment is due and owing, with a specific statement that Buyer is requesting that Guarantor pay under this Guaranty. Guarantor shall, within five (5) Business Days following its receipt of the Payment Demand, pay the Guaranteed Amount to Buyer.

3. Scope and Duration of Guaranty. This Guaranty applies only to the Guaranteed Amount. This Guaranty shall continue in full force and effect from the Effective Date and may not be terminated by Guarantor except upon thirty (30) days' prior written notice to Buyer as required herein, provided that no such termination shall be effective until after the occurrence of either: (x) all Guaranteed Amounts have been paid in full (whether directly or indirectly through set-off or netting of amounts owed by Buyer to Seller), or (y) replacement Performance Security is provided in an amount and form required by the terms of the Agreement. Further, this Guaranty (a) shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of this Guaranty, and (b) subject to the preceding sentence, shall be discharged only by complete performance of the undertakings herein. Without limiting the generality of the foregoing, the obligations of the Guarantor hereunder shall not be released, discharged, or otherwise affected and this Guaranty shall not be invalidated or impaired or otherwise affected for the following reasons:

(i) the extension of time for the payment of any Guaranteed Amount, or

(ii) any amendment, modification or other alteration of the PPA, or

(iii) any indemnity agreement Seller may have from any party, or

(iv) any insurance that may be available to cover any loss, except to the extent insurance proceeds are used to satisfy the Guaranteed Amount, or

(v) any voluntary or involuntary liquidation, dissolution, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of, or other similar proceeding affecting, Seller or any of its assets, including but not limited to any rejection or other discharge of Seller's obligations under the PPA imposed by any court, trustee or custodian or any similar official or imposed by any law, statue or regulation, in each such event in any such proceeding, or

(vi) the release, modification, waiver or failure to pursue or seek relief with respect to any other guaranty, pledge or security device whatsoever, or

(vii) any payment to Buyer by Seller that Buyer subsequently returns to Seller pursuant to court order in any bankruptcy or other debtor-relief proceeding, or

(viii) those defenses based upon (A) the legal incapacity or lack of power or authority of any Person, including Seller and any representative of Seller to enter into the PPA or perform

its obligations thereunder, (B) lack of due execution, delivery, validity or enforceability, including of the PPA, or (C) Seller's inability to pay any Guaranteed Amount or perform its obligations under the PPA, or

(ix) any defenses based on statute of frauds;

provided that, subject to Guarantor's payment of a Guaranteed Amount in accordance with Paragraph 2, Guarantor reserves the right to assert for itself in a subsequent proceeding any defenses, setoffs or counterclaims that Seller is or may be entitled to assert against Buyer (except for such defenses, setoffs or counterclaims that may be asserted by Seller with respect to the PPA, but that are expressly waived under any provision of this Guaranty).

4. Waivers by Guarantor. Guarantor hereby unconditionally waives as a condition precedent to the performance of its obligations hereunder, with the exception of the requirements in Paragraph 2, (a) notice of acceptance, presentment or protest with respect to the Guaranteed Amounts and this Guaranty, (b) notice of any action taken or omitted to be taken by Buyer in reliance hereon, (c) any requirement that Buyer exhaust any right, power or remedy or proceed against Seller under the PPA, and (d) any event, occurrence or other circumstance which might otherwise constitute a legal or equitable discharge of a surety. Without limiting the generality of the foregoing waiver of surety defenses, it is agreed that the occurrence of any one or more of the following shall not affect the liability of Guarantor hereunder:

(i) at any time or from time to time, without notice to Guarantor, the time for payment of any Guaranteed Amount shall be extended, or such performance or compliance shall be waived;

(ii) the obligation to pay any Guaranteed Amount shall be modified, supplemented or amended in any respect in accordance with the terms of the PPA;

(iii) subject to Paragraph 9, any (a) sale, transfer or consolidation of Seller into or with any other entity, (b) sale of substantial assets by, or restructuring of the corporate existence of, Seller or (c) change in ownership of any membership interests of, or other ownership interests in, Seller; or

(iv) the failure by Buyer or any other Person to create, preserve, validate, perfect or protect any security interest granted to, or in favor of, Buyer or any Person.

5. Subrogation. Notwithstanding any payments that may be made hereunder by the Guarantor, Guarantor hereby agrees that until the earlier of payment in full of all Guaranteed Amounts or expiration of the Guaranty in accordance with Paragraph 3, it shall not be entitled to, nor shall it seek to, exercise any right or remedy arising by reason of its payment of any Guaranteed Amount under this Guaranty, whether by subrogation or otherwise, against Seller or seek contribution or reimbursement of such payments from Seller.

6. Representations and Warranties. Guarantor hereby represents and warrants that (a) it has all necessary and appropriate [***limited liability company][corporate***] powers and authority and the legal right to execute and deliver, and perform its obligations under, this Guaranty, (b) this Guaranty constitutes its legal, valid and binding obligations enforceable against it in

accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting enforcement of creditors' rights or general principles of equity, (c) the execution, delivery and performance of this Guaranty does not and will not contravene Guarantor's organizational documents, any applicable Law or any contractual provisions binding on or affecting Guarantor, (d) there are no actions, suits or proceedings pending before any court, governmental agency or arbitrator, or, to the knowledge of the Guarantor, threatened, against or affecting Guarantor or any of its properties or revenues which may, in any one case or in the aggregate, adversely affect the ability of Guarantor to enter into or perform its obligations under this Guaranty, and (e) no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or Governmental Authority, and no consent of any other Person (including, any stockholder or creditor of the Guarantor), that has not heretofore been obtained is required in connection with the execution, delivery, performance, validity or enforceability of this Guaranty by Guarantor.

7. Notices. Notices under this Guaranty shall be deemed received if sent to the address specified below: (i) on the day received if served by overnight express delivery, and (ii) four Business Days after mailing if sent by certified, first class mail, return receipt requested. If transmitted by facsimile, such notice shall be deemed received when the confirmation of transmission thereof is received by the party giving the notice. Any party may change its address or facsimile to which notice is given hereunder by providing notice of the same in accordance with this Paragraph 7.

If delivered to Buyer, to it at [____]
Attn: [____]
Email: [____]

If delivered to Guarantor, to it at [____]
Attn: [____]
Email: [____]

8. Governing Law and Forum Selection. This Guaranty shall be governed by, and interpreted and construed in accordance with, the laws of the United States and the State of California, excluding choice of law rules. The Parties agree that any suit, action or other legal proceeding by or against any party (or its affiliates or designees) with respect to or arising out of this Guaranty shall be brought in the federal courts of the United States or the courts of the State of California sitting in the City and County of Los Angeles, California.

9. Miscellaneous. This Guaranty shall be binding upon Guarantor and its successors and assigns and shall inure to the benefit of Buyer and its successors and permitted assigns pursuant to the PPA. No provision of this Guaranty may be amended or waived except by a written instrument executed by Guarantor and Buyer. This Guaranty is not assignable by Guarantor without the prior written consent of Buyer. No provision of this Guaranty confers, nor is any provision intended to confer, upon any third party (other than Buyer's successors and permitted assigns) any benefit or right enforceable at the option of that third party. This Guaranty embodies the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements and understandings of the parties hereto, verbal

or written, relating to the subject matter hereof. If any provision of this Guaranty is determined to be illegal or unenforceable (i) such provision shall be deemed restated in accordance with applicable Laws to reflect, as nearly as possible, the original intention of the parties hereto and (ii) such determination shall not affect any other provision of this Guaranty and all other provisions shall remain in full force and effect. This Guaranty may be executed in any number of separate counterparts, each of which when so executed shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. This Guaranty may be executed and delivered by electronic means with the same force and effect as if the same was a fully executed and delivered original manual counterpart.

[*Signature on next page*]

IN WITNESS WHEREOF, the Guarantor has caused an authorized representative to execute and deliver this Guaranty.

GUARANTOR:

[_____]

By:_____

Printed Name:_____

Title:_____

City Council Staff Report

DATE: **FEBRUARY 18, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
ENGINEERING DIVISION

DISTRICT: **4**

SUBJECT: **APPROVE FINAL TRACT MAP NO. 53920-1 (LOCATED AT THE INTERSECTION OF KINGMAN DRIVE AND WESTGATE DRIVE)**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve Final Tract Map No. 53920-1 (located at the intersection of Kingman Drive and Westgate Drive);

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. 53920-1, located at the intersection of Kingman Drive and Westgate Drive, is a 2.42-acre subdivision that legally creates six single-family residential lots. This is the first of five phases of the approved tentative tract map. All the proposed lot sizes and dimensions comply with the City's Zoning Ordinance. The applicants for this development are Shayan Capital LLC, Crown Eastgate LLC, Falcon T Investment LLC, and 26 Global Infinity LLC. The Planning Commission approved the tentative tract map, set to expire on August 30, 2026, under Resolution No. PC-2017-004 and extended under Assembly Bill 2729.

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. 53920-1
Location Map

TRACT NO. 53920-01

IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

BEING A SUBDIVISION OF THE SOUTHEAST QUARTER, AND A PORTION OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 5 NORTH, RANGE 11 WEST, SAN BERNARDINO MERIDIAN, ACORDING TO THE OFFICIAL PLAT OF SAID LAND, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF FORT TEJON ROAD, AS DESCRIBED IN DEED RECORDED IN BOOK 7054, PAGE 257 OF DEEDS.

TENTATIVE MAP EXPIRES AUGUST 30, 2026

GGI MICHAEL NAVARRO LS 7848

6 LOTS 2.42 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 EASEMENT OFFERED TO THE PUBLIC, EXCEPT WHERE SUCH RIGHT OR INTEREST IS EXPRESSLY MADE SUBJECT TO SAID EASEMENTS.

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 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 CONSTUCTED AS PART OF THE IMPROVEMENT THEREOF.

EASEMENT 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.

SHAYAN CAPITAL, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

BY: _____
PEIMAN SHAYAN, MANAGER

CROWN EASTGATE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY
BY: YORK ENTERPRISES, INC., MANAGER

BY: _____
DAVID YORK, PRESIDENT

FALCON T INVESTMENTS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

BY: _____
ILANA ROOFIAN, MANAGING MEMBER

26 GLOBAL INFINITY, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

BY: _____
RODEO CREDIT ENTERPRISES LLC
JAMSHID GOLTCHE, MANAGING MEMBER

SEE SHEET 2 FOR NOTARY ACKNOWLEDGEMENTS.

SIGNATURE OMISSIONS:

THE FOLLOWING SIGNATURES OF THE PARTIES NAMED HEREINAFTER AS OWNERS OF INTEREST SET FORTH, HAVE BEEN OMITTED UNDER THE PROVISIONS OF SECTION 66346(a)(3)(A)(i–viii) OF THE SUBDIVISION MAP ACT. THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE TITLE AND SAID SIGNATURES ARE NOT REQUIRED BY THE LOCAL AGENCY.

THE CITY OF PALMDALE, HOLDER OF AN EASEMENT FOR PUBLIC ROAD AND HIGHWAY PURPOSES (RIGHT OF WAY) AND INCIDENTAL PURPOSES, PER ROAD DEED RECORDED OCTOBER 7, 1994 AS INSTRUMENT NO. 94–1845018 O.R.

LEVEL 3 COMMUNICATIONS, LLC, HOLDER OF EASEMENTS FOR TELECOMMUNICATION AND INCIDENTAL PURPOSES PER DOCUMENT ENTITLED "EASEMENT DEED BY COURT ORDER IN SETTLEMENT OF LANDOWNER ACTION" RECORDED OCTOBER 16, 2013 AS INSTRUMENT NO. 20131485724 O.R.

MONUMENTATION NOTES

TRACT BOUNDARY CORNERS REQUIRED TO BE SET SHALL BE 2" IRON PIPE 6" DOWN, OR SPIKE & WASHER STAMPED "LS 7848" AS SHOWN ON MAP.

STREET INTERSECTIONS, BEGINNING OF CURVE(S) AND END OF CURVE(S) REQUIRED TO BE SET SHALL BE 6" SPIKE AND WASHER TAGGED "LS 7848" TO BE SET DOWN 0.04'.

LOT LINE PROLONGATIONS REQUIRED TO BE SET ON TOP OF CURB SHALL BE LEAD AND TACK TAGGED "LS 7848".

LOS ANGELES COUNTY TAX CERTIFICATES

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 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. 53920 AS REQUIRED BY LAW.

EXECUTIVE OFFICER, BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

BY: _____ DATE _____
DEPUTY

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 RODEO CREDIT ENTERPRISES, LLC., IN OCTOBER, 2021. I HEREBY STATE THAT THIS SUBDIVISION MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE TRACT MAP, IF ANY; THAT THE MONUMENTS OF THE CHARACTER AND LOCATIONS SHOWN HEREON ARE IN PLACE, OR WILL BE IN PLACE WITHIN 24 MONTHS FROM THE FILING DATE OF THIS MAP; THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED, AND THAT TIE NOTES TO ALL CENTERLINE MONUMENTS SHOWN AS "TO BE SET" WILL BE ON FILE IN THE OFFICE OF THE CITY ENGINEER WITHIN 24 MONTHS FROM THE FILING DATE SHOWN HEREON.

PRELIMINARY

MICHAEL NAVARRO, L.S. 7848
LICENSE EXPIRES 12/31/2026

10/28/2025
DATE

LICENSED LAND SURVEYOR
MICHAEL NAVARRO
No. 7848
Exp. 12/31/26
STATE OF CALIFORNIA

CITY SURVEYOR'S STATEMENT

I HEREBY STATE 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.

DATE: _____

FREDERICK R. JONES, JR.
ACTING CITY SURVEYOR
CITY OF PALMDALE

LICENSED LAND SURVEYOR
FREDERICK R. JONES JR.
No. 5458
STATE OF CALIFORNIA

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 AN ORDER DULY PASSED AND ENTERED, APPROVE SAID MAP;

AND ON BEHALF OF THE PUBLIC, SAID COUNCIL DID:

ACCEPT THE OFFER OF DEDICATION AND GRANT 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.

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.

THE CITY OF PALMDALE CONSENTS TO THE RECORDATION OF THE WITHIN IRREVOCABLE OFFER TO DEDICATED 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.

DATE: _____

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 IN FULL.

ROCHELLE SCOTT
CITY CLERK
CITY OF PALMDALE

DATE

ABANDONMENT NOTE

PURSUANT TO SECTION 66499.20–1/2 OF THE SUBDIVISION MAP ACT, THE FILING OF THIS MAP CONSTITUTES ABANDONMENT OF THAT CERTAIN EASEMENT FOR PUBLIC ROAD AND HIGHWAY PURPOSES IN FAVOR OF THE CITY OF PALMDALE PER ROAD DEED RECORDED OCTOBER 7, 1994 AS INSTRUMENT NO. 94–1845018 O.R., WITHIN THE BOUNDARIES OF THIS MAP, NOT SHOWN ON THIS MAP.

ROCHELLE SCOTT
CITY CLERK
CITY OF PALMDALE

DATE

SOILS REPORT NOTE

IN ACCORDANCE WITH SECTION 66434.5 OF THE SUBDIVISION MAP ACT, A SOILS REPORT PREPARED ON AUGUST 21, 2023, BY BRUIN GEOTECHNICAL SERVICES INC. AND UPDATED ON NOVEMBER 20, 2024, IS ON FILE IN THE OFFICE OF THE CITY ENGINEER.

BASIS OF BEARINGS

BEARINGS SHOWN HEREON ARE BASED ON THE BEARING OF N89°46'40"E FOR THE CENTERLINE OF STARBURST DRIVE, AS DEFINED BY CCS83. SEE BASIS OF BEARINGS NOTE ON SHEET 3 FOR DETAILS.

TRACT NO. 53920-01

IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

GGI MICHAEL NAVARRO LS 7848

6 LOTS 2.42 ACRES

ACKNOWLEDGMENT:

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THE 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 SIGNATURES(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:

SIGNATURE _____
MY COMMISSION EXPIRES: _____
COMMISSION NO: _____
PRINCIPAL PLACE OF BUSINESS IS IN _____ *COUNTY.*

NOTARY SEAL NOT REQUIRED, PER GOVERNMENT CODE 66436

ACKNOWLEDGMENT:

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THE 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 SIGNATURES(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:

SIGNATURE _____
MY COMMISSION EXPIRES: _____
COMMISSION NO: _____
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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 SIGNATURES(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:

SIGNATURE _____
MY COMMISSION EXPIRES: _____
COMMISSION NO: _____
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STATE OF _____

COUNTY OF _____

*ON*_____, *BEFORE ME,* _____ *(NOTARY PUBLIC)*

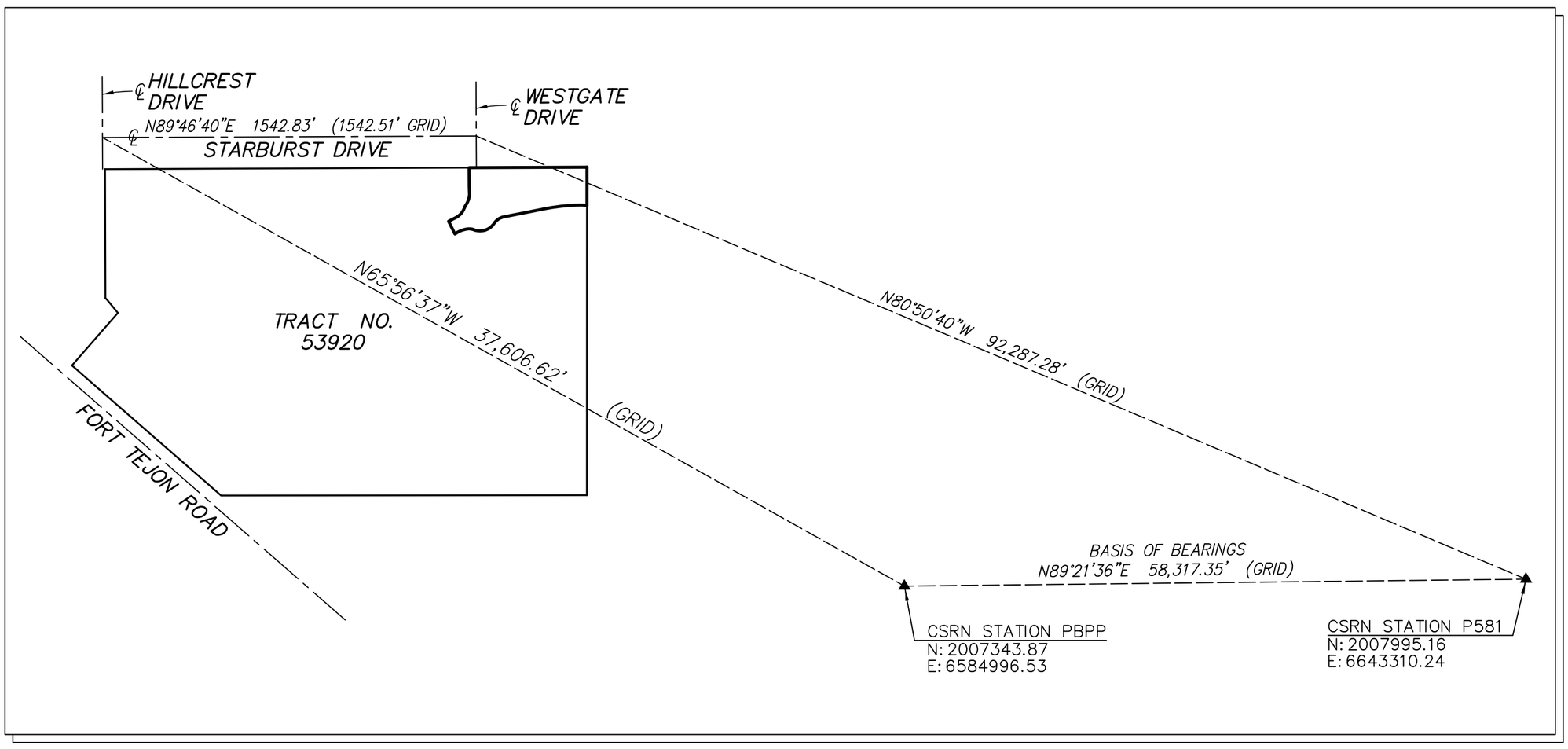
PERSONALLY APPEARED _____
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURES(S) ON 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:

SIGNATURE _____
MY COMMISSION EXPIRES: _____
COMMISSION NO: _____
PRINCIPAL PLACE OF BUSINESS IS IN _____ *COUNTY.*

NOTARY SEAL NOT REQUIRED, PER GOVERNMENT CODE 66436



BASIS OF BEARINGS DETAIL

NOT TO SCALE

TRACT NO. 53920-01

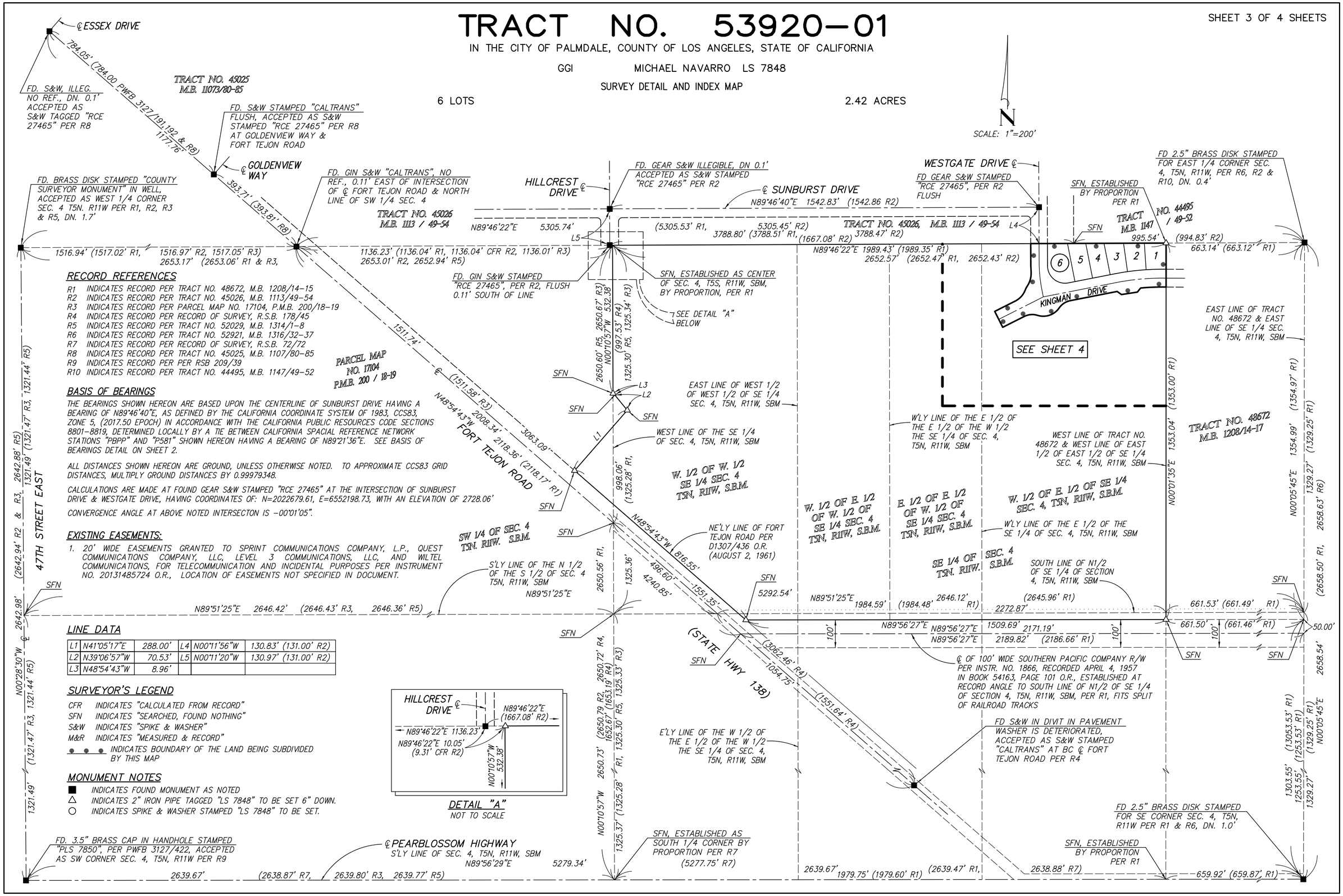
IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

GGI MICHAEL NAVARRO LS 7848

SURVEY DETAIL AND INDEX MAP

6 LOTS 2.42 ACRES

SCALE: 1"=200'



SCALE: 1"=60'

TRACT NO. 53920-01

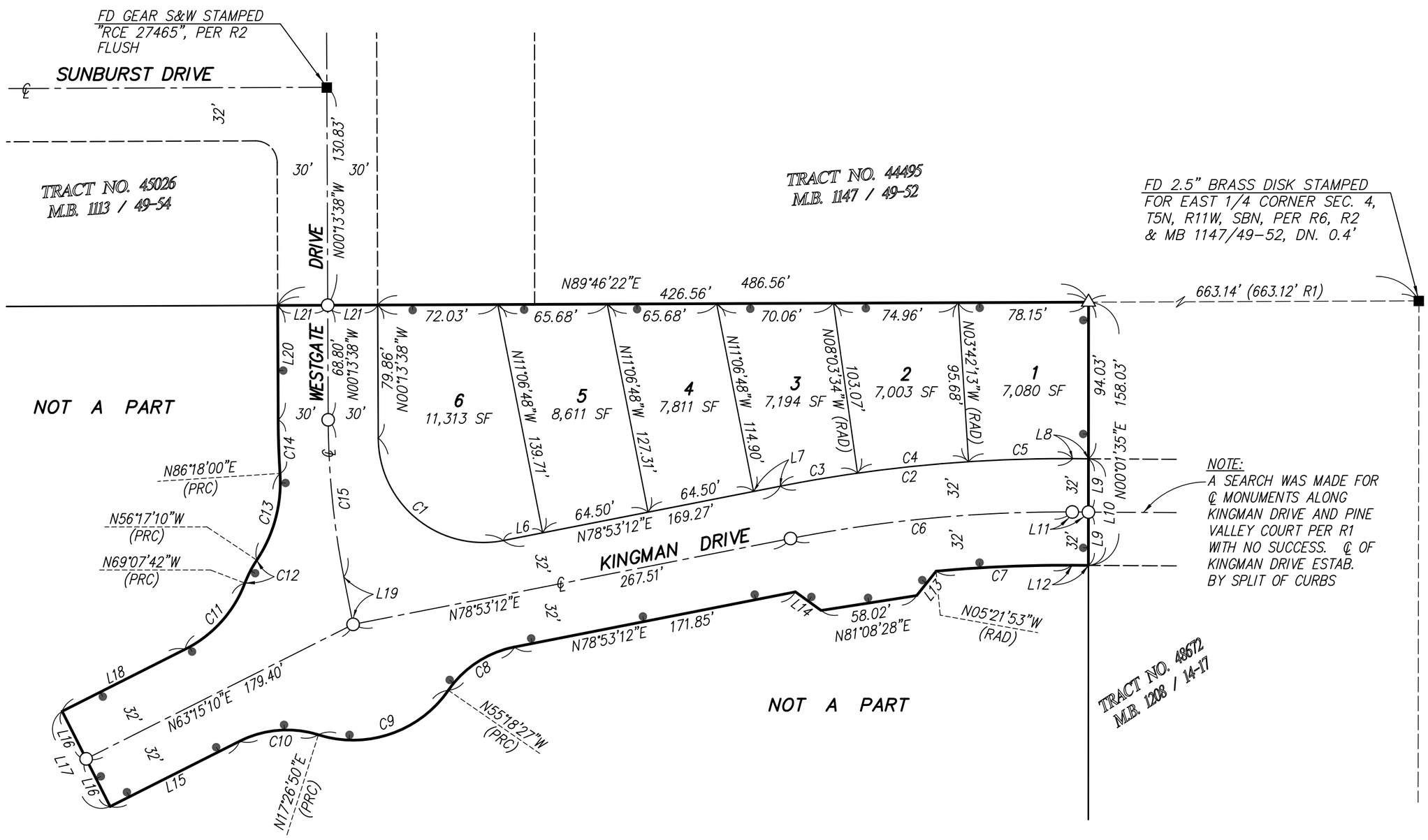
SHEET 4 OF 4 SHEETS

IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

GGI MICHAEL NAVARRO LS 7848

6 LOTS

2.42 ACRES



LINE DATA

L6	N78°53'12"E	23.95'
L7	N78°53'12"E	16.32'
L8	N89°38'49"W	9.52'
L9	N00°01'35"E	32.00'
L10	N00°01'35"E	64.00'
L11	N89°38'49"W	9.70'
L12	N89°38'49"W	9.89'
L13	N38°37'44"E	18.70'
L14	N54°05'13"W	19.02'
L15	N63°15'10"E	87.04'
L16	N26°44'50"W	32.00'
L17	N26°44'50"W	64.00'
L18	N63°15'10"E	82.68'
L19	N11°06'48"W	28.99'
L20	N00°13'38"W	68.80'
L21	N89°46'22"E	30.00'

CURVE DATA

C1	Δ=100°53'10"	R=63.00'	L=110.93'
C2	Δ=11°27'59"	R=882.00'	L=176.51'
C3	Δ=3°03'14"	R=882.00'	L=47.01'
C4	Δ=4°21'21"	R=882.00'	L=67.05'
C5	Δ=4°03'24"	R=882.00'	L=62.45'
C6	Δ=11°27'59"	R=850.00'	L=170.11'
C7	Δ=5°43'04"	R=818.00'	L=81.63'
C8	Δ=44°11'39"	R=63.00'	L=48.59'
C9	Δ=72°45'16"	R=69.50'	L=88.25'
C10	Δ=44°11'39"	R=63.00'	L=48.59'
C11	Δ=42°22'52"	R=74.00'	L=54.74'
C12	Δ=12°50'32"	R=69.50'	L=15.58'
C13	Δ=37°24'50"	R=84.00'	L=54.85'
C14	Δ=3°28'22"	R=530.00'	L=32.12'
C15	Δ=10°53'10"	R=500.00'	L=95.00'

N

SCALE: 1"=60'

SURVEYOR'S LEGEND

CFR INDICATES "CALCULATED FROM RECORD"
SFN INDICATES "SEARCHED, FOUND NOTHING"
S&W INDICATES "SPIKE & WASHER"
M&R INDICATES "MEASURED & RECORD"
INDICATES BOUNDARY OF THE LAND BEING SUBDIVIDED BY THIS MAP

MONUMENT NOTES

■ INDICATES FOUND MONUMENT AS NOTED
△ INDICATES 2" IRON PIPE TAGGED "LS 7848" TO BE SET 6" DOWN.
○ INDICATES SPIKE & WASHER STAMPED "LS 7848" TO BE SET DOWN 0.04'.

RECORD REFERENCES

R1 INDICATES RECORD PER TRACT NO. 48672, M.B. 1208/14-15
R2 INDICATES RECORD PER TRACT NO. 45026, M.B. 1113/49-54
R3 INDICATES RECORD PER PARCEL MAP NO. 17104, P.M.B. 200/18-19
R4 INDICATES RECORD PER RECORD OF SURVEY, R.S.B. 178/45
R5 INDICATES RECORD PER TRACT NO. 52029, M.B. 1314/1-8
R6 INDICATES RECORD PER TRACT NO. 52921, M.B. 1316/32-37
R7 INDICATES RECORD PER RECORD OF SURVEY, R.S.B. 72/72
R8 INDICATES RECORD PER TRACT NO. 45025, M.B. 1107/80-85

LOCATION MAP (TR 53920-1)

City Council Staff Report

DATE: **FEBRUARY 18, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
INNOVATION AND ENVIRONMENTAL DIVISION

DISTRICT: **ALL**

SUBJECT: **APPROVE THE MEMORANDUM OF UNDERSTANDING (MOU) WITH WM PURSUANT TO CONDITIONAL USE PERMIT (CUP) 98-12**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve Agreement No. A-9686, an MOU by and between the City of Palmdale and WM; and,

2. Authorize the Interim City Manager or his designee to execute Agreement No. A-9686, an MOU by and between the City and WM, and take actions necessary to implement and administer.

BACKGROUND

This MOU is brought forward pursuant to Resolution No. PC-2025-009, which approved the fourth Modification (MOD) 24-0024 to CUP 98-12 and determined that the Addendum prepared for the project is consistent with the previously certified Environmental Impact Report (State Clearinghouse No. 1990010988). The project was originally approved under MOD 24-0024 by the Planning Commission on November 13, 2025.

MOD 24-0024 authorizes the expansion and reconfiguration of the existing Antelope Valley Recycling and Disposal Facility from 185 acres to 351 acres, expand the operational footprint from 125 acres to 181 acres, and install an equipment pad and equipment related to the addition of a renewable natural gas (RNG) facility.

DISCUSSION

MOU, Agreement No. A-9686, formalizes additional commitments agreed to by the applicant in conjunction with the approved modification. The MOU is intended to be

legally binding upon project approval and becomes effective upon obtaining all required permits and approvals.

The MOU supports the City's obligations under Senate Bill 1383, which requires the annual procurement of 12,486 tons of recovered organic waste products and increases the capacity to accept illegally dumped material per year within the City at no cost.

The MOU is structured in two phases, beginning with Phase 1.

Phase 1, commencing in January 2026, requires the applicant to procure recovered organic waste products to assist the City in meeting Senate Bill 1383 requirements and to accept up to 500 tons of illegally dumped material generated within the City annually at no cost.

Phase 2, contingent upon securing the remaining approvals, includes a one-time contribution of $200,000 toward roadway improvements on Tierra Subida Avenue and an increased acceptance of 1,000 additional tons of illegally dumped materials per year at no cost. When combined with Phase 1, the total annual acceptance would be up to 1,500 tons. These commitments are consistent with the approved project and remain within the scope of the previously approved entitlements and environmental analysis.

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.

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

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

Agrmt. No. A-9686, MOU between the City of Palmdale and WM

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is entered into as of January ___, 2026, by and between the Antelope Valley Recycling and Disposal Facility, Inc. (AVRDF), and the City of Palmdale (City) (collectively, the Parties).

RECITALS

A. WHEREAS, on November 13, 2025, AVRDF received approval of Major Modification No. 4 to its existing Conditional Use Permit 98-12 (CUP) by the Planning Commission (Resolution No. PC-2025-009)the "Project," located at 1200 West City Ranch Road, within the City of Palmdale. The Project applies to six parcels totaling approximately 351 acres indicated on the Los Angeles County Assessor roll as Assessor Parcel Numbers 3004-012-003, -018, and -023, 3004-013-014, and -015, and 3004-015-004.

B. WHEREAS, the expansion of the existing landfill was previously evaluated in the Antelope Valley Public Landfill Expansion Draft EIR (1991, certified 1992), the Antelope Valley Public Landfill CUP Supplemental EIR (2010, certified 2011), and a 2020 Addendum. For this Project, these prior environmental documents served as the foundation for analysis, supplemented by a new EIR Addendum (2025) prepared for the Project pursuant to the California Environmental Quality Act (CEQA), which was considered and adopted by the Planning Commission in conjunction with the approval of the Project.

C. WHEREAS, the above referenced Project includes the following components: extension of the 125-acre existing permitted landfill disposal footprint by 56 acres, to 181 total disposal acres as shown in Figures 3, 4 and Table 2 of the 2025 Addendum, thereby incorporating the landfill extension area to the north of the landfill; providing over 110 acres to the north inside the CUP boundary as open space buffer areas; over 68 acres as open space buffer areas to the north and south of the landfill extension area outside the CUP boundary; installing a landfill composite base liner system, leachate collection and removal system (LCRS), final cover, drainage control and surface water management systems, groundwater and landfill gas monitoring systems, and horizontal and/or vertical gas collectors in the landfill extension area and remaining combined landfill footprint area; extending the existing landfill to the north to form one contiguous disposal area of 181 acres, updating the existing CUP boundary from the current 185 acres to 351 acres as shown in Addendum Figure 5 and obtaining a revised Solid Waste Facility Permit (SWFP), among other approvals; relocating existing electric transmission lines and light duty poles to the north side of property either "on-site" or "off-site" to accommodate the extension of the existing permitted disposal footprint; construction of an RNG facility on a 6-acre site located east of the existing landfill

and north of the CNG parking/fueling lot; and allowing limited waste and recyclable acceptance on Sundays between 7:00 a.m. and 4:00 p.m. to provide flexibility to Antelope Valley residents via private vehicle hand deliveries to the AVRDF.

D. WHEREAS, the Parties seek to reach agreement on the mutual benefits to be provided.

E. WHEREAS, the Parties agree this MOU is intended to be a legally binding agreement and shall be effective after the AVRDF obtains all necessary Project related permits and approvals from the City and all applicable CEQA responsible and trustee agencies identified in the Addendum prepared for the Project, including CalRecycle, the Antelope Valley Air Quality Management District, and the Lahontan RWQCB (collectively, the Project Approvals), and subject to the terms agreed to herein.

F. WHEREAS, the Parties wish to memorialize their mutual understanding and agree that each will cooperate and coordinate with the other in all activities covered by this MOU and any supplemental agreements hereto.

AGREEMENT

NOW, THEREFORE, the Parties mutually agree as follows:

1. The above recitals are true and are incorporated by reference and made part of this MOU.

2. As a condition precedent to the terms of this Agreement, the Parties agree this MOU is intended to be a legally binding agreement should the City approve the Project and shall be effective after the AVRDF obtains all necessary Project related permits and approvals from the City and all applicable CEQA responsible and trustee agencies identified in the Addendum prepared for the Project, including CalRecycle, the Antelope Valley Air Quality Management District, and the Lahontan RWQCB, and that any and all litigation over the Project Approvals, if any, has been resolved.

3. Phase 1: beginning in January 2026, and provided there are no unresolved legal challenges existing as to the City's approval of the Project, in which case the following terms shall be tolled until final resolution of the litigation in the City and AVRDF's favor, AVRDF agrees to:

    a. Procure up to 7,242 tons per year of recovered organic waste products, in the form of compost, sufficient to meet or exceed the City's annual procurement targets under Senate Bill 1383. If up to 7,242 tons per year becomes insufficient to meet the City's SB 1383 targets, the Parties agree to meet and

confer to consider a different amount and possible amendment of this MOU; and

b. Accept up to 500 tons per year of material illegally dumped within the City at no charge and independent any other legal commitment that may exist during the life of this Agreement.

4. Phase 2: after obtaining all remaining permits and approvals necessary to implement the Project from the City, responsible and trustee agencies, and provided there are no legal challenges filed as to those subsequent permits and approvals, in which case the following terms shall be tolled until final resolution of the litigation in the City and AVRDF's favor, AVRDF agrees to:

a. Make a one-time payment in the amount of $200,000 for street improvements to Terra Subida Avenue; and

b. Accept an additional 1,000 tons per year (in addition to the 500 tons per year pursuant to Section 2.b. above for a total of 1,500 total tons per year) of materials illegally dumped within the City at no charge and independent of any other legal commitment that may exist during the life of this Agreement. In both Phases 1 and 2 the additional tons shall be accepted in cooperation with the Antelope Valley Illegal Dumping Task Force.

5. Notwithstanding anything to the contrary in this agreement, neither the current nor future City Council is limited in any way in its discretion or the discretion of any trustee or responsible agency, department, board or commission with jurisdiction over the terms of this MOU, from exercising any discretion available to such entity or associated trustee or responsible agency, department, board or commission with respect to this MOU, including but not limited to the discretion to approve future specific projects under CEQA, including the ability to: (i) make such modifications deemed necessary to mitigate significant environmental impacts, (ii) select other feasible alternatives to avoid such impacts; (iii) balance the benefits against unavoidable significant impacts prior to taking final action if such significant impacts cannot otherwise be avoided, or (iv) determine not to proceed with one or more components within this MOU.

6. The Parties agree that each will cooperate and coordinate with the other in all activities covered by this MOU and any supplemental agreements hereto.

7. The provisions of this MOU shall be legally binding and reflect the Parties' contractual obligations which will remain in effect for the life of the Solid Waste Facility Permit or until the Landfill stops accepting municipal solid waste for

disposal as provided after approval of the Project, whichever occurs first, absent any mutually agreeable subsequent amendment(s) by the Parties to its terms.

8. The Parties agree to be responsible for their own attorneys' fees and costs in the event of any legal challenge relating to adoption of this MOU. The Parties agree to this provision recognizing that if there is a lawsuit, and the Parties prevail on the merits, costs and/or fees may be awarded by a court against an unsuccessful petitioner/plaintiff.

9. This MOU may be executed in one or more counterparts, each of which shall for all purposes be deemed an original and all of which shall constitute the same instrument.

10. This MOU represents the entire agreement of the Parties with respect to the subject matter herein, and supersedes any prior written or oral representations, discussions, or understandings between the Parties relating to the subject matter of this MOU.

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed by their duly authorized officers to be effective as of the date of final execution.

Date: January ___, 2026 CITY OF PALMDALE

By:_____

Title: _____

Date: January 29, 2026 Antelope Valley Recycling and Disposal Facility, Inc.

By:_____

Title: President

Approved as to form:

January___, 2026 CITY OF PALMDALE, CITY ATTORNEY

By:_____
City Attorney
City of Palmdale

January 29, 2026 REMY MOOSE MANLEY LLP

By: _____
Andrea K. Leisy
Attorneys for AVRDF

City Council Staff Report

DATE: **FEBRUARY 18, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
MAINTENANCE DIVISION

DISTRICT: **ALL**

SUBJECT: **APPROVE REQUISITION WITH SITEONE LANDSCAPE SUPPLY, LLC FOR LANDSCAPE AGGREGATE, BOULDERS, AND MATERIALS IN AN AMOUNT NOT TO EXCEED $200,000 FOR FISCAL YEAR 2025-26**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve Requisition No. 260863 with SiteOne Landscape Supply, LLC for landscape aggregate, boulders, and materials in an amount not to exceed $200,000 for Fiscal Year 2025-26; and,

2. Authorize the Interim City Manager or his designee to approve the requisition and resulting purchase order with SiteOne Landscape Supply, LLC, including minimal and/or non-substantial changes.

BACKGROUND

The Maintenance Division uses landscape rock aggregate, boulders, and materials for landscape renovation and maintenance projects at City parks and facility grounds, Palmdale Transportation Center, Park and Rides, General Benefit Landscape areas, and Landscape Maintenance Districts (LMD).

DISCUSSION

In October 2025, the City released Invitation for Bid (IFB) No. 26-001-3610 on PlanetBids for as-needed landscape aggregate, boulders, and materials. SiteOne Landscape Supply, LLC, a local vendor, was the only responsive bidder, and a Notice of Intent to Award was issued on November 24, 2025. Following this initial purchase order contract for Fiscal Year 2025-26, there is an option to extend for two additional fiscal years.

Landscape enhancement projects and the materials purchased from SiteOne Landscape Supply, LLC, are essential for beautifying and sustaining city grounds and community

green spaces, maintaining landscape quality, and providing safe and attractive public spaces and infrastructure.

Projects identified for Fiscal Year 2025-26 include the following locations:

- Pelona Vista Park frontage improvements
- Marie Kerr Park marquee and playground planter improvements
- Park Trail Maintenance system wide
- Desert Sands Park frontage improvements
- Barrel Springs & Fort Tejon Trail parking lot
- Ave R Frontage Rd planters (located between 25th Street East and 29th Street East)
- Palmdale Blvd center medians (located east and west of 3rd Street East)
- Ave S median planters (located between 10th Street East and Downing Street)
- LMD 20 planters (located near Rancho Vista Blvd and 15th Street West)
- LMD 70 planters (located on Town Center Drive between Heathrow Drive and Lapaz Drive)
- LMD 75 planters (located on Ave S between 35th Street East and Dawson Drive)
- LMD 100 planters Lake Elizabeth Rd (located between Dianron Road and 20th Street West)
- LMD 111 planters (located near Avenue Q and 40th Street East)

FISCAL IMPACT

$200,000; Sufficient funds for the requisition and resulting Purchase Order with SiteOne Landscape Supply, LLC are budgeted in the Fiscal Year 2025-26 Budget. Various accounts will be used, including General Benefit Landscape, Landscape Maintenance Districts, Park Maintenance, and Palmdale Transportation Center.

STRATEGIC PLAN

Goal III. Invest in infrastructure to improve community livability.

A. Seek innovative, cost-effective, customer-focused methods of service delivery.

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

Req. No. 260863 with SiteOne Landscape Supply, LLC

Bill To	Requisition 00260863-00 FY 2026
FINANCE DEPARTMENT 38300 SIERRA HWY STE D PALMDALE, CA 93550	Acct No: 25133003-735100-3610 Review: Buyer: cmantell Status: Allocated

Vendor	Ship To
SITEONE LANDSCAPE SUPPLY, LLC 1385 EAST 36TH STREET CLEVELAND, OH 44114 Tel#7472634255	PUBLIC WORKS/MAINTENANCE 39110 3RD ST EAST PALMDALE, CA 93550 pwood@cityofpalmdaleca.gov Delivery Reference P. WOOD / S. MONTENEGRO

Date Ordered	Vendor Number	Date Required	Ship Via	Terms	Department
01/28/26	009056	02/17/26	DESTINATION/NET45		LANDSCAPE MAINTENANCE -97-1

General Notes

THIS BLANKET PURCHASE ORDER FOR FY 2025-26 IS THE RESULT OF IFB 26-001-3610 FOR AS-NEEDED LANDSCAPE AGGREGATE, BOULDERS, AND MATERIALS. REQUISITION 260863 PENDING CITY COUNCIL'S APPROVAL ON FEBRUARY 17, 2026.

LN	Description / Account	Qty	Unit Price	Net Price
001	LANDSCAPE AGGREGATE, BOULDERS, AND MATERIALS - LMDS	1.00	80000.00000	80000.00
	1 25133003-735100-3610	80000.00		
002	LANDSCAPE AGGREGATE, BOULDERS, AND MATERIALS - GENERAL BENEFIT	1.00	50000.00000	50000.00
	1 10133003-735100	50000.00		
003	LANDSCAPE AGGREGATE, BOULDERS, AND MATERIALS - PARKS	1.00	35000.00000	35000.00
	1 10133002-732920	35000.00		
004	LANDSCAPE AGGREGATE, BOULDERS, AND MATERIALS - TRANSIT/PTC	1.00	35000.00000	35000.00
	1 20333005-732910-3410	35000.00		

Bill To	Requisition 00260863-00 FY 2026
FINANCE DEPARTMENT	
38300 SIERRA HWY	Acct No:
STE D	25133003-735100-3610
PALMDALE, CA	Review:
93550	Buyer: cmantell
	Status: Allocated

Vendor	Ship To
SITEONE LANDSCAPE SUPPLY, LLC	PUBLIC WORKS/MAINTENANCE
1385 EAST 36TH STREET	39110 3RD ST EAST
	PALMDALE, CA 93550
CLEVELAND, OH 44114	pwood@cityofpalmdaleca.gov
Tel#7472634255	Delivery Reference
	P. WOOD / S. MONTENEGRO

Date Ordered	Vendor Number	Date Required	Ship Via	Terms	Department
01/28/26	009056	02/17/26	DESTINATION/NET45		LANDSCAPE MAINTENANCE -97-1

LN	Description / Account	Qty	Unit Price	Net Price

Requisition Link

Requisition Total 200000.00

***** General Ledger Summary Section *****

Account	Amount	Remaining Budget
10133002-732920	35000.00	11464423.55
10133003-735100	50000.00	11464423.55
20333005-732910-3410	35000.00	11464423.55
25133003-735100-3610	80000.00	11464423.55

Authorized By: _____ Date: _____

Signature

City Council Staff Report

DATE: **FEBRUARY 18, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

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

DISTRICT: **ALL**

SUBJECT: **RECEIVE AND FILE THE CITY OF PALMDALE'S 2025-2030 FIVE-YEAR CAPITAL IMPROVEMENT PLAN**

RECOMMENDATION

Staff recommend that the City Council:

1. Receive and file the City of Palmdale's 2025-2030 Five-Year Capital Improvement Plan.

BACKGROUND

The City's Five-Year Capital Improvement Plan (CIP) is updated annually to guide planning and budgeting for major capital projects. All departments review the current CIP and submit proposed projects for consideration. Based on changing needs and priorities, existing projects may be revised or deferred, and new projects may be added.

Final funding decisions are made through the City Council's adoption of the annual CIP budget, which sets capital spending priorities for the upcoming fiscal year.

DISCUSSION

The 2025–2030 Five-Year Capital Improvement Plan (CIP) provides a planning roadmap for capital improvements over the next five years. Projects are organized into five categories: General/Facility, Parks and Recreation, Street Improvement, Traffic/Transportation, and Watershed Resources. The CIP prioritizes projects based on available funding and staff capacity, with specific projects selected annually for funding through the budget process.

The proposed Five-Year Capital Improvement Work Plan includes 74 projects with an estimated total cost of $416 million. A condensed project list is attached for quick

reference, and the full CIP document has been provided to the Planning Commission and City Council.

On October 9, 2025, the Planning Commission reviewed the proposed 2025–2030 CIP at a public meeting and found it consistent with the goals, objectives, and policies of the Palmdale 2025 General Plan. The Commission recommends that the City Council receive and file the 2025–2030 Five-Year Capital Improvement Plan.

Several key projects that Public Works staff are currently managing or plan to undertake during Fiscal Year 2025–26 are summarized below:

Project	Budget	Funding Source
Chimbole Center/Library Renovation	$25,000,000	Measure AV, American Rescue Plan Act Fund
Citywide ADA Compliance Program	$395,000	CDBG, Measure A
DryTown Water Park Thrill Ride Attraction	$2,809,000	General Fund
Rancho Vista Grade Separation Design/Construction	$80,000,000	RAISE Grant Fund. Metro Local Returns, Federal Earmark
Avenue R-8 Street Improvement	$6,000,000	SB1, Prop C
SR 14/SR 138 Interchange Improvements	$32,000,000	Metro Measure R
Upper Amargosa Creek Trail Enhancements	$2,000,000	LA County Park Grant funds

The following are several notable projects planned for Fiscal Years 2026–2030:

Project	Budget	Funding Source
Avenue T Street Improvement	$32,500,000	Development Fees, Gas Tax
Avenue R Phase 2	$8,500,000	Prop C, Measure A
Citywide Facilities Security Improvements - construction	$1,900,000	Measure AV, Prop A
Rancho Vista Blvd Grade Separation Project, Right-of-way, Utilities	$40,000,000 est.	RAISE Fund Local Returns
Courson Park Improvement	$4,150,000	Prop 68, Measure AV
McAdam Park Improvement	$6,000,000	Measure AV

FISCAL IMPACT

$0; There is no fiscal impact, as approval of this planning document does not represent approval of any of the individual projects listed in the document. Funds are appropriated

for individual projects as those projects are approved by the City Council as part of the City's annual Capital Improvement budget.

STRATEGIC PLAN

Goal I: 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.

Goal III: Invest in infrastructure to improve community viability.

B. Implement and administer environmentally sustainable programs

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. 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

ATTACHMENT:

Five-Year CIP Workbook

CITY OF PALMDALE

2025 Five-Year *Capital Improvement Plan*

Department of Public Works

CAPITAL IMPROVEMENT PROGRAM DIVISION

City Planning Commission General Plan
City Planning Commission Meeting on October 9, 2025
(Conformance with General Plan)
City Council on February 18, 2026 (Approval)

Five-Year Capital Improvement

PROGRAM TEAM

CITY MANAGER

Sal Mendez, Interim City Manager

Sara Gallagher, Deputy City Manager

Nardy Lopez, Deputy City Manager

CITY STAFF (MAJOR CONTRIBUTORS)

Lee Torres, P.E., Director of Public Works

Keri Smith, Director of Parks and Recreation

Jonathan Wu, P.E., Deputy Director of Public Works

Michael Livingston, Deputy Director of Public Works

Joyce Workman, Senior Management Analyst

Marc Zuber, Project Manager

CITY OF PALMDALE

Past Projects

THAT HAVE RECEIVED AWARDS

The Department of Public Works has won several **state and regional public works awards** for notable projects and programs such as the:

APWA High Desert Project of the Year 2025
Outstanding Project of the Year Award
Yellen Park Phase 2 Improvement Project

APWA High Desert Project of the Year 2024
Best Public Safety Improvement Award
Avenue R ATP Project

APWA High Desert Project of the Year 2022
Innovative Design of the Year- Courtney's Playground
Inclusive Play Area at Marie Kerr Park

APWA High Desert Project of the Year 2021
Outstanding Public Works Project of the Year - Rancho
Vista Boulevard Widening Gap Closure

APWA High Desert Project of the Year 2019
Best Environmental Project - Upper Amargosa Creek Recharge Project

APWA Project of the Year 2019
Southern California Chapter - Recreation and Athletic
Facilities - Pelona Vista Park Fitness Court

APWA Project of the Year 2018
Southern California Chapter - Creative and Innovative -
City's Streetlight Acquisition and Retrofit Project

APWA High Desert Project of the Year 2018
Best Use of Technology - Palmdale Council Chamber Audio/Visual Upgrade

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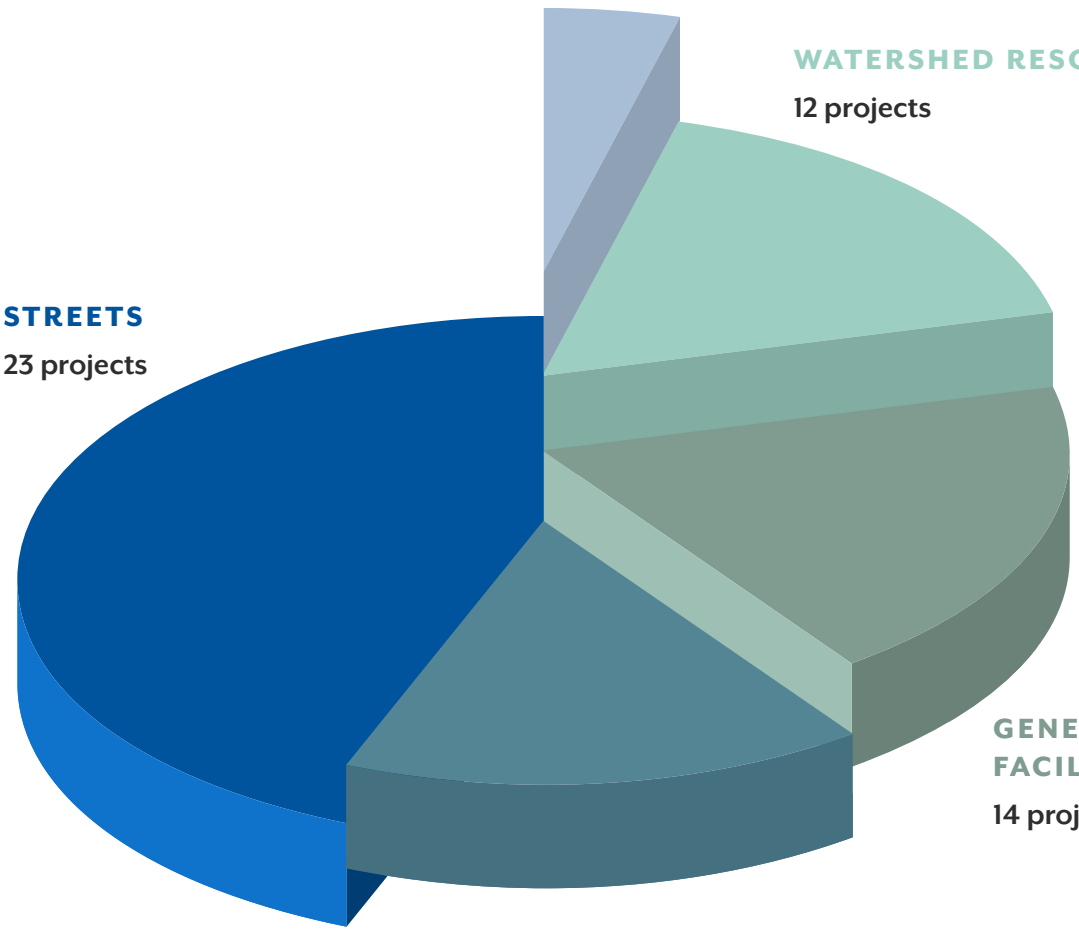
CITY OF PALMDALE

Introduction

Department of Public Works

CAPITAL IMPROVEMENT DIVISION

74 TOTAL PROJECTS



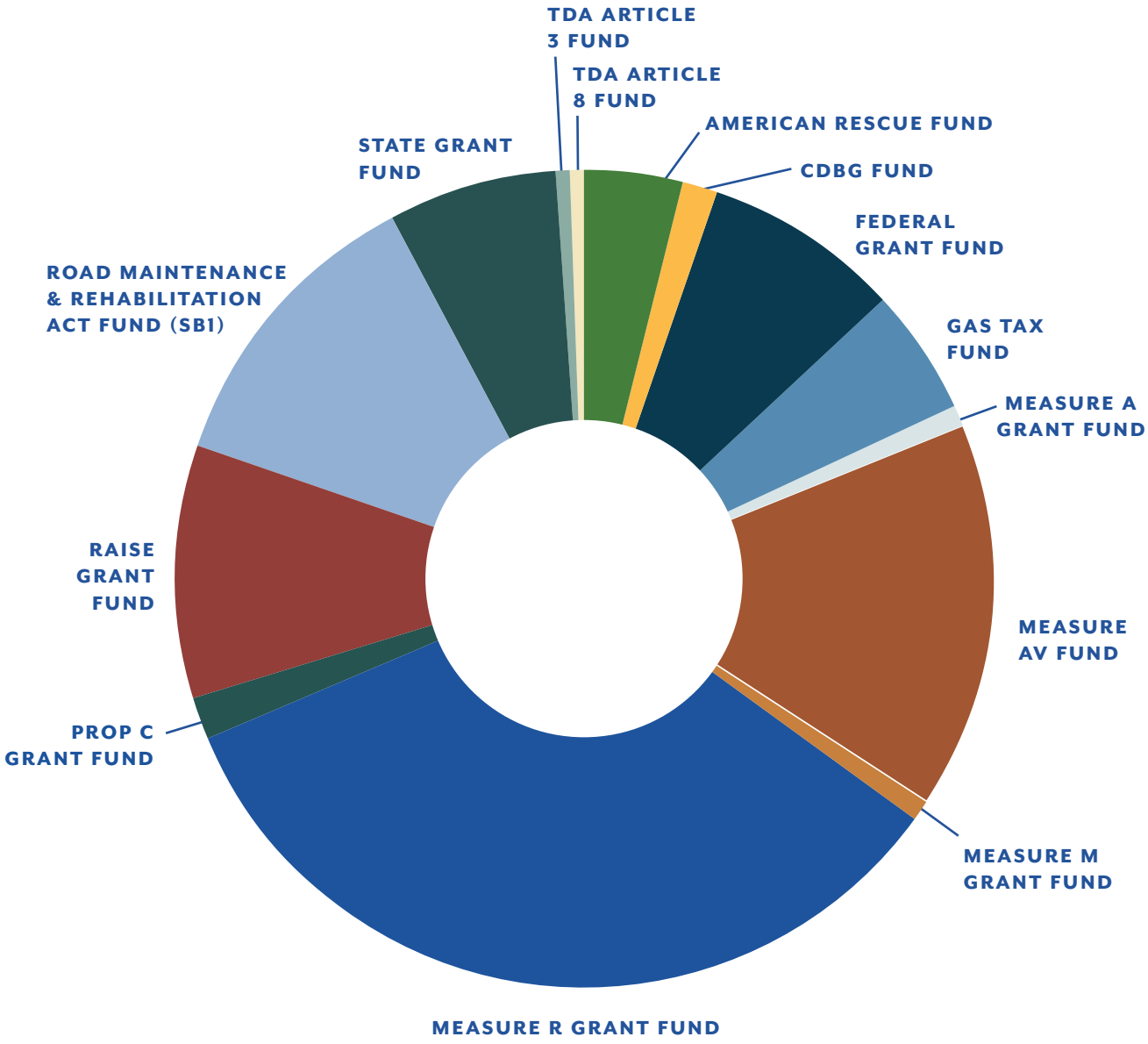
TOTAL PROJECTED BUDGET FY 2025-2030

(all figures below in thousands of dollars)

Streets	$198,241 | 48%
Parks & Recreation	$65,361 | 16%
General/Facilities	$64,069 | 15%
Watershed Resources	$73,715 | 18%
Traffic	$14,704 | 4%
Total	$416,090

Grant Funding Chart

FISCAL YEARS 2025-2030



ESTIMATED TOTAL BUDGET

(all figures below in thousands of dollars)

- American Rescue Fund **$9,541**
- CDBG Fund **$1,189**
- Federal Grant Fund **$18,268**
- Gas Tax Fund **$16,438**
- Measure A Grant Fund **$3,498**
- Measure AV Fund **$30,556**
- Measure M Grant Fund **$1,156**
- Measure R Grant Fund **$78,329**
- Prop C Grant Fund **$3,816**
- RAISE Grant Fund **$23,000**
- Road Maintenance & Rehabilitation Act Fund (SB1) **$15,393**
- State Grant Fund **$15,836**
- TDA Article 3 Fund **$605**
- TDA Article 8 Fund **$1,129**

Five-Year *Funding Summary*

CIP Projects 2025-2030

(all figures below in thousands of dollars)

FUNDING SOURCES	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
American Rescue Fund	$9,541	$—	$—	$—	$—	**$9,541**
CDBG Fund	$1,799	$1,100	$—	$—	$—	**$2,899**
Developer Contributions	$1,017	$0	$9,000	$6,000	$9,210	**$25,227**
Drainage Fund	$7,175	$4,305	$1,105	$2,105	$2,105	**$16,795**
Drytown Water Park Fund	$300	$—	$—	$—	$—	**$300**
Federal Grant Fund	$10,737	$5,531	$2,000	$—	$—	**$18,268**
Fire Facilities Fees	$—	$—	$3,000	$3,000	$2,070	**$8,070**
Gas Tax Fund	$4,715	$398	$1,325	$2,500	$2,500	**$11,438**
General Fund	$3,244	$—	$—	$—	$—	**$3,244**
Landscape Maintenance District Fund	$791	$—	$—	$—	$—	**$791**
Measure A Fund	$1,618	$—	$—	$—	$—	**$1,618**
Measure A Grant Fund	$1,900	$—	$—	$—	$—	**$1,900**
Measure AV Fund	$16,341	$2,800	$3,550	$3,900	$3,102	**$29,693**
Measure M Grant Fund	$1,706	$—	$—	$—	$—	**$1,706**
Measure M Local Return Fund	$3,659	$3,000	$2,075	$—	$—	**$8,734**
Measure R Grant Fund	$30,472	$8,600	$16,257	$10,000	$13,000	**$78,329**
Measure R Local Return Fund	$1,352	$—	$169	$—	$—	**$1,521**
Park Development Fund	$425	$—	$—	$75	$—	**$500**
Prop A Local Return Fund	$7,822	$5,883	$2,600	$100	$100	**$16,505**
Prop C Grant Fund	$3,816	$—	$—	$—	$—	**$3,816**
Prop C Local Return Fund	$3,452	$6,300	$6,500	$6,500	$6,600	**$29,352**
Public Art Fund	$90	$—	$—	$—	$75	**$165**
Public Facilities Fund	$495	$—	$—	$—	$—	**$495**
RAISE Grant Fund	$0	$1,000	$7,000	$7,000	$8,000	**$23,000**
Road Maintenance & Rehabilitation Act Fund (SB1)	$5,643	$8,241	$4,500	$4,700	$4,700	**$27,784**
Sewer Maintenance Assessment District Fund	$8,311	$2,720	$510	$510	$510	**$12,561**
Sewer Upgrade Fund	$200	$224	$—	$—	$—	**$424**
State Grant Fund	$200	$224	$—	$—	$—	**$424**
TBD	$3,836	$—	$—	$6,000	$6,000	**$15,836**
TDA Article 3 Fund	$205	$200	$200	$247	$100	**$952**
TDA Article 8 Fund	$1,129	$—	$—	$—	$—	**$1,129**
Traffic Impact Fund	$—	$400	$—	$—	$—	**$400**
TOTAL	**$131,991**	**$50,926**	**$59,791**	**$52,637**	**$58,072**	**$416,090**

Project Planning & **Development Processes**

In fiscal year 2019/2020 the City transitioned from a ***Ten-Year Capital Improvement Plan*** to a ***Five-Year CIP Plan.***

FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM ANNUAL UPDATE

City Council members, Planning Commission members and City staff provided input on revisions to the current Capital Improvement Program and any new projects that have been identified. The Five-Year CIP Plan is presented to the Planning Commission for their determination as to whether it is consistent with the general plan goals and policies of the City annually. The new 5-year CIP document is then presented to the City Council for approval in conjunction with the adoption of the City's annual budget in May/June of each year.

ANNUAL CAPITAL IMPROVEMENT BUDGET PROCESS

The Annual Capital Improvement Budget (Annual CIP) process usually starts in January or February with the development of the overall City budget. However, due to staff shortage this year, the update to the 5-year CIP Plan was delayed. This process identifies all priority operational needs, as well as capital improvement needs. Once the budget is completed, it is recommended for adoption by the City Council prior to the beginning of the fiscal year, which begins in July. City management and the City Council are updated monthly on the status of CIP projects through status reporting and meetings.

PROJECT PHASES

Individual projects may take anywhere from a few weeks to a few years to complete depending on the complexity of the project and the source of project financing. Simple and small projects funded with discretionary City funds may sometimes be completed in as little as a few weeks or months. The largest and most complex projects involving a matrix of restricted funding sources with matching requirements from other outside sources may take several years to complete. Individual CIP projects may require any or all of the project phases listed on the next page. Each phase of a complex project is regulated by several layers of governmental agencies that may have jurisdiction over various aspects of a project. These agencies often have many legal restrictions and requirements to follow to complete a particular phase of a project.

The major phases of a City project are generally summarized *as follows:*

1. PROJECT INITIATION

Projects are initiated in a number of ways. The common way is for the City to perform condition and public needs assessments. These studies provide recommendations for CIP projects. The Sewer Master Plan, Storm Drain Master Plan and Pavement Management Program are examples of these types of projects. Another way for a project to get on the CIP list is through public inquiries and City Council's directions, often as a result of some social or safety concern or impact. Installation of roundabouts or streetlights are examples of these types of projects.

2. PRELIMINARY CONCEPT

This phase typically includes the involvement of several City staff and may include a design engineer, building architect, or landscape architect. The City Council is typically briefed on concepts for significant projects prior to moving forward into the design phase, such as the renovation of the Chimbole Center.

3. CONSULTANT SERVICES

The expertise of specialized consultants are utilized regularly for professional services involving: special studies; right-of-way acquisition; civil engineering design, building architectural design; geotechnical engineering studies; traffic engineering design and studies; landscape architectural design; environmental review and assessment; and special district formation. City Council approval is required for services over and above the City Manager's designated authority and any ongoing agreement limitations. Consultants are selected based on qualifications. Selection by fee is not allowed.

4. ENTITLEMENTS & APPROVALS

Some projects involve some type of entitlement or approval including: Planning Commission or Planning Official Site Plan Approval and conformance with the California Environmental Quality Act (CEQA) or federal equivalent, the National Environmental Protection Act (NEPA).

5. DESIGN REVIEW & APPROVALS

Design review and approvals may involve internal (Engineering and Building & Safety) approvals and/or external (outside agency) review and approvals (i.e., Palmdale Water District, City of Lancaster, Los Angeles County, Caltrans, federal agencies, etc.)

6. UTILITY COORDINATION

Many projects will involve coordination with outside utility agencies such as: Palmdale Water District, L.A. County Waterworks Districts, telecommunication companies, Southern California Gas, Southern California Edison, Los Angeles County Department of Public Works Sewer Maintenance Division, and the County Sanitation Districts of Los Angeles County.

7. ACQUISITIONS

Acquisitions may be made by "friendly" acquisition in which there is a willing buyer (City) and seller or by Eminent Domain, which involves a legal process and requires City Council approval.

8. CONSTRUCTION CONTRACT BID & AWARD

In 2010 the City of Palmdale adopted Ordinance 1398 containing specific provisions to allow added flexibility in contracting for public projects. This ordinance allows the City to consider criteria other than price (such as qualifications, schedule, experience and local preference) when awarding a contract. Other criteria in the ordinance have not changed: 1) Public works construction projects with a value of less than $30,000 may be selected by solicitation of binding quotes from three contractors. No formal selection process is required. 2) Public works construction projects with a value of $30,000 to $125,000 must be selected by an informal bid process, which includes, but limited to, a 10-day bid period, unsealed bids, and no published notice inviting bids. 3) Public works construction projects with a value of more than $125,000 must be publicly bid after public advertisement and state prevailing wages must be paid. In many cases, meeting state and federal legal requirements, may add an additional 10% to 25% to the project cost and require the formal bidding process.

9. CONSTRUCTION CONTRACT ADMINISTRATION

After a contract is executed between the City and a contractor, the assigned project manager and public works inspector will provide construction contract administration duties. The duration of project construction may be as little as a few days to more than a year for larger projects. The contract administration team ensures that the contractor adheres to all regulations and contract provisions required by federal, state and local law. Typically, for larger construction projects the City will use a consultant to provide construction management of the contractor and to assist project managers in keeping the project on schedule.

10. LEGAL

Legal services are required on most projects and may include: review of service agreements, bid protests, bidding process, sub-contractor stop notices, individual claims on projects during and after construction, contractor disputes, and acquisition related issues.

11. PROJECT CLOSE-OUT

Once the project construction is complete, there are often many financial, legal and other aspects to closing out a project file including: filing legal Notices of Completion, processing all final payments, preparing all grant or financing related project reports, and final organization and preparation of the file for future auditing.

CITY OF PALMDALE

Funding

FUND 101

General Fund

General Fund revenues include funds from many sources and may be spent on City operating or capital expenses. General fund revenues are derived from: sales tax; utility franchise fees for electricity, natural gas, waste disposal and cable television; plan checking fees; interest earnings; building permit fees; property taxes; animal license fees; property tax; transient occupancy tax; business license tax; parking citations; recreation fees; facility rental charges; and donations.

Measure PD Fund

The Palmdale Essential Services Protection Measure is not a new tax. It simply requires that if another government agency ends or loses a sales tax, the taxpayers of Palmdale will automatically start collecting the increment that ended. This holds taxes steady and ensures the funds stay in Palmdale where we can invest in our community.

FUND 156

Public Art Fund

The Public Art fund was created in FY 2021 to hold all monies generated under the Public Art policy derived from gifts or donations for public art. Private and municipal development projects are required to contribute to the fund per PMC Section 15.01.020.

FUND 157

Measure AV Fund

A local ¾ cent transaction and use tax was passed by Palmdale voters on November 3, 2020. The revenues and expenditures from the tax are to be regularly reviewed by a Citizen's Advisory Committee to ensure the funds collected are expended for the purposes specified in the Measure AV ballot language. The Measure includes protecting Palmdale's long-term financial stability; maintaining essential services; repairing streets/potholes; addressing homelessness; maintaining 911 emergency response; keeping public areas safe/clean for all; retaining local businesses; protecting local water; maintaining veteran, senior, mental health, and community programs; by establishing a ¾-cent sales tax; requiring citizen oversight, public spending disclosures; all funds used locally in Palmdale).

FUND 158

American Rescue Fund

GRANT FUNDING SECURED BY CITY

The American Rescue Plan Act Fund was created in FY 2022 to hold monies received by the federal government through the American Rescue Plan Act. Monies in this fund must be spent in accordance with federal guidelines.

RESTRICTED REVENUE SOURCES

FUND 201

Gas Tax Fund

Gas Tax revenues are received on a per capita basis each year pursuant to Sections 2105, 2106, 2107 and 2107.5 of the California Streets and Highways Code. Gas Tax revenue is restricted and must be spent on street-related construction and/or maintenance projects.

FUND 203

Prop A Fund

In 1980, Los Angeles County voters adopted Proposition A, a ½ cent sales tax, to finance a county-wide transit development program. A portion of Proposition A required that 25% of the tax revenue generated be earmarked for local return programs for use by Los Angeles County cities and the County of Los Angeles in developing and/or improving local public transit, paratransit, and related transportation infrastructure.

FUND 204

Prop C Grant Fund

The Proposition C competitive grants program is a funding source in Los Angeles County, derived from a voter-approved ½ cent sales tax to support local transportation projects. Metro, the Los Angeles County Metropolitan Transportation Authority, uses these funds, alongside other transportation sales tax measures, for specific grant programs that are awarded competitively.

FUND 205

Air Quality Improvement Fund

Antelope Valley Air Quality Management District offers several grant programs for residents, businesses, public and private agencies, non-profit and community groups. The focus of the program is to eliminate and/or replace the operation of older polluting conventional fuel vehicles and equipment earlier than its normal lifecycle or regulatory requirements.

FUND 206

Local Transportation Development Fund (TDA) Article 3

Transportation Development Act, Article 3 funds are available to be used by cities within Los Angeles County for the planning and construction of bicycle and pedestrian facilities. Article 3 funds are administered by the Metropolitan Transit Authority (MTA). Funds are allocated annually on a per capita basis to both cities and the County of Los Angeles.

FUND 207

Local Transportation Development Fund (TDA) Article 8

Transportation Development Act (TDA) Article 8 was adopted by Metropolitan Transportation Authority in 2014. Article 8 provides that cities can use eligible funds of the County's Local Transportation Fund for local streets and road expenditures when the City's unmet transportation needs have been satisfied.

FUND 208

Measure R Grant Fund

Some Measure R funds are allocated to specific, competitively awarded grant programs. The Measure R grant funds are restricted for eligible projects such as major street resurfacing, pedestrian improvements, streetscapes, traffic signal synchronization, and local transit services.

FUND 209

Measure M Grant Fund

The Measure M grant funds are restricted to various funding opportunities under Los Angeles County's Measure M sales tax. These funds will go towards eligible street and transit projects throughout the City.

FUND 210

Road Maintenance and Rehabilitation Fund (SB1)

The City receives revenue from the Road Repair and Accountability Act of 2017 (SB1). Eligible projects may include maintenance and rehabilitation, safety projects, railroad grade separations, traffic control devices and complete street components.

FUND 211

Measure A Fund (City allocation & competitive grants)

Measure A programs are funded by the property tax approved by LA County voters in 2016 to finance safe, clean neighborhood parks, open spaces, beaches, river protection, and water conservation. It authorizes the county to impose a parcel open space tax on improved property at a rate 1.5 cents per square foot of building area.

GRANT FUNDING SECURED BY CITY

FUND 214

Prop C Local Return Fund

In 1990, Los Angeles County voters adopted Proposition C, the second of two ½ cent sales tax, to finance a county-wide transit development program. Proposition C funds are administered by the Metropolitan Transit Authority (MTA). Local Return funds are distributed monthly to jurisdictions on a per capita basis. Eligible expenditure includes developing and/or improving local public transit, paratransit, and related transportation infrastructure, as well as transit services and/or equipment purchases.

FUND 218

Measure R Local Return Fund

The City is allocated 15% of revenues from the ½ cent sales tax increase passed in 2008 for comprehensive county transportation improvements. The Measure R local return revenues are restricted for projects such as pothole repairs, bikeways, major street resurfacing, left-turn signals, pedestrian improvements, streetscapes, traffic signal synchronization, and local transit services.

FUND 219

Measure M Local Return Fund

In 2016, Los Angeles County voters approved Measure M, a ½ cent sales tax, to fund improvement of traffic flow/safety, repair, potholes/sidewalks, repave local streets, earthquake retrofit bridges, synchronize signals, keep transit fares affordable, expand rail/subway/bus systems, improve job/school/airport connections, and create jobs. These funds will go towards street and transit projects throughout the City.

FUND 220

Park Development Impact Fees

Park impact fees are collected from developers to mitigate the impacts on the City's park system and to assist with the development and rehabilitation of City parks.

FUND 221

Traffic Impact Fees

Traffic impact fees are collected from developers to mitigate the impacts on the City's traffic control and safety systems. These fees are used for signals and street improvements identified in the Traffic Impact Fee Assessment and Master Traffic Level Maintenance Plan.

FUND 222, 223, 224, 225 and 230

Drainage Impact Fees

Drainage impact fees are collected from developers to mitigate the impact on drainage systems within six major contributory drainage areas in the City. The six separate funds for collecting drainage fees are Amargosa, Anaverde, Big Rock, Portal Ridge, Pearland, and Littlerock. The monies collected in each area can only be used for drainage improvements in that area as set forth in the Master Plan for Drainage.

FUND 227

Fire Facilities Impact Fees

Fire facilities impact fees are collected from developers to mitigate the impacts of new development on fire protection facilities, such as new fire stations and improvements to existing facilities.

FUND 229

Public Facilities Fund

Impact fees are collected from developers to mitigate the impacts on public facilities such as City Hall and libraries, and to assist with the development and rehabilitation of public facilities.

FUND 240

Federal Grant Fund

GRANT FUNDING SECURED BY CITY

Funds from the federal government, typically the U.S. Department of Transportation through the Federal Highway Administration and Federal Transit Administration. Usually requires local funding match. Used for transportation and road projects.

FUND 241

STATE GRANT FUNDS (CALTRANS & CPUC)

GRANT FUNDING SECURED BY CITY

Contributions from the State of California, Department of Transportation for cooperative transportation projects partly within the jurisdiction of the State of California. (Caltrans), State of California Public Utilities Commission (CPUC).

FUND 242

MISC. GRANT/ DEVELOPER CONTRIBUTIONS FUND

Misc. Grant and Developer Contribution Fund accounts for revenues and expenditures received from developers and local agencies for improvements.

FUND 250

Park Assessment Fund

The Park Assessment Fund collects citywide property assessments for debt service payments for the 2014 Certificates of Participation (COP) financing, 2017 Lease Revenue Bonds (LRB) financing, and new Parks and Recreation projects.

FUND 254

Sewer Maintenance Assessment Fund

Sewer Maintenance Assessment District Funds are used to account for the revenues and expenditures associated with maintenance services in the City.

FUND 252, 255, 256, 257

Street Lighting Assessment District Fund

Revenues consist of assessments levied against properties and are collected by Los Angeles County through the tax rolls. The properties assessed received benefits from street lighting within their neighborhoods. The City is currently in the process of taking over the operation and maintenance of the Southern California Edison Lights. Street Lighting Assessment District Funds are used to account for the revenue.

FUND 258

Enhanced Infrastructure Financing District

Enhanced Infrastructure Financing District (EIFD) in boundaries of the City of Palmdale and in incorporated Los Angeles County. These infrastructure improvements prioritized by the EIFD include key infrastructure projects that are cost prohibitive due to the significant cost to serve the sites and prevent new development from occurring. These infrastructure investments will assist the City's efforts to create jobs, provide housing opportunities, and invest in local and regional transportation.

FUND 280

Community Development Block Grant (CDBG)

The City of Palmdale is considered an entitlement city because its population exceeds 50,000. CDBG revenues are received directly from the U.S. Department of Housing and Urban Development (HUD). Funds are used for community activities and capital projects meeting the target area criteria.

GRANT FUNDING SECURED BY CITY

Funding Sources for **Capital Projects**

County/Other Jurisdictions

Sewer Maintenance Assessment District Funds are used to account for the revenues and expenditures associated with maintenance services in the City.

Lancaster/Other Jurisdictions

Contributions by the City of Lancaster for their fair share of cooperative projects with split jurisdiction.

Railroad Contributions

Contributions by any one of the railroad entities (Southern California Regional Rail/ Metrolink or Union Pacific Railroad) for their fair share of projects that benefit one of their facilities, as determined by the California Public Utilities Commission.

CITY OF PALMDALE

General/Facilities *Projects*

General/Facilities *Projects*

Five-Year Funding Summary
Projected Budget Totals 2025-2030
(all figures below in thousands of dollars)

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total*
American Rescue Fund	$9,527	$—	$—	$—	$—	**$9,527**
CDBG Fund	$649	$1,100	$—	$—	$—	**$1,749**
Developer Contributions	$—	$—	$9,000	$6,000	$9,210	**$24,210**
Fire Facilities Fees	$—	$—	$3,000	$3,000	$2,070	**$8,070**
Federal Grant Fund	$3,055	$—	$—	$—	$—	**$3,055**
Landscape Maintenance District Fund	$791	$—	$—	$—	$—	**$791**
Measure AV Fund	$2,363	$1,100	$1,100	$1,584	$100	**$6,247**
Park Development Fund	$125	$—	$—	$—	$—	**$125**
Prop A Fund	$448	$100	$100	$100	$100	**$848**
Public Facilities Fund	$495	$—	$—	$—	$—	**$495**
Sewer Maintenance Fund	$4,000	$—	$—	$—	$—	**$4,000**
TBD	$—	$2,000	$2,000	$—	$—	**$4,000**
TDA Article 3 Fund	$205	$200	$200	$247	$100	**$952**
TOTALS	**$21,658**	**$4,500**	**$15,400**	**$10,391**	**$11,580**	**$64,069**

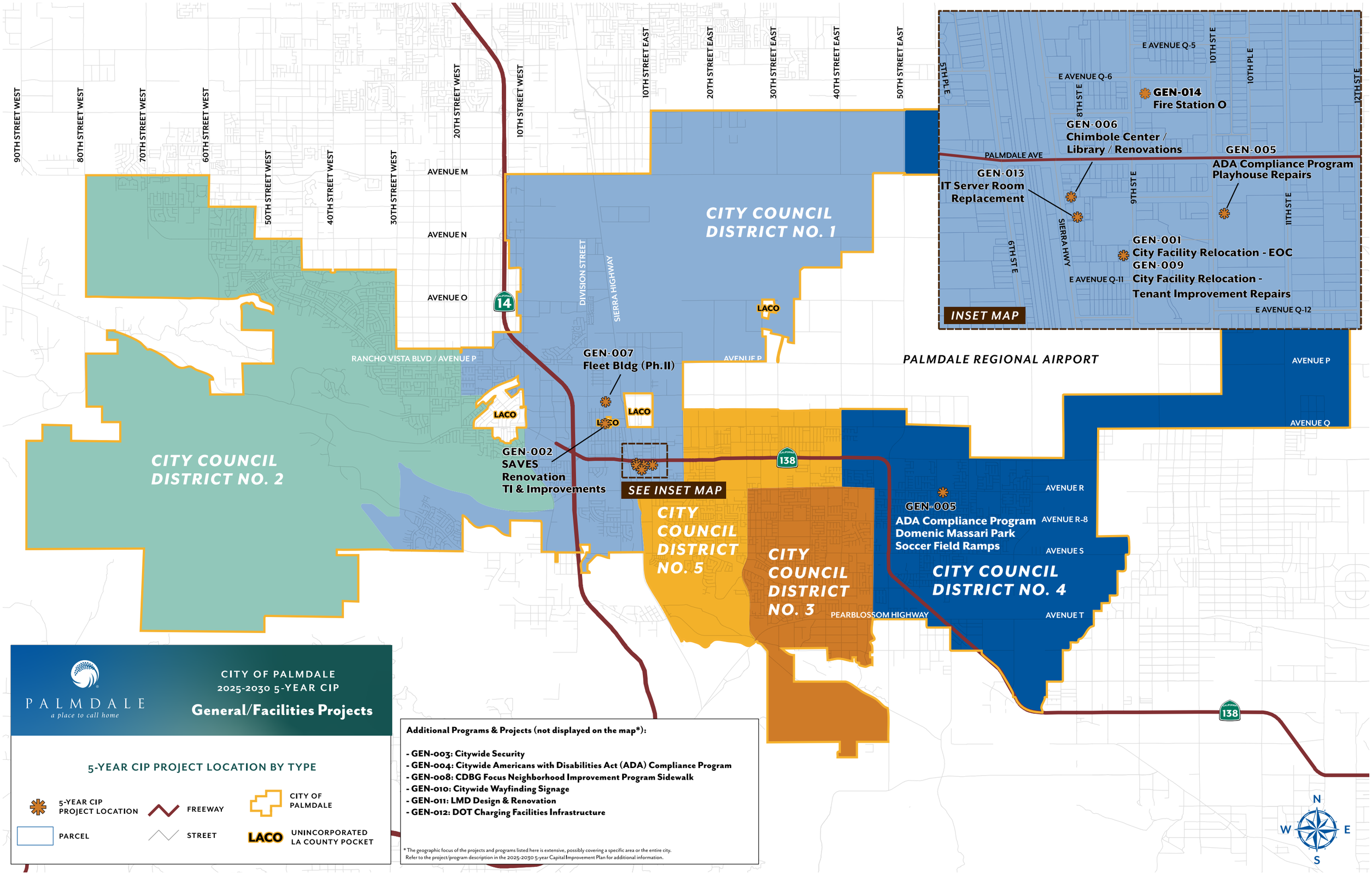
* The amount shown is a preliminary estimated budget for the anticipated total cost of the projects and is not intended to be an estimate of the anticipated amount of the revenue. Revenue estimates are calculated annually as part of the annual budget process and are considered before projects are approved as part of the City's annual budget.

General/Facilities Project List

FIVE YEAR CIP PROJECT #		COUNCIL DISTRICT#	CURRENT BUDGET FY 25-26	ESTIMATED EXPENDITURES FY 25-26	FUTURE BUDGET FY 26-30	ESTIMATED EXPENDITURES FY 26-30	TOTAL PROJECT COSTS (IN THOUSANDS)
GEN-001	City Facility Relocation - EOC	1	$5,013	$5,013	$0	$0	$5,013
GEN-002	SAVES Renovation - TI & Improvements	1	$1,436	$1,436	$100	$100	$1,536
GEN-003	Citywide Security	1-5	$500	$500	$400	$400	$900
GEN-004	Citywide Americans with Disabilities Act (ADA) Compliance Program	1-5	$395	$395	$400	$400	$795
GEN-005	ADA Compliance Program - Playhouse Repairs & Soccerfield Ramps	1-5	$330	$330	$347	$347	$677
GEN-006	Chimbole Center/Library Renovation	1	$5,816	$5,816	$4,484	$4,484	$10,300
GEN-007	Fleet Building (Phase II)	5	$4,000	$2,000	$0	$2,000	$4,000
GEN-008	CDBG Focus Neighborhood Improvement Program - Sidewalk Improvements	1-5	$649	$649	$0	$0	$649
GEN-009	City Facility Relocation - Tenant Improvement Repairs	1	$831	$831	$0	$0	$831
GEN-010	Citywide Wayfinding Signage	1-5	$53	$53	$400	$400	$453
GEN-011	Landscape Maintenance Districts (LMD) Design & Renovation	1-5	$791	$791	$0	$0	$791
GEN-012	DOT Charging Facilities Infrastructure	1-5	$1,844	$0	$0	$1,844	$1,844
GEN-013	IT Server Room Replacement	1	$0	$0	$4,000	$4,000	$4,000
GEN-014	Fire Stations 37 & Station O	5	$0	$0	$32,280	$32,280	$32,280
		TOTAL	$21,658	$17,814	$42,411	$46,255	$64,069

General/Facilities Expenditures

Project No.	Project Name	FY 2026 Adopted Budget (includes future budget requests)	FY 2026 Projected Expenditure	FY 2027 Projected Expenditure	FY 2028 Projected Expenditure	FY 2029 Projected Expenditure	FY 2030 Projected Expenditure
GEN-001	CITY FACILITY RELOCATION - EOC	$5,013	$5,013	$—	$—	$—	$—
GEN-002	SAVES RENOVATION - TI & IMPROVEMENTS	$1,536	$1,436	$100	$—	$—	$—
GEN-003	CITYWIDE SECURITY	$1,050	$500	$100	$100	$100	$100
GEN-004	CITYWIDE AMERICANS WITH DISABILITIES ACT (ADA) COMPLIANCE PROGRAM	$795	$395	$100	$100	$100	$100
GEN-005	ADA COMPLIANCE PROGRAM - PLAYHOUSE & SOCCER FIELD	$677	$330	$100	$100	$147	$—
GEN-006	CHIMBOLE CENTER/LIBRARY RENOVATION **Funding for Library Phase not included*	$10,300	$5,816	$2,000	$1,000	$1,484	$—
GEN-007	FLEET BUILDING (PHASE II)	$4,000	$2,000	$2,000	$—	$—	$—
GEN-008	CDBG FOCUS NEIGHBORHOOD IMPROVEMENT PROGRAM - SIDEWALKS	$649	$649	$—	$—	$—	$—
GEN-009	CITY FACILITY RELOCATION - TENANT IMPROVEMENT REPAIRS	$831	$831	$—	$—	$—	$—
GEN-010	CITYWIDE WAYFINDING SIGNAGE	$453	$53	$100	$100	$100	$100
GEN-011	LANDSCAPE MAINTENANCE DISTRICT (LMD) DESIGN & RENOVATION	$791	$791	$—	$—	$—	$—
GEN-012	DOT CHARGING FACILITIES INFRASTRUCTURE	$1,844	$—	$—	$—	$—	$1,844
GEN-013	IT SERVER ROOM REPLACEMENT	$4,000	$—	$2,000	$2,000	$—	$—
GEN-014	FIRE STATIONS 37 & STATION O	$32,280	$—	$—	$12,000	$9,000	$11,280
	Total	**$64,069**	**$17,814**	**$6,500**	**$15,400**	**$10,931**	**$13,424**


CITY OF PALMDALE
2025-2030 5-YEAR CIP
General/Facilities Projects
PALMDALE
a place to call home
5-YEAR CIP PROJECT LOCATION BY TYPE
5-YEAR CIP PROJECT LOCATION
FREEWAY
CITY OF PALMDALE
PARCEL
STREET
LACO
UNINCORPORATED LA COUNTY POCKET
Additional Programs & Projects (not displayed on the map*):
- GEN-003: Citywide Security
- GEN-004: Citywide Americans with Disabilities Act (ADA) Compliance Program
- GEN-008: CDBG Focus Neighborhood Improvement Program Sidewalk
- GEN-010: Citywide Wayfinding Signage
- GEN-011: LMD Design & Renovation
- GEN-012: DOT Charging Facilities Infrastructure
* The geographic focus of the projects and programs listed here is extensive, possibly covering a specific area or the entire city.
Refer to the project/program description in the 2025-2030 5-year Capital Improvement Plan for additional information.
CITY COUNCIL DISTRICT NO. 1
CITY COUNCIL DISTRICT NO. 2
CITY COUNCIL DISTRICT NO. 3
CITY COUNCIL DISTRICT NO. 4
CITY COUNCIL DISTRICT NO. 5
PALMDALE REGIONAL AIRPORT
GEN-007
Fleet Bldg (Ph.II)
GEN-002
SAVES
Renovation
TI & Improvements
SEE INSET MAP
GEN-005
ADA Compliance Program
Domenic Massari Park
Soccer Field Ramps
INSET MAP
GEN-014
Fire Station O
GEN-006
Chimbole Center /
Library / Renovations
GEN-005
ADA Compliance Program
Playhouse Repairs
GEN-013
IT Server Room
Replacement
GEN-001
City Facility Relocation - EOC
GEN-009
City Facility Relocation -
Tenant Improvement Repairs
90TH STREET WEST
80TH STREET WEST
70TH STREET WEST
60TH STREET WEST
50TH STREET WEST
40TH STREET WEST
30TH STREET WEST
20TH STREET WEST
10TH STREET WEST
10TH STREET EAST
20TH STREET EAST
30TH STREET EAST
40TH STREET EAST
50TH STREET EAST
AVENUE M
AVENUE N
AVENUE O
AVENUE P
AVENUE Q
AVENUE R
AVENUE R-8
AVENUE S
AVENUE T
RANCHO VISTA BLVD / AVENUE P
DIVISION STREET
SIERRA HIGHWAY
PEARBLOSSOM HIGHWAY
PALMDALE AVE
E AVENUE Q-5
E AVENUE Q-6
E AVENUE Q-11
E AVENUE Q-12
5TH PL E
8TH ST E
9TH ST E
6TH ST E
10TH ST E
10TH PL E
11TH ST E
12TH ST E
14
138
N
W
E
S

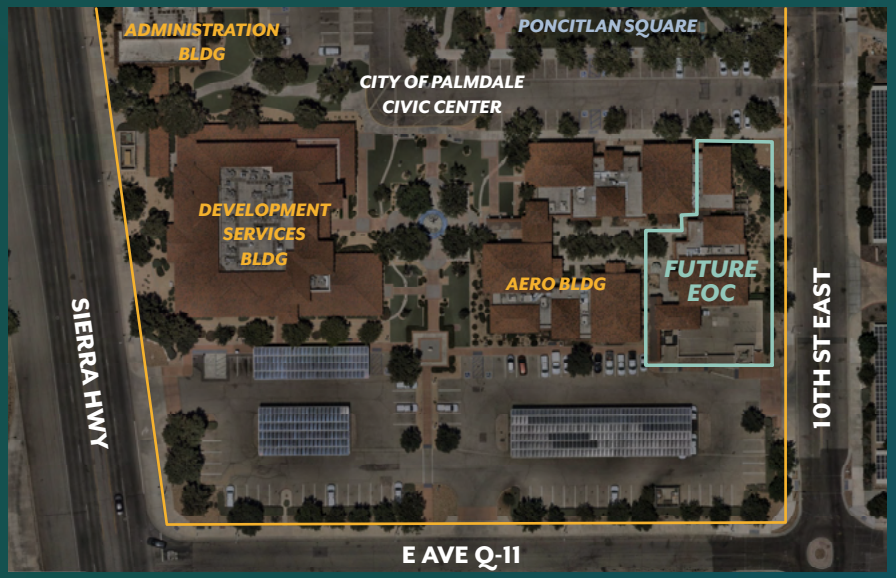
Five-Year **Capital Improvement Plan**

General/Facilities Projects

GEN-001

City Facility Relocation - *EOC*

Development of Emergency Operations Center in existing Aero Institute Building. Renovation of the City's Emergency Operations Center (EOC) and ancillary departments affected by the EOC.



PROJECT COST ESTIMATE

All figures below in thousands of dollars

CURRENT FISCAL YEAR BUDGET	FY 25-26
American Rescue Plan Act (ARPA) Fund	$3,802
Federal Grant Fund	$1,211
Total	**$5,013**

Five-Year **Capital Improvement Plan**

General/Facilities Projects

GEN-002

SAVES Renovation - *TI & Improvements*

Relocation of the SAVES facility along with space for housing programs. City is doing a feasibility report for relocation properties. Costs includes TI improvements design for a 8,000 sf building.

PROJECT COST ESTIMATE

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
American Rescue Fund	$1,436					**$1,436**
CDBG Fund		$100				**$100**
Total	**$1,436**	**$100**				**$1,536**

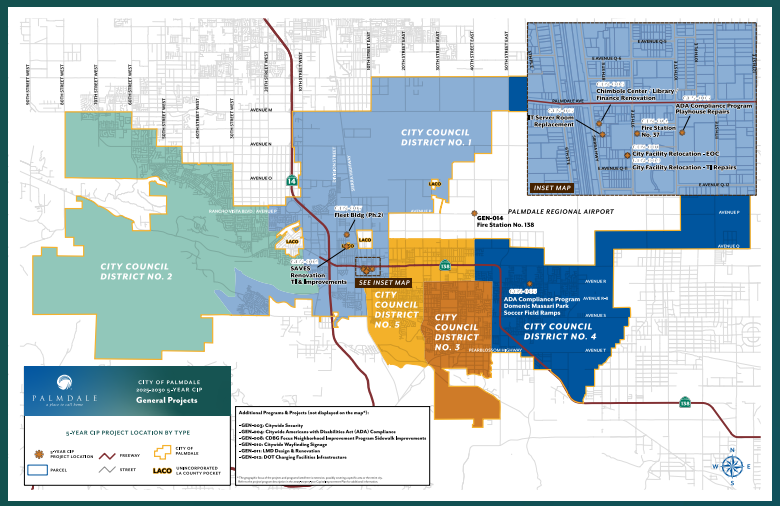
Five-Year **Capital Improvement Plan**

General/Facilities Projects

GEN-003

Citywide *Security*

The City will continue installation of security measures for all City facilities, including park and rides, parks, City buildings. This includes but is not limited to additional cameras and access controls.



PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Measure AV Fund	$500	$100	$100	$100	$100	**$900**
Total	**$500**	**$100**	**$100**	**$100**	**$100**	**$900**

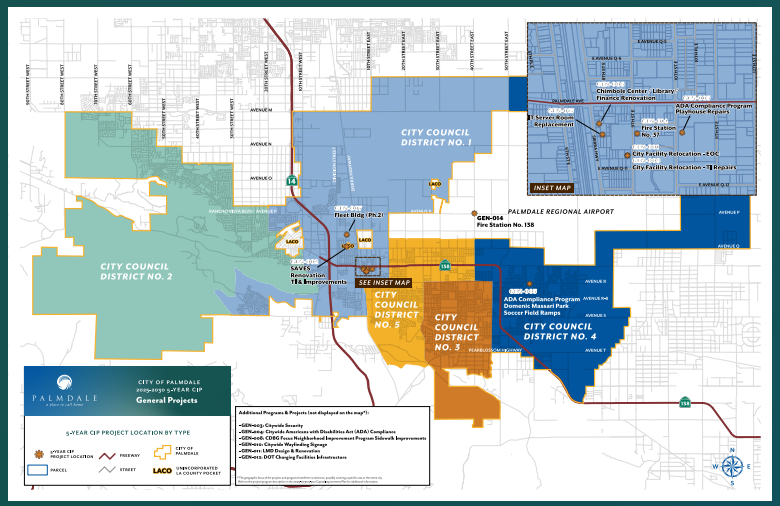
Five-Year **Capital Improvement Plan**

General/Facilities Projects

GEN-004

Citywide Americans with Disabilities Act (ADA) *Compliance Program*

Construction of improvements in order to comply with the Americans with Disabilities Act (ADA). Projects may include: upgrading existing handicap ramps, installation of truncated domes, ADA upgrade of City facilities.



PROJECTED BUDGET

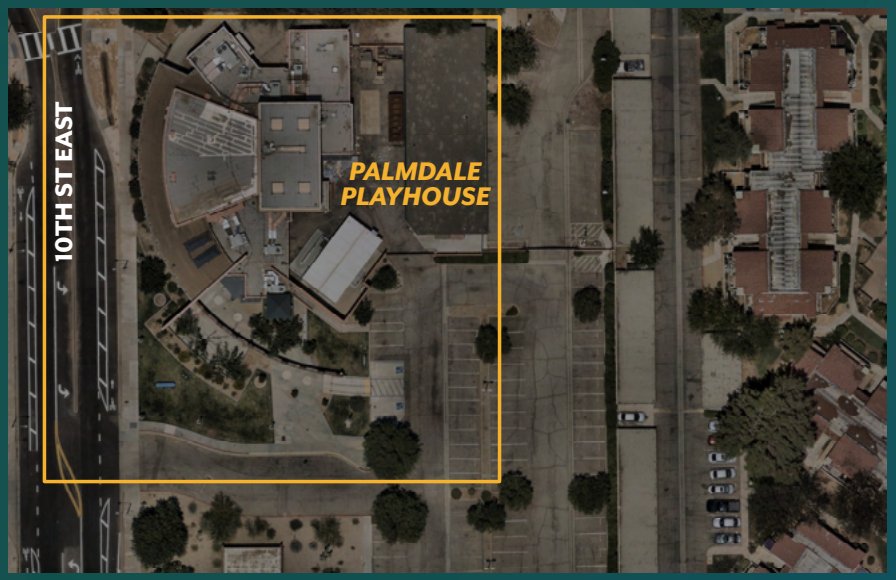
All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Prop A Fund	$395					**$395**
TDA Article 3 Fund		$100	$100	$100	$100	**$400**
Total	**$395**	**$100**	**$100**	**$100**	**$100**	**$795**

GEN-005

ADA Compliance Program - Playhouse Repairs & Soccer Field Ramps

Adding ADA seating, parking, ramps, and access to amenities.



PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
TDA Article 3 Fund	$205	$100	$100	$147		**$552**
Park Development Fund	$125					**$125**
Total	**$330**	**$100**	**$100**	**$147**		**$677**

Five-Year **Capital Improvement Plan**

General/Facilities Projects

GEN-006

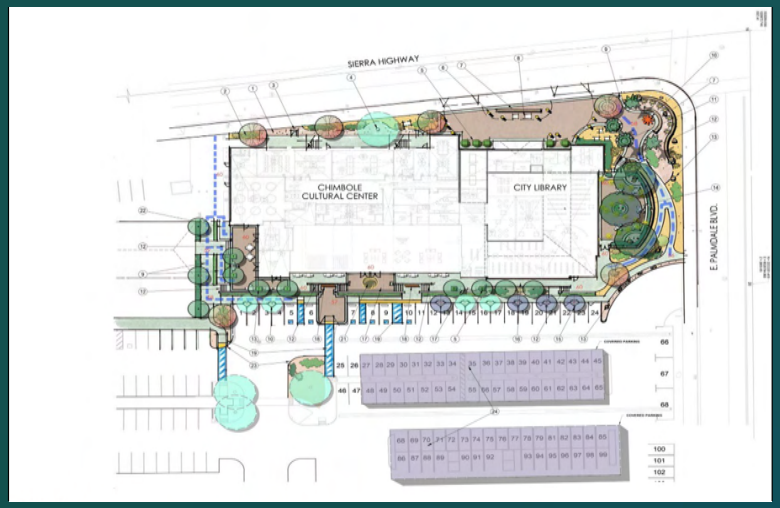
Chimbole Center/Library *Renovation*

Phase 1

Chimbole Center - The exterior and interior renovations will include upgrades to all existing electrical, plumbing, and HVAC. A complete audiovisual package and security system will be installed. The exterior will also include accessibility, lighting, landscape improvements, and parking lot improvements.

Library - The breezeway between the Chimbole Center and the Library will be eliminated to provide an addition to increase the square footage of the Chimbole Center, and to provide a connection to the Library for added programming.

Phase 2 - The existing Library will be renovated to provide more up-to-date technology and programming. The approximate expansion is 4,000 square feet.



PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Measure AV Fund	$1,527	$1,000	$1,000	$1,484		**$5,011**
American Rescue Fund	$4,289					**$4,289**
CDBG Fund		$1,000				**$1,000**
Total	**$5,816**	**$2,000**	**$1,000**	**$1,484**		**$10,300**

GEN-007

Fleet Building *(Phase II)*

Phasing of improvements to the site: Proposed buildings for the site: Phase II - Fleet Building (12,000 sf); Phase III - Street Sweeper & Street Maintenance and westside mini operations; Phase IV - Park Maintenance and storage and eastside mini operation; Phase V - Traffic Signal Building.

PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Sewer Maintenance Fund	$4,000					$4,000
Total	**$4,000**					**$4,000**

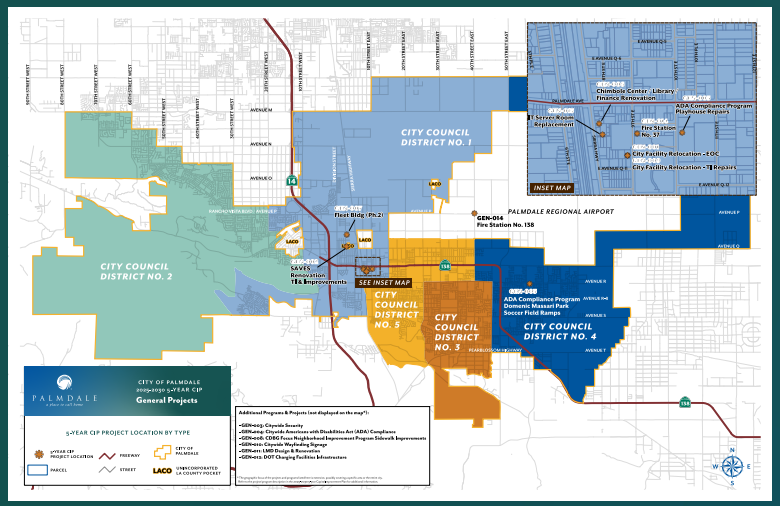
Five-Year **Capital Improvement Plan**

General/Facilities Projects

GEN-008

CDBG Focus Neighborhood Improvement Program - *Sidewalk Improvements*

Annual sidewalk improvements completed in designated eligible locations.



PROJECT COST ESTIMATE

All figures below in thousands of dollars

CURRENT FISCAL YEAR BUDGET	FY 25-26
CDBG Fund	$649
Total	**$649**

GEN-009

City Facility Relocation - *Tenant Improvement Repairs*

Tenant improvements in the Development Services building, and Emergency Operations Center (EOC) building for City Public Safety Department.

PROJECT COST ESTIMATE

All figures below in thousands of dollars

CURRENT FISCAL YEAR BUDGET	FY 25-26
Measure AV Fund	$336
Public Facilities Fund	$495
Total	**$831**

GEN-010

Citywide *Wayfinding Signage*

Continued upkeep of citywide directional wayfinding signs to City facilities and other locations.

PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Prop A Fund	$53	$100	$100	$100	$100	**$453**
Total	**$53**	**$100**	**$100**	**$100**	**$100**	**$453**

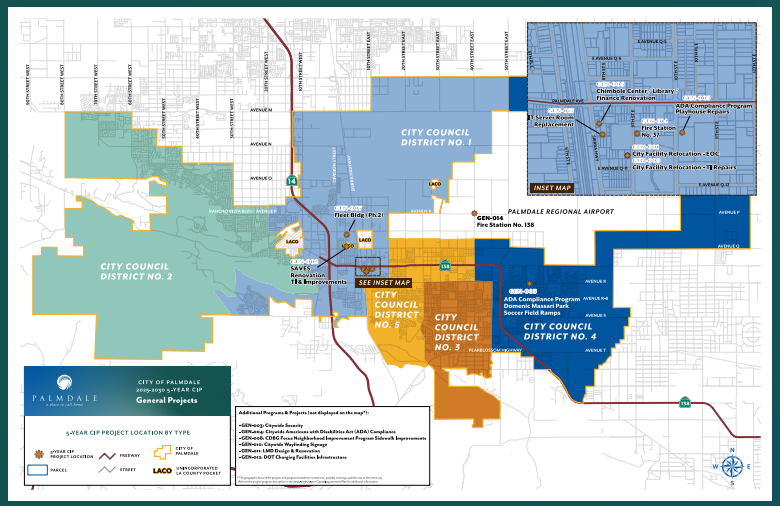
Five-Year **Capital Improvement Plan**

General/Facilities Projects

GEN-011

Landscape Maintenance Districts (LMD) *Design & Renovation*

The City's Landscape Assessment Districts (LAD) need wrought iron perimeter security fencing rehabilitation in their drainage basins. There are numerous LAD basins with aging fencing (25–30 years old) at the end of its service life that require replacement. The project will require complete removal and disposal of the existing wrought iron fencing, demolition of footings, fabrication and welding of replacement wrought iron fencing, painting, installation of posts, pouring of replacement post footings, and final installation of the fencing. The Public Works Landscape Maintenance team will provide project management and field inspections.



PROJECT COST ESTIMATE

All figures below in thousands of dollars

CURRENT FISCAL YEAR BUDGET	FY 25-26
Landscape Maintenance District Fund	$791
Total	**$791**

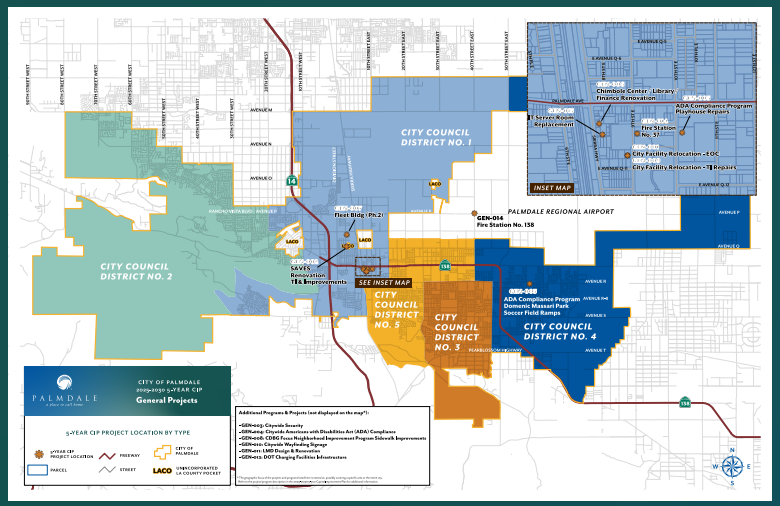
Five-Year **Capital Improvement Plan**

General/Facilities Projects

GEN-012

DOT Charging Facilities *Infrastructure*

City received a Federal grant to install EV Charging Stations & Facilities in designated areas in the City. The grant is on hold as of September 2025.



PROJECT COST ESTIMATE

All figures below in thousands of dollars

CURRENT BUDGET FISCAL YEAR	FY 25-26
Federal Grant Fund	$1,844
Total	**$1,844**

GEN-013

IT Server Room *Replacement*

This work will include demolition, framing, drywall, re-carpeting, painting, possible relocation of lighting and HVAC venting. Planning and design will begin in FY 25-26 and will be completed in future fiscal years.

PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Total
TBD		$2,000	$2,000			**$4,000**
Total		**$2,000**	**$2,000**			**$4,000**

GEN-014

Fire Stations 37 & *Station O*

Property acquisition and offsite infrastructure for future fire stations. Fire Station 37 (Sierra Highway - downtown area). Onsite improvements will be constructed by Los Angeles County. Northeast Palmdale Fire Station O (Avenue Q-6 @ 9th Street East). Onsite improvements will be constructed by Los Angeles County.

PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Developer Contributions			$9,000	$6,000	$9,210	**$24,210**
Fire Facilities Fees			$3,000	$3,000	$2,070	**$8,070**
Total			**$12,000**	**$9,000**	**$11,280**	**$32,280**

CITY OF PALMDALE

Parks & *Recreation*

Parks & Recreation *Projects*

Five-Year Funding Summary
Projected Budget Totals 2025-2030
(all figures below in thousands of dollars)

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total Budget*
American Rescue Plan Act Fund	$14	$—	$—	$—	$—	**$14**
CDBG Fund	$500	$—	$—	$—	$—	**$500**
Developer Contributions	$275	$—	$—	$—	$—	**$275**
Drytown Waterpark Fund	$300	$—	$—	$—	$—	**$300**
General Fund	$3,244	$—	$—	$—	$—	**$3,244**
Measure A Grant Fund	$2608	$—	$—	$—	$—	**$2,608**
Measure AV Fund	$16,341	$2,800	$3,550	$3,900	$3,102	**$29,693**
Park Development Fund	$300	$—	$—	$75	$—	**$375**
Drainage Fund	$2,159	$—	$—	$—	$—	**$2,159**
Prop A Local Return Fund	$4,599	$3,283	$—	$—	$—	**$7,882**
Public Art Fund	$—	$—	$—	$—	$75	**$75**
Sewer Maintenance Assessment District	$200	$—	$—	$—	$—	**$200**
State Grant Fund	$3,836	$—	$—	$6,000	$6,000	**$15,836**
TBD	$200	$500	$500	$500	$500	**$2,200**
TOTALS	**$34,576**	**$6,583**	**$4,050**	**$10,475**	**$9,677**	**$65,361**

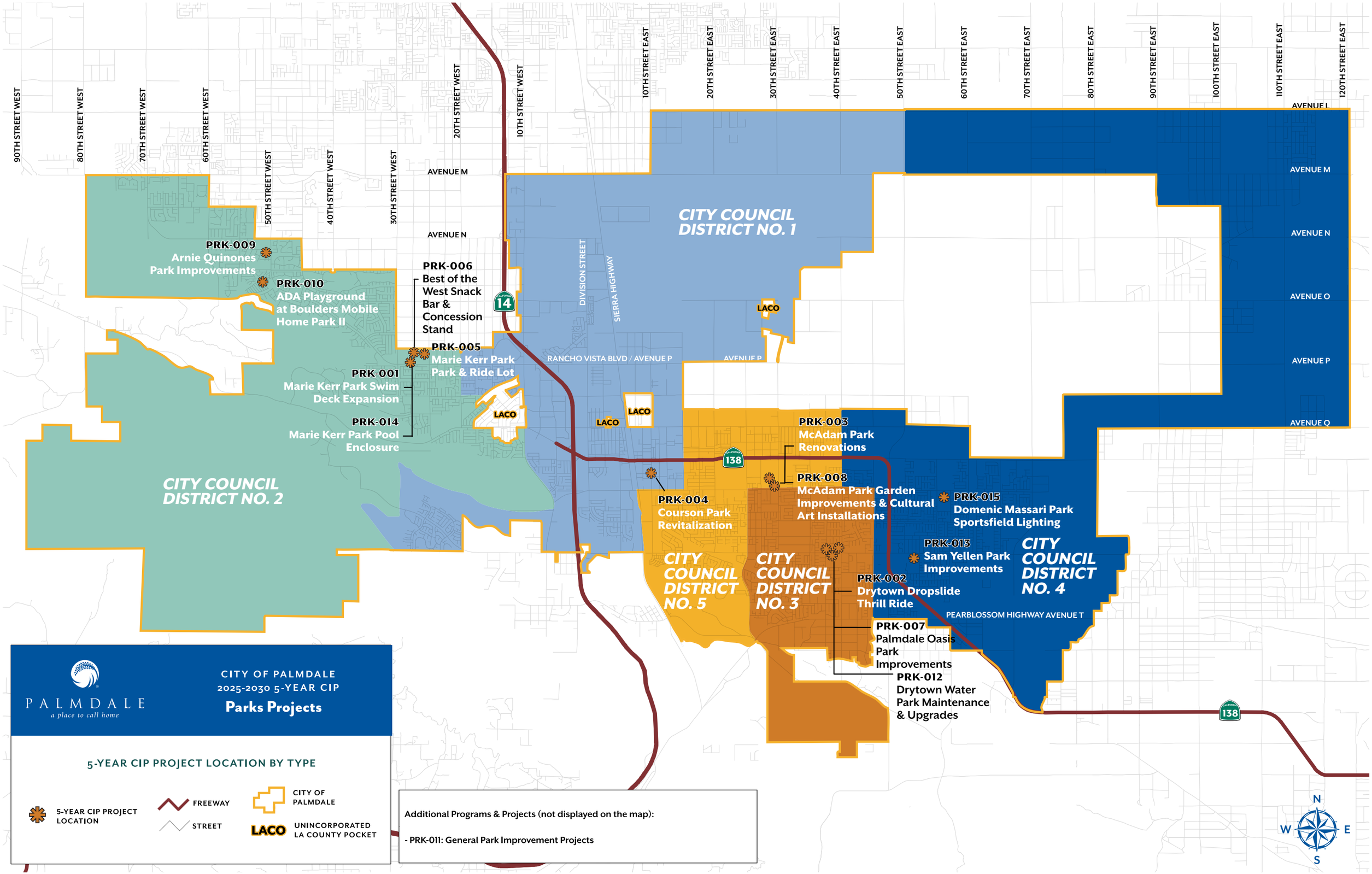
* The amount shown is a preliminary estimated budget for the anticipated total cost of the projects and is not intended to be an estimate of the anticipated amount of the revenue. Revenue estimates are calculated annually as part of the budget process and are considered before projects are approved as part of the City's annual budget.

Parks & Recreation Project List

FIVE YEAR CIP PROJECT #		COUNCIL DISTRICT #	CURRENT BUDGET FY 25-26	ESTIMATED EXPENDITURES FY 25-26	FUTURE BUDGET FY 26-30	ESTIMATED EXPENDITURES FY 26-30	TOTAL PROJECT BUDGET (IN THOUSANDS)
PRK-001	Marie Kerr Park Swim Deck Expansion	2	$990	$990	$0	$0	$990
PRK-002	DryTown Dropslide Thrill Ride	3	$3,974	$3,974	$0	$—	$3,974
PRK-003	McAdam Park Renovations	5	$11,100	$1,475	$0	$9,625	$11,100
PRK-004	Courson Park Revitalization	1	$6,342	$2,900	$900	$4,342	$7,242
PRK-005	Marie Kerr Park and Ride Lot	2	$7,217	$5,533	$3,283	$4,967	$10,500
PRK-006	Best of the West Snack Bar Concession Stand	2	$766	$766	$0	$0	$766
PRK-007	Palmdale Oasis Park Improvements	3	$1,159	$0	$0	$1,159	$1,159
PRK-008	McAdam Garden Improvements & Cultural Art Installations	5	$300	$0	$0	$300	$300
PRK-009	Arnie Quinones Park Improvements	2	$300	$300	$12,000	$12,000	$12,300
PRK-010	ADA Playground at Boulders Mobile Home Park II	2	$500	$500	$0	$0	$500
PRK-011	General Park Improvement Projects	1-5	$1,928	$1,928	$7,600	$7,600	$9,528
PRK-012	DryTown Water Park Maintenance & Upgrades	3	$300	$300	$2,000	$2,000	$2,300
PRK-013	Sam Yellen Park Improvements	4	$0	$0	$500	$500	$500
PRK-014	Marie Kerr Park Pool Enclosure	2	$0	$0	$702	$702	$702
PRK-015	Domenic Massari Park Sportsfield Lighting	4	$0	$0	$3,500	$3,500	$3,500
		TOTAL	**$34,576**	**$18,666**	**30,875**	**$46,695**	**$65,361**

Parks & Recreation Expenditures

Project No.	Project Name	FY 2026 Adopted Budget (includes future budget requests)	FY 2026 Projected Expenditure	FY 2027 Projected Expenditure	FY 2028 Projected Expenditure	FY 2029 Projected Expenditure	FY 2030 Projected Expenditure
PRK-001	MARIE KERR PARK SWIM DECK EXPANSION	$990	$990	$—	$—	$—	$—
PRK-002	DRYTOWN DROPSLIDE THRILL RIDE	$3,974	$3,974	$—	$—	$—	
PRK-003	MCADAM PARK RENOVATIONS	$11,100	$1,475	$2,407	$7,218	$—	$—
PRK-004	COURSON PARK REVITALIZATION	$7,242	$2,900	$4,342	$—	$—	$—
PRK-005	MARIE KERR PARK AND RIDE LOT	$10,500	$5,533	$4,967	$—	$—	$—
PRK-006	BEST OF THE WEST SNACK BAR CONCESSION STAND	$766	$766	$—	$—	$—	$—
PRK-007	PALMDALE OASIS PARK IMPROVEMENTS	$1,159	$—	$1,159	$—	$—	$—
PRK-008	MCADAM GARDEN IMPROVEMENTS & CULTURAL ART INSTALLATIONS	$300	$—	$—	$150	$75	$75
PRK-009	ARNIE QUINONES PARK IMPROVEMENTS	$12,300	$300	$—	$—	$6,000	$6,000
PRK-010	ADA PLAYGROUND AT BOULDERS MOBILE HOME PARK II	$500	$500	$—	$—	$—	$—
PRK-011	GENERAL PARK IMPROVEMENT PROJECTS	$9,528	$1,928	$1,900	$1,900	$1,900	$1,900
PRK-012	DRYTOWN WATER PARK MAINTENANCE & UPGRADES	$2,300	$300	$500	$500	$500	$500
PRK-013	SAM YELLEN PARK IMPROVEMENTS	$500	$—	$—	$—	$—	$500
PRK-014	MARIE KERR PARK POOL ENCLOSURE	$702	$—	$—	$—	$—	$702
PRK-015	DOMENIC MASSARI PARK SPORTSFIELD LIGHTING	$3,500	$—	v	$1,500	$2,000	$—
	Total	**$65,391**	**$18,666**	**$15,225**	**$11,268**	**$10,475**	**$9,677**


CITY OF PALMDALE
2025-2030 5-YEAR CIP
Parks Projects
PALMDALE
a place to call home
5-YEAR CIP PROJECT LOCATION BY TYPE
5-YEAR CIP PROJECT LOCATION
FREEWAY
STREET
CITY OF PALMDALE
LACO
UNINCORPORATED LA COUNTY POCKET
Additional Programs & Projects (not displayed on the map):
- PRK-011: General Park Improvement Projects
CITY COUNCIL DISTRICT NO. 1
CITY COUNCIL DISTRICT NO. 2
CITY COUNCIL DISTRICT NO. 3
CITY COUNCIL DISTRICT NO. 4
CITY COUNCIL DISTRICT NO. 5
PRK-009 Arnie Quinones Park Improvements
PRK-010 ADA Playground at Boulders Mobile Home Park II
PRK-006 Best of the West Snack Bar & Concession Stand
PRK-005 Marie Kerr Park Park & Ride Lot
PRK-001 Marie Kerr Park Swim Deck Expansion
PRK-014 Marie Kerr Park Pool Enclosure
PRK-003 McAdam Park Renovations
PRK-008 McAdam Park Garden Improvements & Cultural Art Installations
PRK-004 Courson Park Revitalization
PRK-015 Domenic Massari Park Sportsfield Lighting
PRK-013 Sam Yellen Park Improvements
PRK-002 Drytown Dropslide Thrill Ride
PRK-007 Palmdale Oasis Park Improvements
PRK-012 Drytown Water Park Maintenance & Upgrades
90TH STREET WEST
80TH STREET WEST
70TH STREET WEST
60TH STREET WEST
50TH STREET WEST
40TH STREET WEST
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110TH STREET EAST
120TH STREET EAST
AVENUE L
AVENUE M
AVENUE N
AVENUE O
AVENUE P
AVENUE Q
DIVISION STREET
SIERRA HIGHWAY
RANCHO VISTA BLVD / AVENUE P
PEARBLOSSOM HIGHWAY AVENUE T
14
138
N
W
E
S

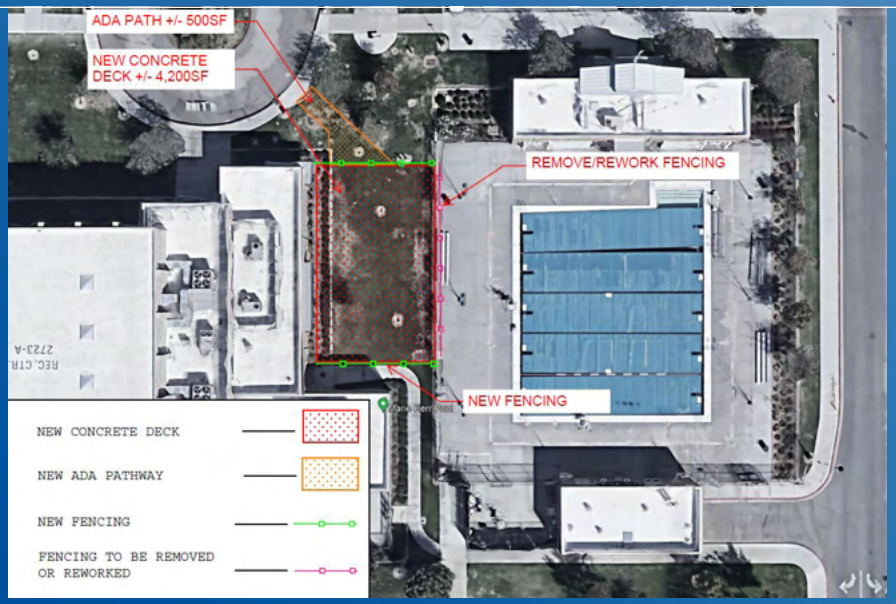
Five-Year **Capital Improvement Plan**

Parks & Recreation Projects

PRK-001

Marie Kerr Park
Swim Deck Expansion

Phase I: Expand pool deck, change fence alignment and relocate gates.
Begin the design planning phase for the proposed pool enclosure in spring 2026.



PROJECT COST ESTIMATE

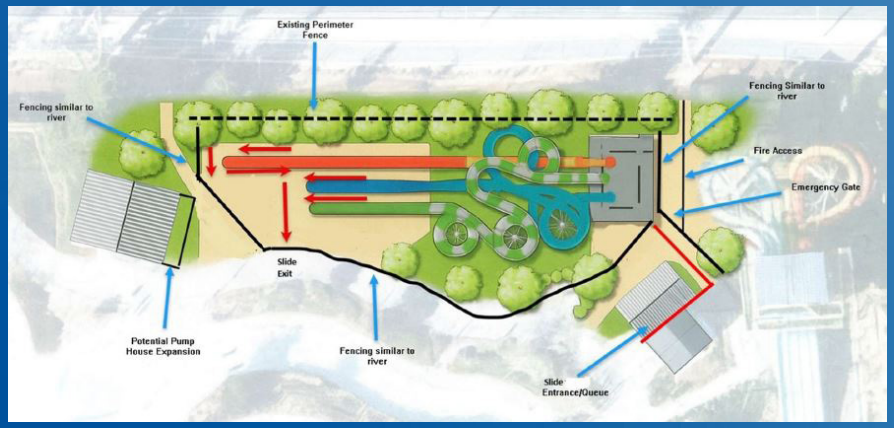
All figures below in thousands of dollars

CURRENT BUDGET FISCAL YEAR	FY 25-26
Measure A Grant Fund	$990
Total	**$990**

PRK-002

Drytown Dropslide *Thrill Ride*

Construct Thrill Ride that includes slide tower for three new slides, new pump house, and site improvements at the DryTown Water Park. This design-build project is currently in the design phase with construction slated to be completed by Summer 2026.



PROJECT COST ESTIMATE

All figures below in thousands of dollars

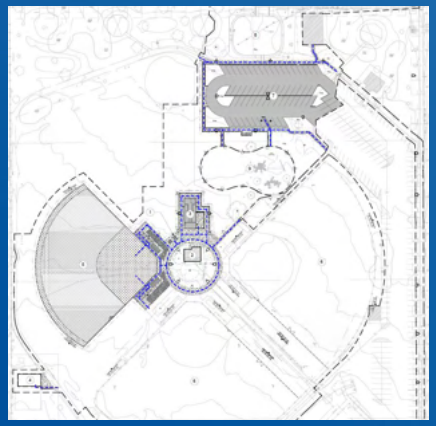
CURRENT BUDGET FISCAL YEAR	FY 25-26
General Fund	$2,824
Measure AV Fund	$1,150
Total	**$3,974**

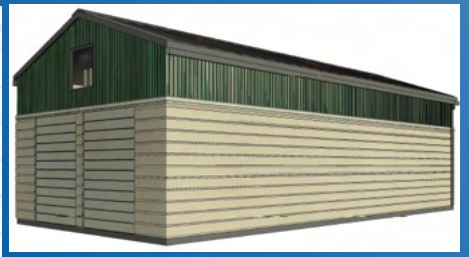
PRK-003

McAdam Park *Renovations*

Phase 1: Project proposes to renovate McAdam Park, including but not limited to, replacing the playground, replacing the existing restroom with a restroom and concession unit, replacing the maintenance storage building with a new structure, updating sports field lighting with new LED lighting, installing a new softball field with sports field lighting, expand the parking lot, resurfacing the existing parking lot and re-stripe, and installing a new park monument sign. Phase 1 is slated to begin construction spring 2026.

Phase 2: Project proposes repairing the Old Schoolhouse to include roof, wood siding, and upgrading hardscape surroundings. It will also include repairing and painting existing pavilions. Phase 2 is slated to begin construction by end of calendar year 2025.





PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY 25-26	FY 26-27	FY 27-28	Estimated Total
Developer Contributions	$275			$275
TBD	$200			$200
Measure AV Fund	$10,425			$10,425
Sewer Maintenance Assessment District	$200			$200
Total	**$11,100**			**$11,100**

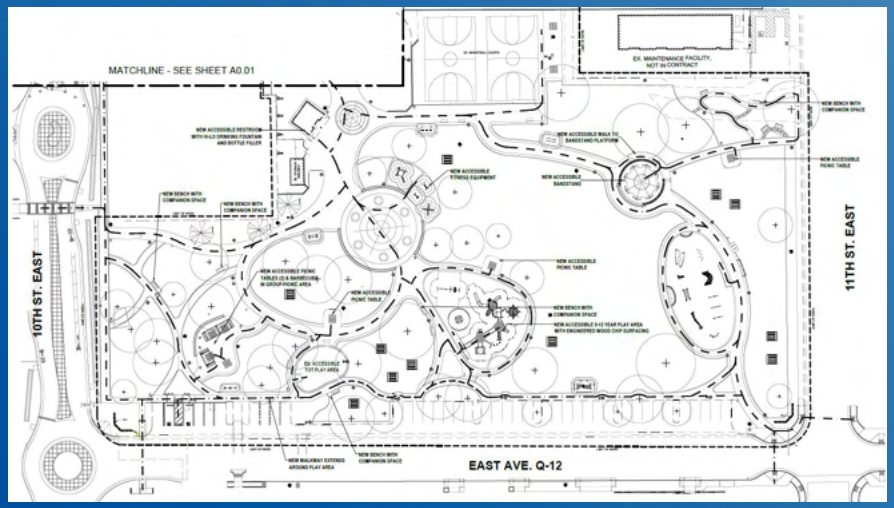
Five-Year **Capital Improvement Plan**

Parks & Recreation Projects

PRK-004

Courson Park *Revitalization*

Project proposes to renovate Courson Park, including but not limited to install new landscaping and irrigation system, replace and construct new playground, add fitness equipment, obstacle course, walking path, and new mural. The project is slated to begin spring 2026.



PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY 25-26	FY 26-27	FY 27-28	Estimated Total
General Fund	$150			**$150**
Measure AV Fund	$2,356	$900		**$3,256**
State Grant	$3,836			**$3,836**
Total	**$6,342**	**$900**		**$7,242**

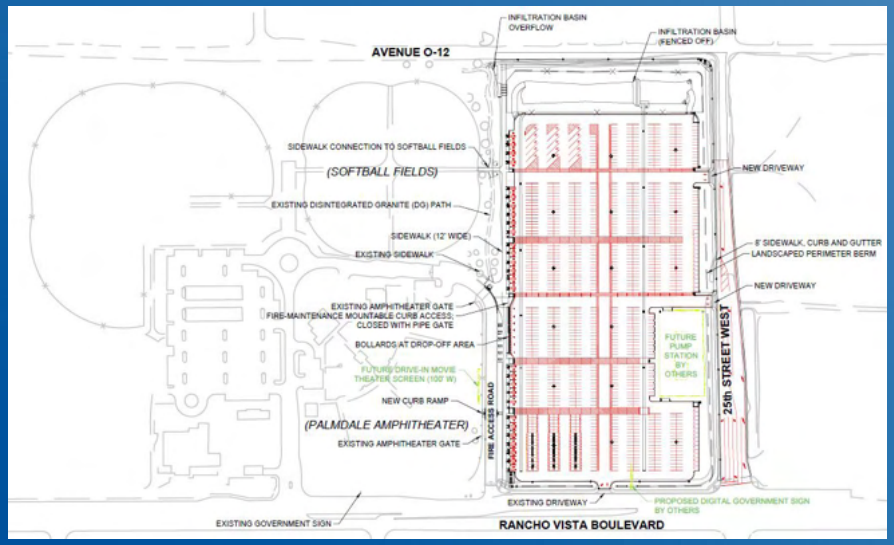
Five-Year **Capital Improvement Plan**

Parks & Recreation Projects

PRK-005

Marie Kerr
Park and Ride Lot

The project proposes constructing a new 20-acre park and ride located east of the Palmdale Amphitheater at Marie Kerr Park and a new bioretention basin. Construction is slated to begin Summer 2026.



PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	Estimated Total
Measure A Grant Fund	$1,618		**$1,618**
Drainage Fund	$1,000		**$1,000**
Prop A Local Return Fund	$4,599	$3,283	**$7,882**
Total	**$7,217**	**$3,283**	**$10,500**

PRK-006

Best of the West *Snack Bar Concession Stand*

Project proposes constructing a new concessions building to serve the Best of the West softball fields at Marie Kerr Park and ADA improvement along parking and to Rancho Vista Boulevard. This project is anticipated to be completed by end of 2025.

PROJECT COST ESTIMATE

All figures below in thousands of dollars

CURRENT BUDGET FISCAL YEAR	FY 25-26
American Rescue Plan Act Fund	$14
General Fund	$270
Measure AV Fund	$482
Total	**$766**

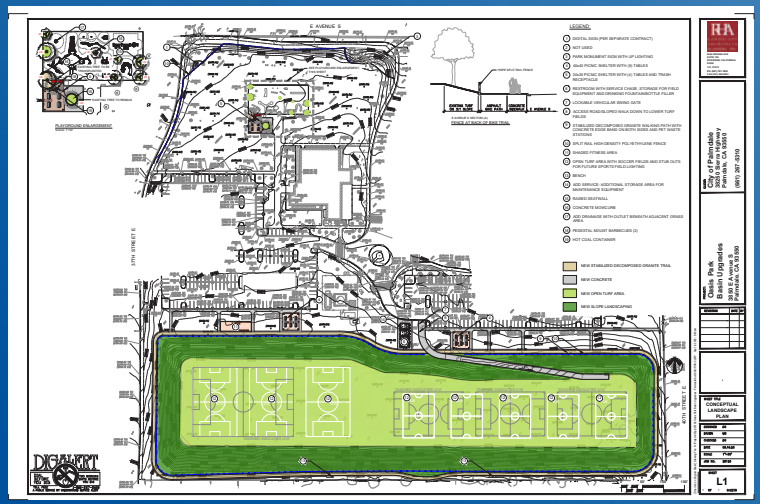
Five-Year **Capital Improvement Plan**

Parks & Recreation Projects

PRK-007

Palmdale Oasis Park *Improvements*

Project proposes to renovate Oasis Park to include, but not limited to, a new multipurpose sports field, fencing, trail, public art, exercise equipment, restroom for the playfields, stubbing out for sports field lighting, and drainage improvements. The design is anticipated to be completed by spring 2026. Staff is seeking construction funding.



PROJECT COST ESTIMATE

All figures below in thousands of dollars

CURRENT BUDGET FISCAL YEAR	FY 25-26
Drainage Fund	$1,159
Total	**$1,159**

PRK-008

McAdam Garden *Improvements* & Cultural Art *Installations*

Project proposes to construct a new garden area (about 54,000 sq. ft) between pool and tennis/pickleball courts, remove and install new landscaping, benches and seating areas, and cultural art pieces.

PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Measure AV			$150			**$150**
Park Development				$75		**$75**
Public Art Fund					$75	**$75**
Total			**$150**	**$75**	**$75**	**$300**

PRK-009

Arnie Quinones Park *Improvements*

Project proposes constructing and expanding 7.5 acres of the undeveloped portion of Arnie Quinones Park located along 50th Street West, north of Avenue N-8, The proposed project includes, but is not limited to, walking paths, sports courts, open playing field, safety lighting, restrooms, a playground, dog park, covered picnic areas, a challenge course, irrigation, utilies, fencing, and public art. Planning and design is anticipated to begin Summer 2026. Staff is currently seeking grant funding to supplement design cost and constuction.

PROJECTED BUDGET

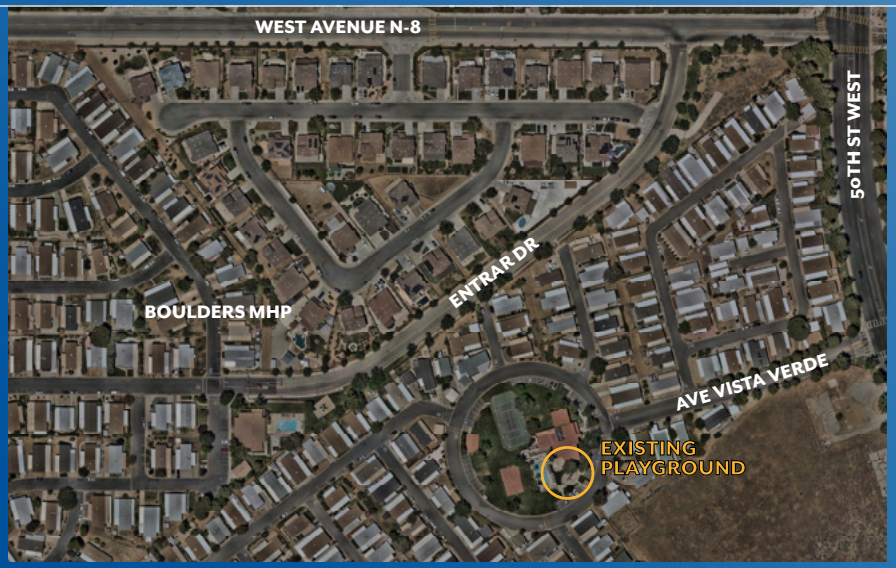
All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Park Development Fund	$300					$300
State Grant Fund				$6,000	$6,000	$12,000
Total	**$300**			**$6,000**	**$6,000**	**$12,300**

PRK-010

ADA Playground at Boulders Mobile Home Park II

Project proposes site work and installation of ADA playground slated to be completed by spring 2026.



PROJECT COST ESTIMATE

All figures below in thousands of dollars

CURRENT BUDGET FISCAL YEAR	FY 25-26
CDBG Fund	$500
Total	**$500**

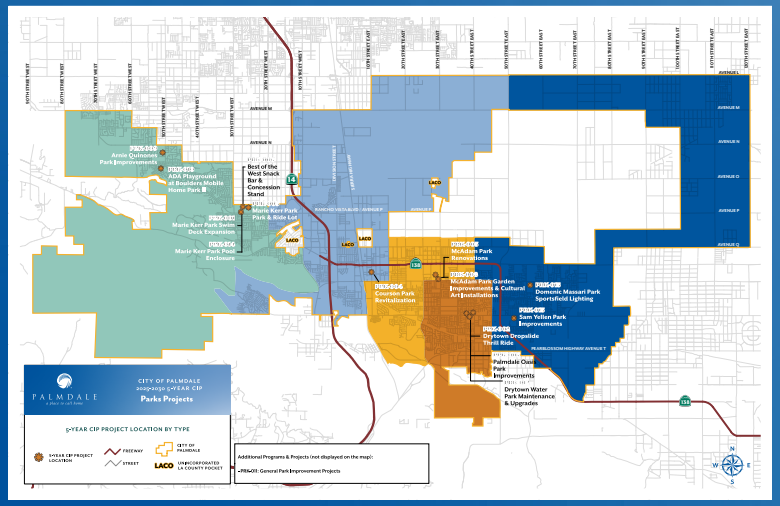
Five-Year **Capital Improvement Plan**

Parks & Recreation Projects

PRK-011

General Park *Improvement Projects*

Provide ongoing upgrades and improvements to existing parks. Work would involve upkeep of landscape, pathways, playgrounds, signage, sportsfields, perimeter security, courts/skate parks, and facilities.



PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Measure AV Fund	$1,928	$1,900	$1,900	$1,900	$1,900	**$9,528**
Total	**$1,928**	**$1,900**	**$1,900**	**$1,900**	**$1,900**	**$9,528**

PRK-012

DryTown Water Park *Maintenance & Upgrades*

General maintenance at DryTown Water Park, to include but not limited to, replacement of exterior pathway light fixture and bulb, Tower A splash pool plaster, Tower B mechanical replacement, installing public address system, and main restroom building renovation. Additional improvements such as main kitchen renovation, lazy river plaster replacement, bridge repair, and Tower B UV filtration components are also slated as future projects.

PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
DryTown Water Park Fund	$300					**$300**
TBD		$500	$500	$500	$500	**$2,000**
Total	**$300**	**$500**	**$500**	**$500**	**$500**	**$2,300**

PRK-013

Sam Yellen Park *Improvements*

Proposed future projects at Yellen Park are to develop the unimproved area adjacent to the futsal courts as a new multipurpose field and/or maintenance building.

PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Measure AV Fund					$500	**$500**
Total					**$500**	**$500**

PRK-014

Marie Kerr Park *Pool Enclosure*

Phase II proposes to complete construction of an enclosure for the associated new mechanical equipment.

PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Measure AV Fund					$702	**$702**
Total					**$702**	**$702**

PRK-015

Domenic Massari Park *Sportsfield Lighting*

Upgrade Domenic Massari Park sports field lighting with new LED field lighting.

PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Measure AV Fund			$1,500	$2,000		**$3,500**
Total			**$1,500**	**$2,000**		**$3,500**

CITY OF PALMDALE

Streets

Streets *Projects*

Five-Year Funding Summary
Projected Budget Totals 2025-2030
(all figures below in thousands of dollars)

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total Budget*
CBDG Fund	$650	$—	$—	$—	$—	**$650**
Developer Contribution	$742	$—	$—	$—	$—	**$742**
Federal Grant Fund	$3,900	$4,531	$2,000	$—	$—	**$9,431**
Gas Tax Fund	$4,715	$398	$1,325	$2,500	$2,500	**$11,438**
Measure M Grant Fund	$1,706	$—	$—	$—	$—	**$1,706**
Measure M Local Return Fund	$500	$1,500	$2,075	$—	$—	**$4,075**
Measure R Grant Fund	$30,472	$8,600	$16,257	$10,000	$13,000	**$78,329**
Measure R Local Return Fund	$725	$—	$169	$—	$—	**$894**
Prop A Local Return Fund	$2,775	$2,500	$2,500	$—	$—	**$7,775**
Prop C Grant Fund	$3,816	$—	$-	$—	$—	**$3,816**
Prop C Local Return Fund	$3,452	$6,300	$6,500	$6,500	$6,500	**$29,352**
RAISE Grant Fund	$—	$1,000	$7,000	$7,000	$8,000	**$23,000**
Road Maintenance & Rehabilitation Act Fund (SB1)	$5,643	$5,996	$4,500	$4,700	$4,700	**$25,539**
Sewer Assessment District Fund	$365	$—	$—	$—	$—	**$365**
TDA Article 8 Fund	$1,129	$—	$—	$—	$—	**$1,129**
TOTALS	**$58,590**	**$31,825**	**$42,326**	**$30,700**	**$34,800**	**$198,241**

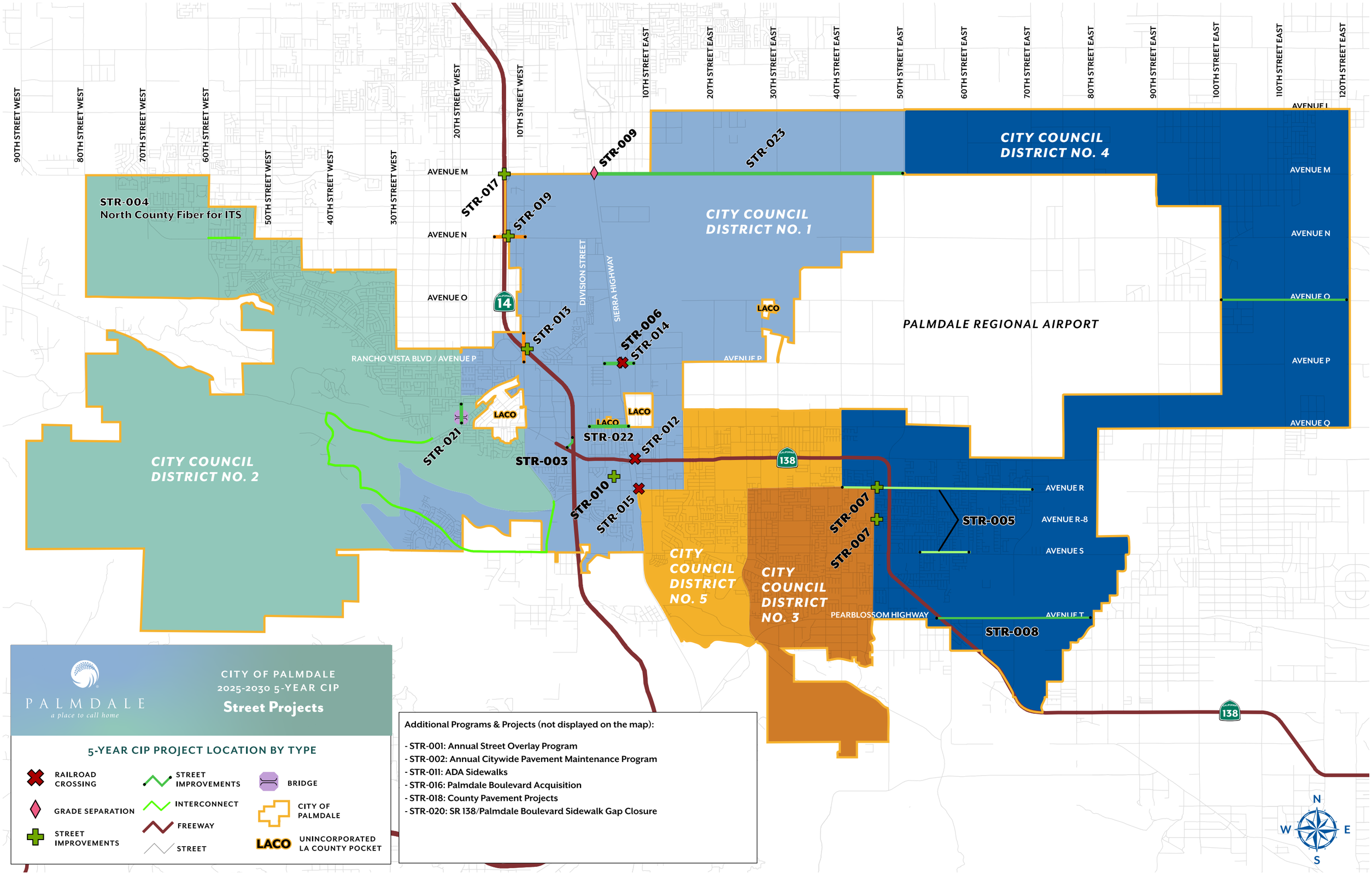
* The amount shown is a preliminary estimated budget for the anticipated total cost of the projects and is not intended to be an estimate of the anticipated amount of the revenue. Revenue estimates are calculated annually as part of the annual budget process and are considered before projects are approved as part of the City's annual budget.

Streets Project List

FIVE YEAR CIP PROJECT #		COUNCIL DISTRICT #	CURRENT BUDGET FY 25-26	ESTIMATED EXPENDITURES FY 25-26	FUTURE BUDGET FY 26-30	ESTIMATED EXPENDITURES FY 26-30	TOTAL PROJECT BUDGET (IN THOUSANDS)
STR-001	Annual Street Overlay Program	1-5	$6,271	$6,271	$10,000	$10,000	$16,271
STR-002	Annual Citywide Pavement Maintenance Program	1-5	$6,088	$6,088	$34,000	$34,000	$40,088
STR-003	SR 138/Palmdale Boulevard SB 14 Ramp	1	$23,721	$18,000	$—	$5,721	$23,721
STR-004	North County Fiber for ITS	1-5	$3,127	$3,127	$—	$—	$3,127
STR-005	Avenue R ITS Signal Synchonization	4	$3,464	$584	$—	$2,880	$3,464
STR-006	Rancho Vista Boulevard Grade Separation Ph II	1	$1,394	$1,394	$24,020	$24,020	$25,414
STR-007	45th Street East Improvements	3-4	$500	$500	$2,500	$2,500	$3,000
STR-008	Avenue T Street Improvements (Design & Environmental)	4	$1,000	$1,000	$1,496	$1,496	$2,496
STR-009	Avenue M and Sierra Hwy Grade Separation	1	$500	$—	$1,800	$2,300	$2,300
STR-010	Division St realignment & Palmdale Blvd Intersection Improvement Project	1	$—	$—	$10,000	$10,000	$10,000
STR-011	ADA Sidewalks	1	$650	$650	$—	$—	$650
STR-012	SR 138 Palmdale Boulevard 5th-10th Street East	1	$645	$645	$18,800	$18,800	$19,445
STR-013	SR 138/10th Street West Interchange	1	$647	$647	$22,800	$22,800	$23,447
STR-014	Rancho Vista Boulevard/Sierra Hwy Railroad Safety Crossing	1	$300	$300	$3,334	$3,334	$3,634
STR-015	Avenue R/Sierra Hwy Railroad Safety Crossing	1	$600	$600	$177	$177	$777
STR-016	Palmdale Boulevard Acquisition	1	$100	$100	$398	$398	$498
STR-017	Avenue M Interchange Improvements	1	$6,840	$—	$—	$6,840	$6,840
STR-018	County Pavement Projects	1-5	$951	$951	$2,069	$2,069	$3,020
STR-019	SR 138/Avenue N Overcrossing	1	$—	$—	$6,257	$6,257	$6,257
STR-020	SR 138/Palmdale Boulevard Sidewalk Gap Closure	1-5	$550	$—	$—	$550	$550
STR-021	20th Street West Bridge	1	$742	$—	$—	$742	$742
STR-022	Avenue Q Complete Streets and Crossing	1	$—	$—	$1,000	$1,000	$1,000
STR-023	Avenue M Corridor (Sierra Hwy to 50th St East)	1	$—	$—	$1,500	$1,500	$1,500
		TOTAL	**$58,090**	**$40,857**	**$140,151**	**$157,384**	**$198,241**

Streets Expenditures

Project No.	Project Name	FY 2026 Adopted Budget (includes future budget requests)	FY 2026 Projected Expenditure	FY 2027 Projected Expenditure	FY 2028 Projected Expenditure	FY 2029 Projected Expenditure	FY 2030 Projected Expenditure
STR-001	ANNUAL STREET OVERLAY PROGRAM	$16,271	$6,271	$—	$—	$5,000	$5,000
STR-002	ANNUAL CITYWIDE PAVEMENT MAINTENANCE PROGRAM (ACPMP)	$40,088	$6,088	$8,000	$8,500	$8,700	$8,800
STR-003	SR 138/PLMDL BLVD SB 14 RAMP	$23,721	$18,000	$5,721	$—	$—	$—
STR-004	NORTH COUNTY FIBER FOR ITS	$3,127	$3,127	$—	$—	$—	$—
STR-005	AVENUE R ITS SIGNAL SYNC	$3,464	$584	$2,880	$—	$—	$—
STR-006	RANCHO VISTA GRADE SEP PH II	$25,414	$1,394	$2,020	$7,000	$7,000	$8,000
STR-007	45TH STREET EAST IMPROVEMENTS	$3,000	$500	$1,000	$1,500	$—	$—
STR-008	AVE T DESIGN & ENVIRONMENTAL	$2,496	$1,000	$1,496	$—	$—	$—
STR-009	AVE M/SIERRA HWY GRADE SEPARATION	$2,300	$—	$500	$1,800	$—	$—
STR-010	DIVISION ST REALIGNMENT & PALMDALE BLVD INTERSECTION IMPROVEMENT PROJECT	$10,000	$—	$5,000	$5,000	$—	$—
STR-011	ADA COMPLIANCE - SIDEWALKS	$650	$650	$—	$—	$—	$—
STR-012	SR 138 PALMDALE BLVD 5TH/10TH ST E	$19,445	$645	$3,800	$5,000	$5,000	$5,000
STR-013	SR 138/10TH ST W INTERCHANGE	$23,447	$647	$4,800	$5,000	$5,000	$8,000
STR-014	RANCHO VISTA BLVD SIERRA HIGHWAY RR SAFETY CROSSING	$3,634	$300	$1,334	$2,000	$—	$—
STR-015	AVE R SIERRA HIGHWAY RR SAFETY CROSSING	$777	$600	$177	$—	$—	$—
STR-016	PALMDALE BLVD ACQUISITION	$498	$100	$398	$—	$—	$—
STR-017	AVE M INTERCHANGE IMPROVEMENTS & PUBLIC ART	$6,840	$—	$—	$—	$3,000	$6,840
STR-018	COUNTY PAVEMENT PROJECTS	$3,020	$951	$—	$2,069	$—	$—
STR-019	SR138 AVENUE N OVERCROSSING	$6,257	$—	$—	$3,757	$2,500	$—
STR-020	SR138 PALMDALE BLVD SIDEWALK GAP CLOSURE	$550	$—	$—	$550	$—	$—
STR-021	20TH STREET WEST BRIDGE	$742	$—	$—	$—	$—	$742
STR-022	AVENUE Q COMPLETE STREETS AND CROSSING	$1,000	$—	$500	$500	$—	$—
STR-023	AVENUE M CORRIDOR (SIERRA HWY TO 50TH STREET EAST)	$1,500	$—	$1,500	$—	$—	$—
	Total	**$198,241**	**$40,857**	**$39,126**	**$42,676**	**$36,200**	**$39,382**


CITY OF PALMDALE
2025-2030 5-YEAR CIP
Street Projects
PALMDALE
a place to call home
5-YEAR CIP PROJECT LOCATION BY TYPE
RAILROAD CROSSING
GRADE SEPARATION
STREET IMPROVEMENTS
STREET IMPROVEMENTS
INTERCONNECT
FREEWAY
STREET
BRIDGE
CITY OF PALMDALE
LACO UNINCORPORATED LA COUNTY POCKET
Additional Programs & Projects (not displayed on the map):
- STR-001: Annual Street Overlay Program
- STR-002: Annual Citywide Pavement Maintenance Program
- STR-011: ADA Sidewalks
- STR-016: Palmdale Boulevard Acquisition
- STR-018: County Pavement Projects
- STR-020: SR 138/Palmdale Boulevard Sidewalk Gap Closure
CITY COUNCIL DISTRICT NO. 1
CITY COUNCIL DISTRICT NO. 2
CITY COUNCIL DISTRICT NO. 3
CITY COUNCIL DISTRICT NO. 4
CITY COUNCIL DISTRICT NO. 5
PALMDALE REGIONAL AIRPORT
STR-004
North County Fiber for ITS
STR-009
STR-023
STR-017
STR-019
STR-013
STR-006
STR-014
STR-022
STR-012
STR-003
STR-021
STR-010
STR-015
STR-007
STR-005
STR-008
LACO
AVENUE M
AVENUE N
AVENUE O
AVENUE P
AVENUE Q
AVENUE R
AVENUE R-8
AVENUE S
AVENUE T
RANCHO VISTA BLVD / AVENUE P
DIVISION STREET
SIERRA HIGHWAY
PEARBLOSSOM HIGHWAY
90TH STREET WEST
80TH STREET WEST
70TH STREET WEST
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100TH STREET EAST
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120TH STREET EAST
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138
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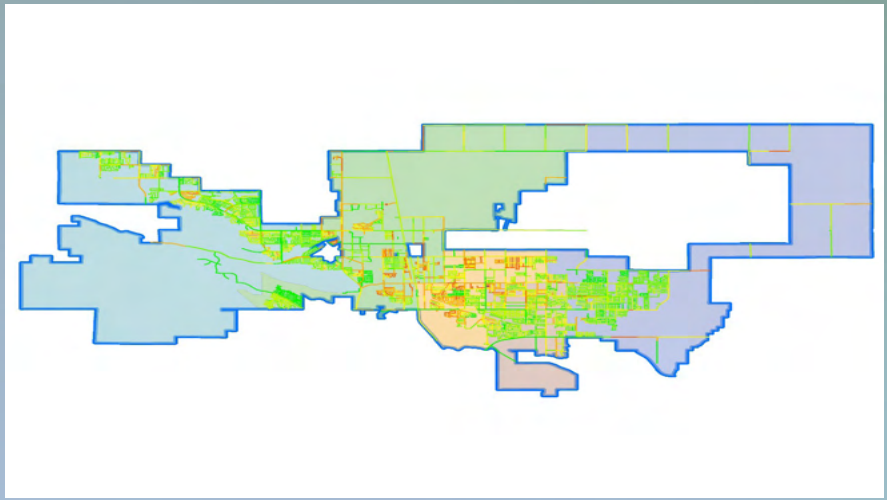
STR-001

Annual Street *Overlay Program*

The application of asphalt pavement overlays on roadway to local streets to prolong the life of the existing asphalt pavement period. The Pavement Management System is utilized to prioritize streets to be included in the program.



PROJECTED BUDGET

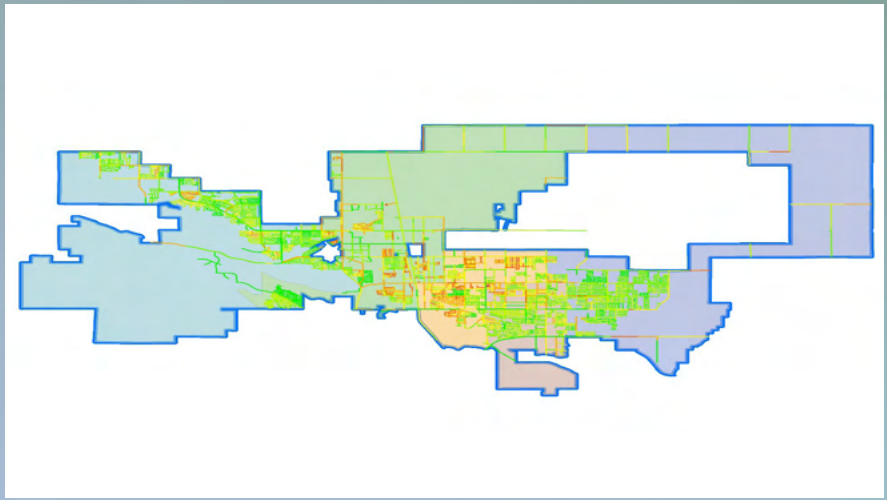
All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Gas Tax Fund	$3,721			$2,500	$2,500	**$8,721**
Prop C Local Return Fund	$1,664			$2,500	$2,500	**$6,664**
TDA Article 8 Fund	$886					**$886**
Total	**$6,271**			**$5,000**	**$5,000**	**$16,271**

STR-002

Annual Citywide Pavement *Maintenance Program*

Providing all necessary pavement engineering services to create and update the City's Pavement Management System (PMS). This includes, but is not limited to, evaluating the condition of City streets and alleys, updating PMS software and graphical information systems (GIS) products, evaluating street maintenance and repair techniques, integrating data into new PMS software and developing a street maintenance capital improvement plan.



PROJECTED BUDGET

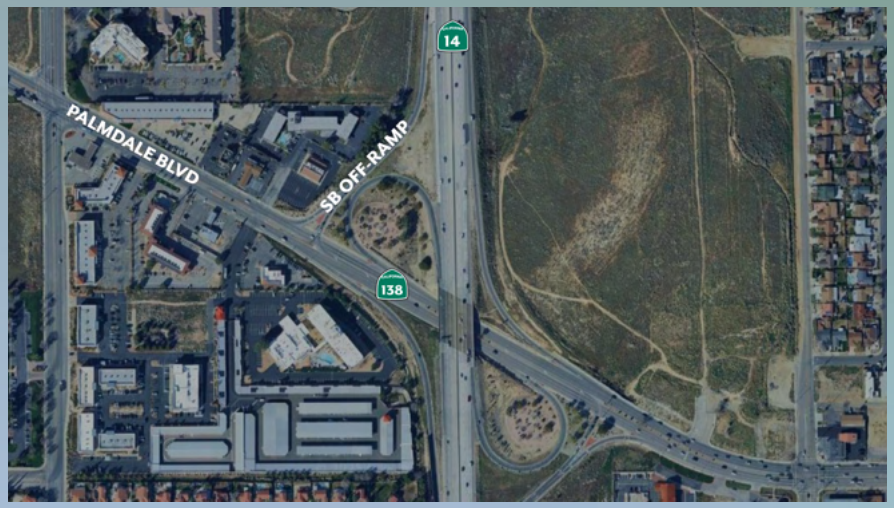
All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Prop C Local Return Fund	$1,788	$3,500	$4,000	$4,000	$4,100	**$17,388**
Road Maintenance & Rehabilitation Act Fund (SB1)	$4,300	$4,500	$4,500	$4,700	$4,700	**$22,700**
Total	**$6,088**	**8,000**	**8,500**	**8,700**	**$8,800**	**$40,088**

STR-003

SR 138/Palmdale Boulevard and SR 14 On-Off Ramp *Improvement Project*

On-off-ramp at SR 138 (SR 14) and Palmdale Blvd widening including monuments and landscaping.



PROJECT COST ESTIMATE

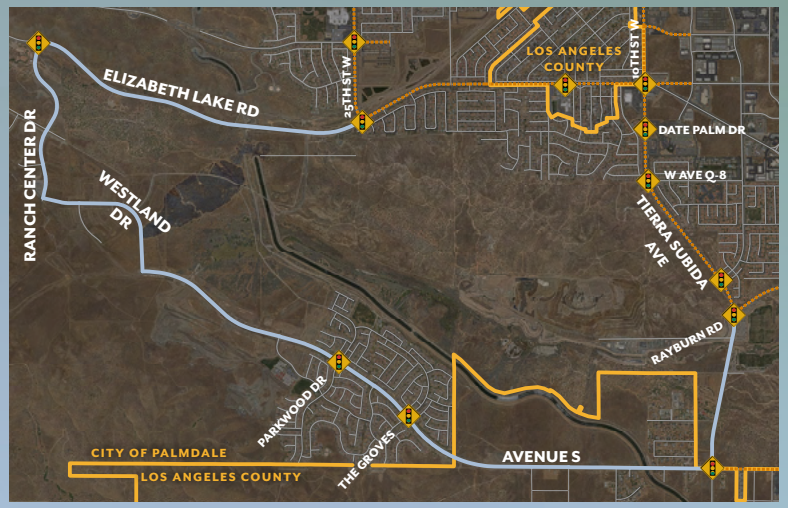
All figures below in thousands of dollars

CURRENT FISCAL YEAR BUDGET	FY 25-26
Measure M Grant Fund	$1,156
Measure R Grant Fund	$22,565
Total	**$23,721**

STR-004

North County Fiber for *ITS*

The North County ITS Signal Synchronization project provides continued traffic signal fiber optic lines, signals and CCTV communication. This phase will consist of the installation of new HDPE fiber conduit in various locations: 10th Street West/Rayburn Road to Avenue S; Avenue S/Tierra Subida Avenue to Parkwood Drive and The Groves traffic signals; Avenue S/Parkwood Drive and The Groves traffic signals to Westland Drive; Westland Drive/Avenue S to Ranch Center Drive; Ranch Center Drive/Westland Drive to Elizabeth Lake Road; Elizabeth Lake Road/25th Street West to Ranch Center Drive; Avenue N from 55th Street West to 60th Street West, and installation of a new traffic signal at Avenue N and 60th West along with the installation of various CCTV surveillance cameras. This phase will also include installation of a new hub at Avenue S and Tierra Subida Avenue.



PROJECT COST ESTIMATE

All figures below in thousands of dollars

CURRENT FISCAL YEAR BUDGET	FY 25-26
Prop A Local Return Fund	$2,191
Prop C Grant Fund	$936
Total	**$3,127**

Five-Year **Capital Improvement Plan**

Streets Projects

STR-005

Avenue R ITS Signal *Synchonization*

The project is the expansion of ITS infrastructure, which includes the extension of the existing fiber optic line along Avenue R and construction of traffic signals and installation of CCTVs.

PROJECTED BUDGET

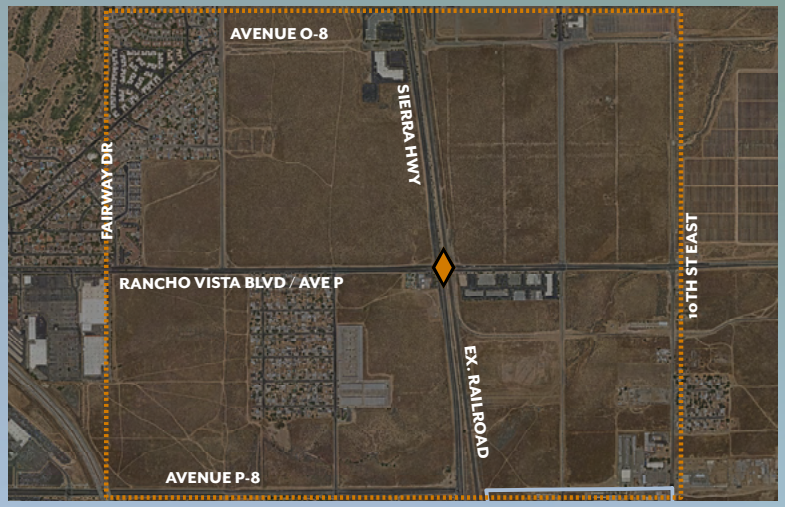
All figures below in thousands of dollars

CURRENT FISCAL YEAR BUDGET	FY 25-26
Prop A Local Return Fund	$584
Prop C Grant Fund	$2,880
Total	**$3,464**

STR-006

Rancho Vista Boulevard *Grade Separation Phase II*

Construct a railroad grade separation of Rancho Vista Boulevard at both Sierra Highway and the double-track at-grade crossing of the Southern California Regional Rail Authority (SCRRA), Metrolink and Union Pacific Railroad (UPRR) tracks. The project extends easterly on Rancho Vista Boulevard from Fairway Drive to 10th Street East and southerly on Sierra Highway from approximately 400 feet north of East Avenue O-8 to Avenue P-8.



PROJECTED BUDGET

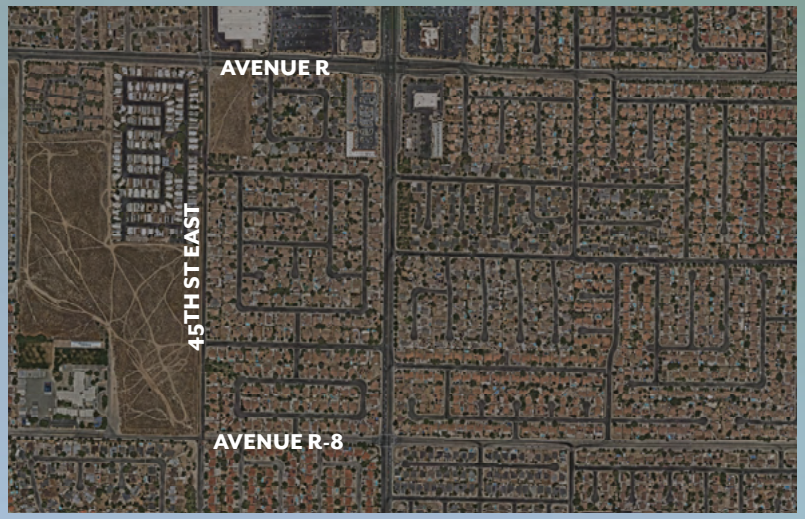
All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Federal Grant Fund		$1,020				**$1,020**
RAISE Grant Fund		$1,000	$7,000	$7,000	$8,000	**$23,000**
Measure R Local Return Fund	$500					**$500**
Gas Tax Fund	$894					**$894**
Total	**$1,394**	**$2,020**	**$7,000**	**$7,000**	**$8,000**	**$25,414**

STR-007

45th Street East *Improvements*

Design gap closure along East Avenue R and Avenue R-8 to mitigate the surface flow of storm water on 45th Street East.



PROJECTED BUDGET

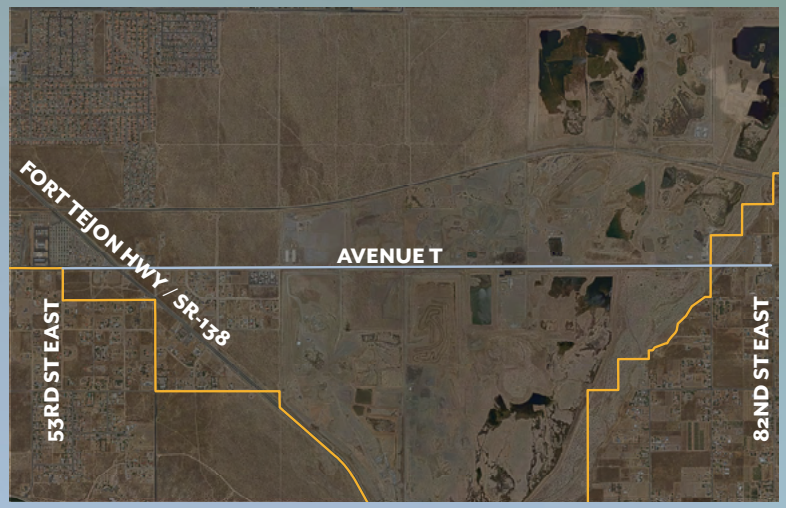
All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Total
Measure M Local Return Fund	$500	$1,000	$1,500			**$3,000**
Total	**$500**	**$1,000**	**$1,500**			**$3,000**

STR-008

Avenue T Street Improvements *(Design & Environmental)*

Complete removal and replacement of the street section on Avenue T from Fort Tejon (SR 138) to 82nd Street East, including minor drainage improvements and signal upgrades at the intersection.



PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY 25-26	FY 26-27	FY 27-28	Estimated Total
Road Maintenance & Rehabilitation Act Fund (SB1)	$1,000	$1,496		**$2,496**
Total	**$1,000**	**$1,496**		**$2,496**

STR-009

Avenue M and Sierra Hwy *Grade Separation*

The project proposes construction of a Railroad Grade Separation of Avenue M at the double-track at-grade crossing of the Southern California Regional Rail Authority (SCRRA), Metrolink, Union Pacific Railroad, and California High-Speed Rail right-of-way.

PROJECTED BUDGET

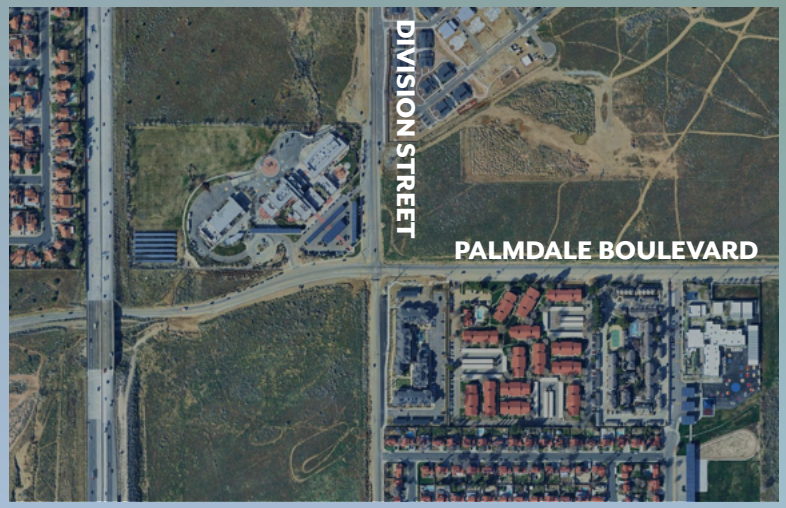
All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Federal Grant Fund	$500	$1,000				**$1,500**
Measure M Local Return Fund		$500				**$500**
Prop C Local Return Fund		$300				**$300**
Total	**$500**	**$1,800**				**$2,300**

STR-010

Division Street Realignment and Palmdale Boulevard Intersection *Improvement Project*

Realign and widen Division St. from Palmdale Blvd to Avenue Q and improve the Palmdale Blvd intersection with new traffic signals, pedestrian crossing, left turn pockets, and signal timing optimization with bus turn-out and shelter.



PROJECTED BUDGET

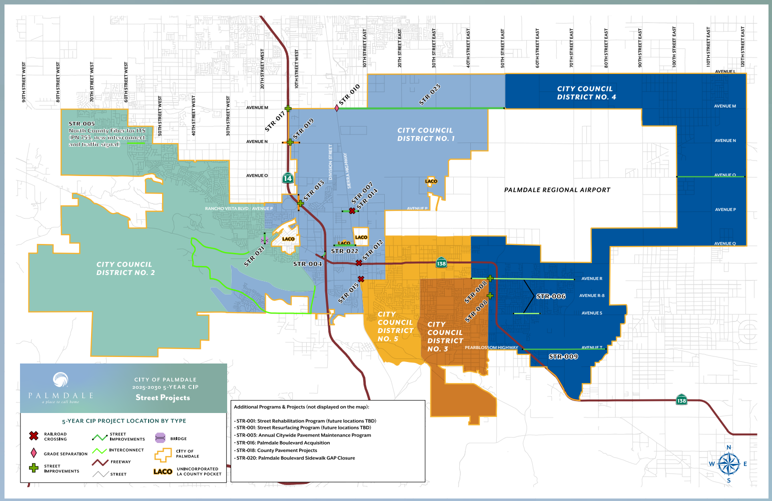
All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Prop A Local Return Fund		$2,500	$2,500			**$5,000**
Prop C Local Return Fund		$2,500	$2,500			**$5,000**
Total	**$0**	**$5,000**	**$5,000**	**$0**	**$0**	**$10,000**

STR-011

ADA *Sidewalks*

Annual ADA sidewalk improvements in designated CDBG areas around the City. Current FY 25-26 project will construct ADA-compliant sidewalks and ramps on 3rd Street East and within the neighborhood to the west, improving accessibility and connectivity to local parks and City facilities.



PROJECTED COST ESTIMATE

All figures below in thousands of dollars

CURRENT BUDGET FISCAL YEAR	FY 25-26
CBDG Fund	$650
Total	**$650**

STR-012

SR 138 Palmdale Boulevard
5th Street East-10th Street East

Phase 1 - construct interim improvements between 6th Street East and 9th Street East along SR 138 (Palmdale Blvd) that will include roadway improvements and improvements to the at-grade railroad crossing.

Phase 2 - complete the remainder of the improvements, as described in the approved Project Report, between 5th Street East and 10th Street East along SR 138 (Palmdale Blvd) between Avenue Q and Avenue R along Sierra Highway.

PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Measure R Grant Fund	$645	$3,800	$5,000	$5,000	$5,000	**$19,445**
Total	**$645**	**$3,800**	**$5,000**	**$5,000**	**$5,000**	**$19,445**

STR-013

SR 138/10th Street West *Interchange*

This project will provide for the upgrade of the existing railway system at the intersection of Avenue R and Sierra Highway. The California Public Utilities Commissions (CPUC) Rail Crossings and Engineering Branch has proposed safety improvements to the existing railway system that will be funded under the Railroad-Highway Grade Crossing Program (RHGCP), Section 130 funds. The improvements will be contracted by both railroad agencies, Union Pacific Railroad (UPRR) and Southern California Regional Rail Authority (SCRRA/Metrolink) along with the City of Palmdale and will be managed by the Caltrans Divisions of Local Assistance.

PROJECTED BUDGET

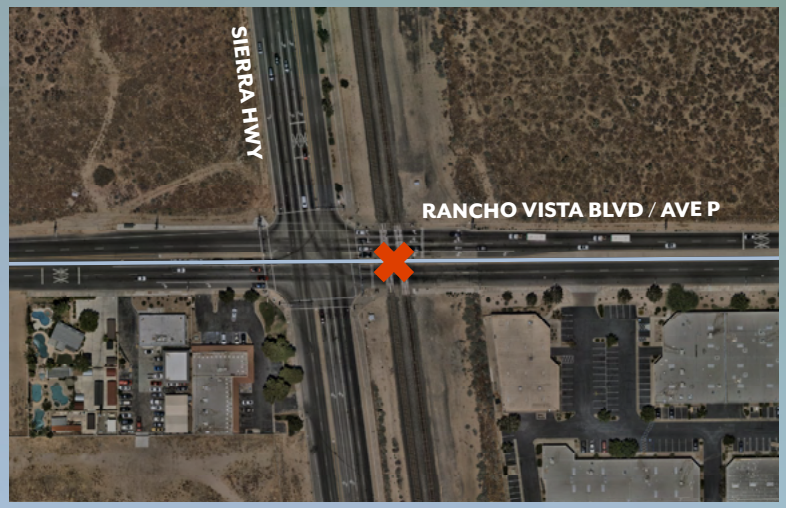
All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Total
Measure R Grant Fund	$647	$4,800	$5,000	$5,000	$8,000	**$23,447**
Total	**$647**	**$4,800**	**$5,000**	**$5,000**	**$8,000**	**$23,447**

STR-014

Rancho Vista Boulevard Sierra Hwy Railroad *Safety Crossing*

This project will provide for the upgrade of the existing railway system at the intersection of Rancho Vista Boulevard and Sierra Highway. The California Public Utilities Commissions (CPUC) Rail Crossings and Engineering Branch has proposed safety improvements to the existing railway system that will be funded under the Railroad-Highway Grade Crossing Program (RHGCP), Section 130 funds.



PROJECTED BUDGET

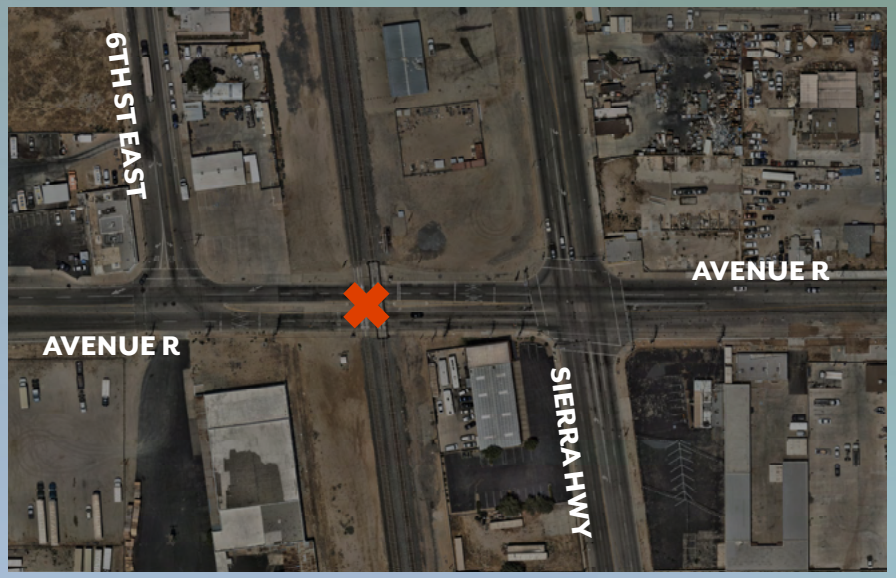
All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Federal Grant Fund	$300	$1,334	$2,000			**$3,634**
Total	**$300**	**$1,334**	**$2,000**	**$0**	**$0**	**$3,634**

STR-015

Avenue R Sierra Hwy Railroad *Safety Crossing*

The crossing consists of a four-lane, east-west oriented highway and two tracks including one SCRRA Valley Subdivision track and one UPRR Los Angeles Division. The roadway has a width of 56 feet and intersects with the track at a 100-degree crossing angle. The pedestrian/bicycle sidewalk approach at the north quadrants has a width of 10 feet; there is no sidewalk approach at the south quadrants. The track surfacing consists of concrete panels with a width of 88 feet. The crossing is equipped with two CPUC Standard No. 9 automatic gate type warning devices.



PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY 25-26	FY 26-27	Total
Federal Grant Fund	$600	$177	**$777**
Total	**$600**	**$177**	**$777**

STR-016

Palmdale Boulevard *Acquisition*

Relinquishment of Palmdale Boulevard from Caltrans, to include upgrades to the existing roadway where it is currently substandard. Some funding would likely be secured from Caltrans.

PROJECTED BUDGET

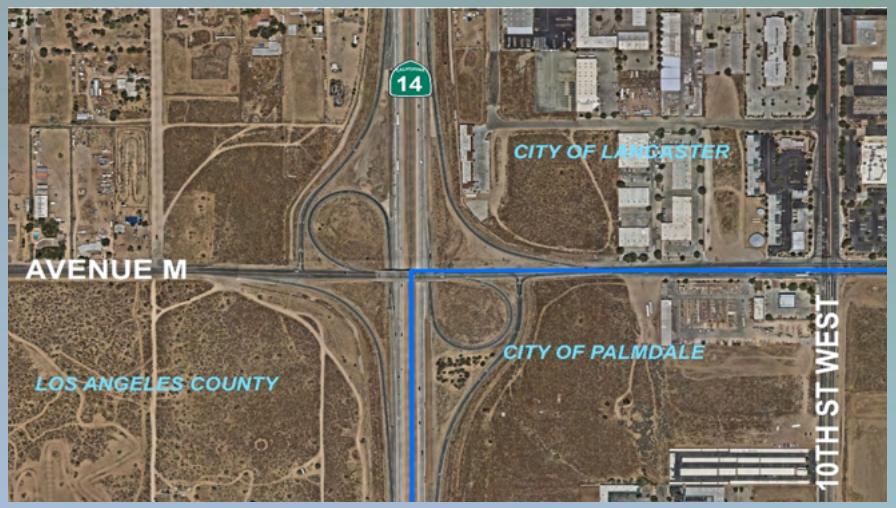
All figures below in thousands of dollars

Fund Source	FY 25-26	FY 26-27	Estimated Total
Gas Tax Fund	$100	$398	**$498**
Total	**$100**	**$398**	**$498**

STR-017

Avenue M Interchange *Improvements*

The City continues to work through co-op agreements with the City of Lancaster and the County. This will be evaluated further as final design is confirmed and completed prior to construction. City of Lancaster has put this project on hold due to funding. City of Palmdale will contribute funds towards the project. Project includes public art in interchange roundabouts.



PROJECTED BUDGET

All figures below in thousands of dollars

CURRENT BUDGET FISCAL YEAR	FY 25-26
Measure R Grant Fund	$6,615
Measure R Local Return Fund	$225
Total	**$6,840**

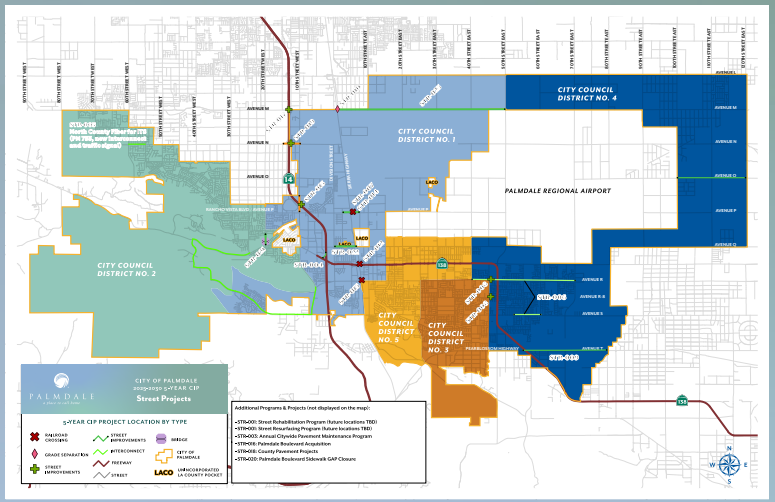
Five-Year **Capital Improvement Plan**

Streets Projects

STR-018

County Pavement *Projects*

The City continues to work with the Los Angeles Public Works Department on joint street projects throughout the City.



PROJECTED BUDGET

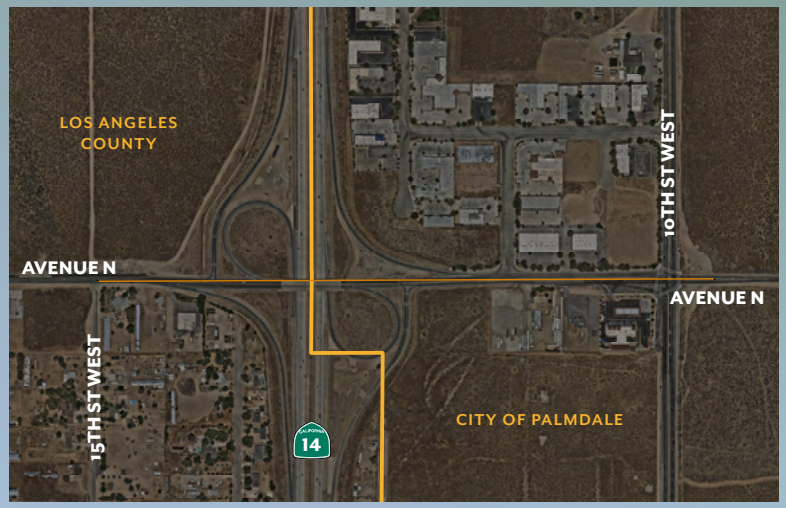
All figures below in thousands of dollars

Fund Source	FY 25-26	FY 26-27	Total
Gas Tax Fund		$1,325	$1,325
Measure M Local Return Fund		$575	$575
Measure R Local Return Fund		$169	$169
Road Maintenance & Rehabilitation Act Fund (SB1)	$343		$343
Sewer Assessment District Fund	$365		$365
TDA Article 3 Fund	$243		$243
Total	**$951**	**$2,069**	**$3,020**

STR-019

SR 138/Avenue N *Overcrossing*

Interchange improvements at northbound off-ramp at SR 138 (SR 14) and Avenue N; widening of Avenue N from 15th St West to west of 10th St West.



PROJECT COST ESTIMATE

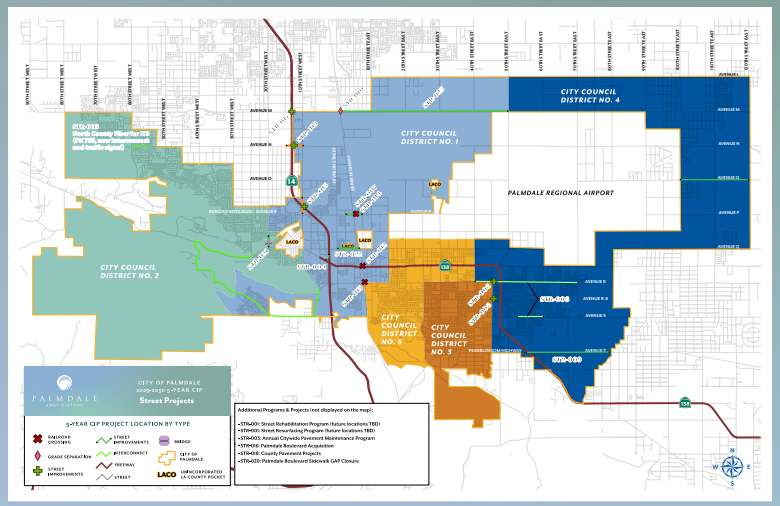
All figures below in thousands of dollars

FUTURE BUDGET FISCAL YEAR	FY 27-28
Measure R Grant Fund	$6,257
Total	**$6,257**

STR-020

SR 138/Palmdale Boulevard *Sidewalk Gap Closure*

Street improvements and sidewalk gap closure.



PROJECT COST ESTIMATE

All figures below in thousands of dollars

CURRENT BUDGET FISCAL YEAR	FY 25-26
Measure M Grant Fund	$550
Total	**$550**

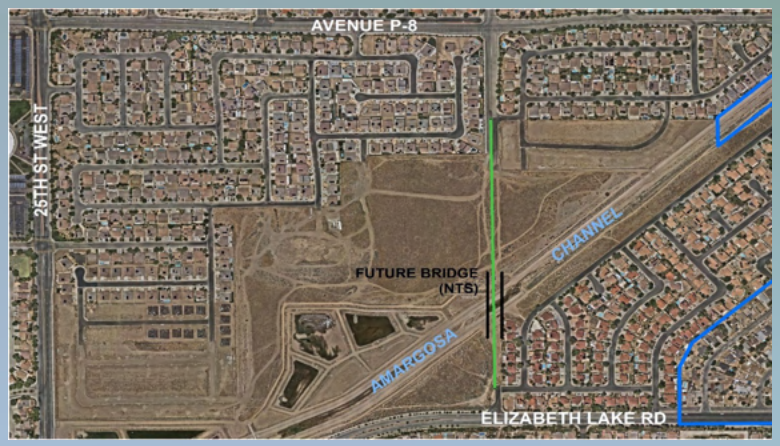
Five-Year **Capital Improvement Plan**

Streets Projects

STR-021

20th Street *West Bridge*

Improvements to 20th Street West bridge.



PROJECT COST ESTIMATE

All figures below in thousands of dollars

CURRENT BUDGET FISCAL YEAR	FY 25-26
Developer Contribution	$742
Total	**$742**

STR-022

Avenue Q Complete Streets *and Crossing*

This project proposes a grade-separated road underpass at East Avenue Q, where it meets the Union Pacific and Metrolink rail lines, allowing uninterrupted east-west travel and enhancing safety. The project also includes traffic calming measures such as landscaped medians, curb extensions, raised crosswalks, and pedestrian refuge islands, all aimed at improving safety and visibility. The redesign will incorporate multimodal infrastructure, featuring continuous, protected bike lanes, ADA-compliant sidewalks, upgraded bus stops with shelters and seating, and increased street lighting to enhance safety conditions after dusk and in the early morning hours.

PROJECT COST ESTIMATE

All figures below in thousands of dollars

FUTURE BUDGET FISCAL YEAR	FY 26-27
Federal Grant Fund	$1,000
Total	**$1,000**

STR-023

Avenue M Corridor *(Sierra Hwy to 50th East)*

The project includes much needed street infrastructure improvements to Avenue M; a primary access corridor serving US Air Force Plant 42. Avenue M is a designated regional arterial roadway/military access road and is currently heavily impacted by traffic congestion and has a poor level of service, especially during peak travel times. The project will improve the level of service, operations, and safety, ultimately benefiting US Air Force Plant 42 and the surrounding areas.

PROJECT COST ESTIMATE

All figures below in thousands of dollars

FUTURE BUDGET FISCAL YEAR	FY 26-27
Federal Grant Fund	$1,500
Total	**$1,500**

CITY OF PALMDALE

Traffic

Traffic *Projects*

Five-Year Funding Summary
Projected Budget Totals 2025-2030
(all figures below in thousands of dollars)

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total Budget*
Federal Grant Fund	$5,782	$—	$—	$—	$—	**$5,782**
Measure R Local Fund	$627	$—	$—	$—	$—	**$627**
RMRA (SB1) Fund	$—	$2,245	$—	$—	$—	**$2,245**
TBD	$—	$—	$2,250	$2,150	$1,250	**$5,650**
Traffic Impact Fund	$—	$400	$—	$—	$—	**$400**
TOTALS	**$6,409**	**$2,645**	**$2,250**	**$2,150**	**$1,250**	**$14,704**

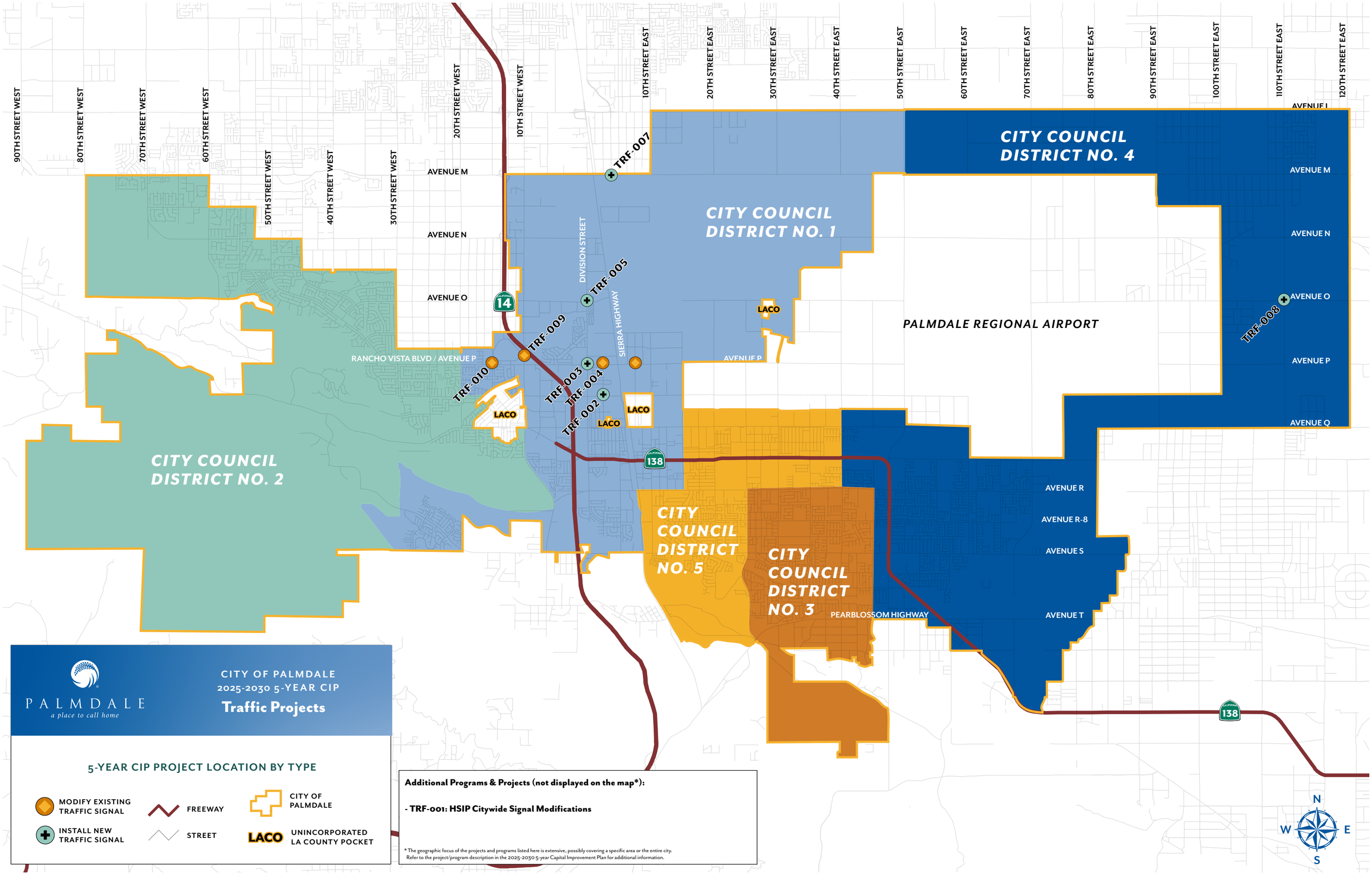
* The amount shown is a preliminary estimated budget for the anticipated total cost of the projects and is not intended to be an estimate of the anticipated amount of the revenue. Revenue estimates are calculated annually as part of the annual budget process and are considered before projects are approved as part of the City's annual budget.

Traffic Project List

FIVE YEAR CIP PROJECT #		COUNCIL DISTRICT #	CURRENT BUDGET FY 25-26	ESTIMATED EXPENDITURES FY 25-26	FUTURE BUDGET FY 26-30	ESTIMATED EXPENDITURES FY 26-30	TOTAL PROJECT COSTS (IN THOUSANDS)
TRF-001	HSIP Citywide Signal Modifications	1-5	$6,409	$6,409	$—	$—	$6,409
TRF-002	Traffic Signal - Technology Drive at 3rd Street East	1	$1,150	$—	$350	$1,500	$1,500
TRF-003	Traffic Signal - Rancho Vista Blvd at Division St.	1	$745	$—	$—	$745	$745
TRF-004	Traffic Signal - Left-turn Phasing (Rancho Vista Blvd at 3rd Street East)	1	$100	$—	$300	$400	$400
TRF-005	Traffic Signal - Avenue O at Division Street	1	$—	$—	$1,500	$1,500	$1,500
TRF-006	Traffic Signal - Rancho Vista Blvd at Lockheed Way	1	$—	$—	$750	$750	$750
TRF-007	Traffic Signal - Avenue M at 4th Street East	1	$—	$—	$1,500	$1,500	$1,500
TRF-008	Traffic Signal - Avenue O at 110th Street East to 120th Street East	4	$—	$—	$750	$750	$750
TRF-009	Traffic Signal - 10th Street West at AV Mall Drive	1	$—	$—	$650	$650	$650
TRF-010	Traffic Signal - Rancho Vista Blvd at 15th Street West	1	$—	$—	$500	$500	$500
		TOTAL	**$8,404**	**$6,409**	**$6,300**	**$8,295**	**$14,704**

Traffic Expenditures

Project No.	Project Name	FY 2026 Adopted Budget (includes future budget requests)	FY 2026 Projected Expenditure	FY 2027 Projected Expenditure	FY 2028 Projected Expenditure	FY 2029 Projected Expenditure	FY 2030 Projected Expenditure
TRF-001	HSIP CITYWIDE SIGNAL MODERNIZATION	$6,409	$6,409				
TRF-002	TRAFFIC SIGNAL TECHNOLOGY DR & 3 ST E	$1,500		$1,500			
TRF-003	TRAFFIC SIGNAL - RANCHO VISTA BLVD & DIVISION ST	$745		$745			
TRF-004	TRAFFIC SIGNAL LEFT PHASING (RANCHO VISTA BLVD AT 3RD ST	$400		$400			
TRF-005	Traffic Signal - Avenue O at Division Street	$1,500			$1,500		
TRF-006	Traffic Signal - Rancho Vista Blvd at Lockheed Way	$750					$750
TRF-007	Traffic Signal - Avenue M at 4th Street East	$1,500				$1,500	
TRF-008	Traffic Signal - Avenue O at 110th Street East to 120th Street East	$750			$750		
TRF-009	Traffic Signal - 10th Street West at AV Mall Drive	$650				$650	
TRF-010	Traffic Signal - Rancho Vista Blvd at 15th Street West	$500					$500
	Total	**$14,704**	**$6,409**	**$2,645**	**$2,250**	**$2,150**	**$1,250**



PALMDALE
a place to call home

CITY OF PALMDALE
2025-2030 5-YEAR CIP
Traffic Projects

5-YEAR CIP PROJECT LOCATION BY TYPE

- MODIFY EXISTING TRAFFIC SIGNAL
- INSTALL NEW TRAFFIC SIGNAL
- FREEWAY
- STREET
- CITY OF PALMDALE
- LACO UNINCORPORATED LA COUNTY POCKET

Additional Programs & Projects (not displayed on the map*):

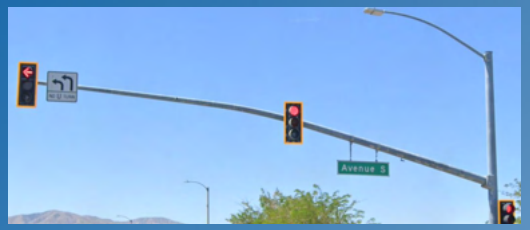
- TRF-001: HSIP Citywide Signal Modifications

* The geographic focus of the projects and programs listed here is extensive, possibly covering a specific area or the entire city. Refer to the project/program description in the 2025-2030 5-year Capital Improvement Plan for additional information.

TRF-001

HSIP Citywide Signal *Modifications*

Upgrade signal head with current standard and replace pedestrain crosswalks and pedestrian push buttons.
Repair and replace wiring inside signal heads.



PROJECT COST ESTIMATE

All figures below in thousands of dollars

CURRENT BUDGET FISCAL YEAR	FY 25-26
Federal Grant Fund	$5,782
Measure R Local Fund	$627
Total	$6,409

TRF-002

Traffic Signal: Technology Drive at 3rd Street East

Install four-way traffic signals to enhance safety and traffic operations of the intersection.

PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
RMRA (SBI) Fund		$1,500				$1,500
Total		**$1,500**				**$1,500**

TRF-003

Traffic Signal: Rancho Vista Blvd & Division St.

Install four-way traffic signals to enhance safety and traffic operations of the intersection.

PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
RMRA (SB1) Fund		$745				**$745**
Total		**$745**				**$745**

TRF-004

Traffic Signal: Left Turn Phasing (Rancho Vista Blvd at 3rd St East)

Add a left turn phase to westbound Rancho Vista Boulevard to enhance safety and traffic operations.

PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Traffic Impact Fund		$400				**$400**
Total		**$400**				**$400**

TRF-005

Traffic Signal: Avenue O at Division Street

Install four-way traffic signals to enhance safety and traffic operations of the intersection.

PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
TBD			$1,500			$1,500
Total			**$1,500**			**$1,500**

TRF-006

Traffic Signal: Rancho Vista Blvd at Lockheed Way

Install four-way traffic signals to enhance safety and traffic operations of the intersection.

PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
TBD					$750	$750
Total					**$750**	**$750**

TRF-007

Traffic Signal: Avenue M at 4th Street East

Install three-way traffic signals to enhance safety and traffic operations of the intersection.

PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
TBD				$1,500		$1,500
Total				**$1,500**		**$1,500**

TRF-008

Traffic Signal: Avenue O at 110th St East to 120th St East

Installation of a new traffic signal and intersection roadway improvements.

PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
TBD			$750			$750
Total			**$750**			**$750**

TRF-009

Traffic Signal: 10th St West at AV Mall Drive

Modification of existing traffic signal and intersection roadway improvements.

PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
TBD				$650		$650
Total				**$650**		**$650**

TRF-010

Traffic Signal: Rancho Vista Blvd at 15th St West

Modification of existing traffic signal and intersection roadway improvements.

PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
TBD					$500	$500
Total					**$500**	**$500**

CITY OF PALMDALE

Watershed *Resources*

Watershed *Resources*

Five-Year Funding Summary
Projected Budget Totals 2025-2030
(all figures below in thousands of dollars)

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total Budget*
Drainage Fund	$5,016	$4,305	$1,105	$2,105	$2,105	**$14,636**
Measure A Grant Fund	$910	$—	$—	$—	$—	**$910**
Measure M Local Return Fund	$3,159	$1,500	$—	$—	$—	**$4,659**
Public Art Fund	$90	$—	$—	$—	$—	**$90**
Sewer Maintenance Assessment Fund	$3,746	$2,720	$510	$510	$510	**$7,996**
Sewer Upgrade Fund	$200	$224	$—	$—	$—	**$424**
TBD	$—	$—	$15,000	$15,000	$15,000	**$45,000**
TOTALS	**$13,121**	**$8,749**	**$16,615**	**$17,615**	**$17,615**	**$73,715**

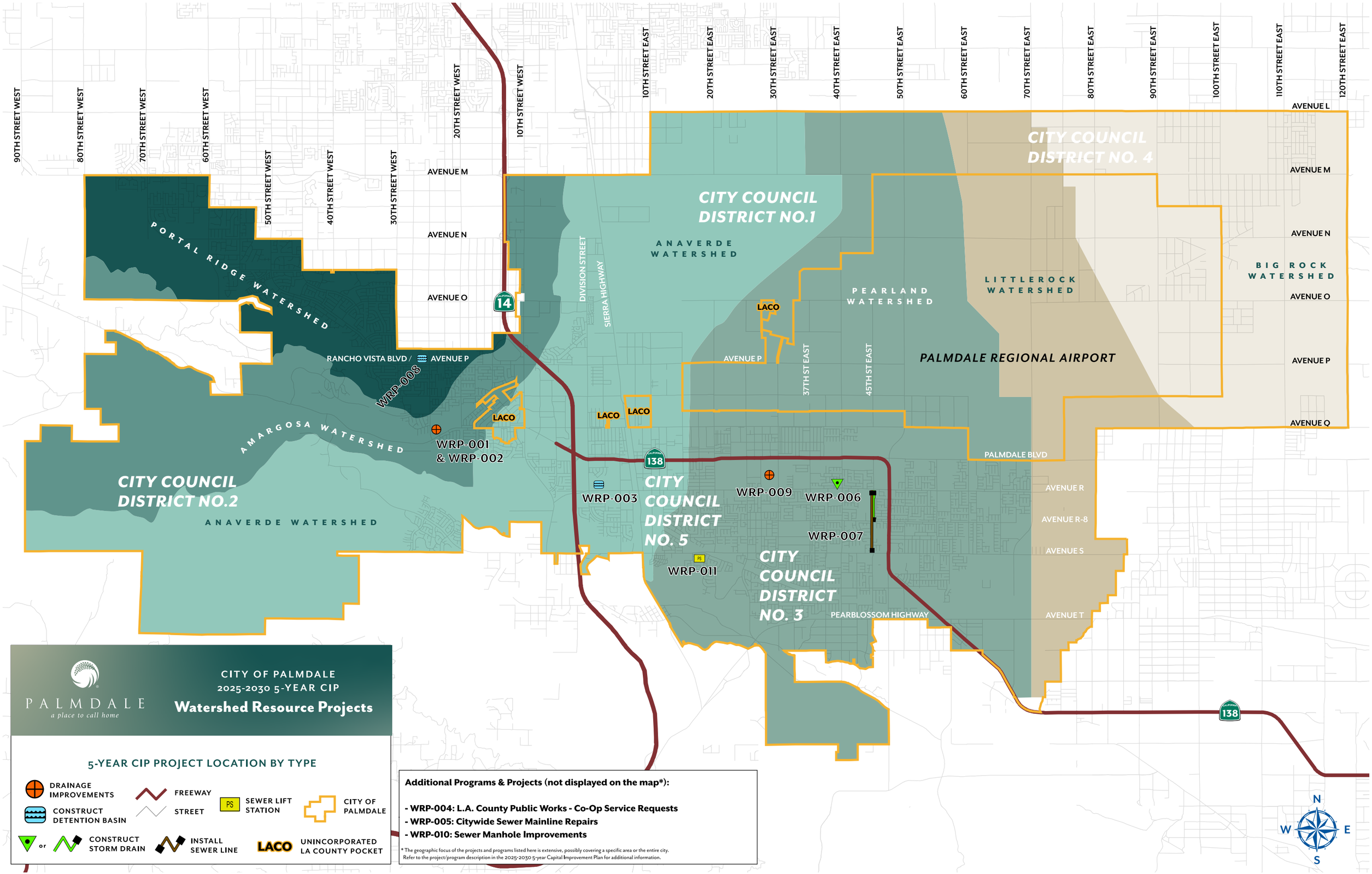
* The amount shown is a preliminary estimated budget for the anticipated total cost of the projects and is not intended to be an estimate of the anticipated amount of the revenue. Revenue estimates are calculated annually as part of the annual budget process and are considered before projects are approved as part of the City's annual budget.

Watershed Resources Project List

FIVE YEAR CIP PROJECT #		COUNCIL DISTRICT #	CURRENT BUDGET FY 25-26	ESTIMATED EXPENDITURES FY 25-26	FUTURE BUDGET FY 26-30	ESTIMATED EXPENDITURES FY 26-30	TOTAL PROJECT COSTS (IN THOUSANDS)
WRP-001	Upper Amargosa Creek Recharge Basin/ Habitat Mitigation	2	$2,316	$2,316	$420	$420	$2,736
WRP-002	Upper Amargosa Creek Recharge Basin Trail Enhancement	2	$1,000	$1,000	$—	$—	$1,000
WRP-003	Avenue R Regional Basin Design and Construction	1	$1,659	$1,000	$45,000	$45,659	$46,659
WRP-004	Los Angeles County Public Works - Co-op Service Requests	1	$365	$365	$—	$—	$365
WRP-005	Citywide Sewer Mainline Repairs	1-5	$250	$250	$1,300	$1,300	$1,550
WRP-006	40th St East/Ave R Storm Drain Improvements	4	$1,000	$1,000	$1,700	$1,700	$2,700
WRP-007	45th St East Sewer & Storm Drain Improvements	2	$3,400	$3,400	$4,924	$4,924	$8,324
WRP-008	Marie Kerr Park and Ride Lot - Drainage Basin	3	$1,000	$1,000	$—	$—	$1,000
WRP-009	McAdam Park Renovations - Utility Connections	5	$200	$200	$—	$—	$200
WRP-010	Sewer Manhole Improvements	1-5	$—	$—	$1,250	$1,250	$1,250
WRP-011	Citywide Drainage Improvement Program	1-5	$—	$—	$6,000	$6,000	$6000
WRP-012	Sewer Lift Station Elimination Study	1-5	$1,931	$—	$—	$1,931	$1,931
		TOTAL	**$13,121**	**$10,531**	**$60,594**	**$63,183**	**$73,715**

Watershed Resources Expenditures

Project No.	Project Name	FY 2026 Adopted Budget (includes future budget requests)	FY 2026 Projected Expenditure	FY 2027 Projected Expenditure	FY 2028 Projected Expenditure	FY 2029 Projected Expenditure	FY 2030 Projected Expenditure
WRP-001	UPPER AMARGOSA CREEK RECHARGE BASIN/HABITAT MITIGATION	$2,736	$2,316	$105	$105	$105	$105
WRP-002	UPPER AMARGOSA CREEK RECHARGE BASIN/TRAIL ENHANCEMENT	$1,000	$1,000	$—	$—	$—	$—
WRP-003	AVE R REGIONAL BASIN INFRASTRUCTURE	$46,659	$1,000	$659	$15,000	$15,000	$15,000
WRP-004	LOS ANGLES COUNTY PUBLIC WORKS-CO-OP/SERVICE REQUESTS	$365	$365	$—	$—	$—	$—
WRP-005	CITYWIDE SEWER MAINLINE	$1,550	$250	$520	$260	$260	$260
WRP-006	40TH E/AVE R STORM DRAIN	$2,700	$1,000	$1,700	$—	$—	$—
WRP-007	45TH STREET SEWER & STORM DRAIN IMPROVEMENTS	$8,324	$3,400	$4,924	$—	$—	$—
WRP-008	MARIE KERR PARK N RIDE LOT - (DRAINAGE BASIN)	$1,000	$1,000	$—	$—	$—	$—
WRP-009	MCADAM PARK RENOVATION/ UTILITY CONNECTIONS	$200	$200	$—	$—	$—	$—
WRP-010	SEWER MANHOLE IMPROVEMENTS	$1,250	$—	$500	$250	$250	$250
WRP-011	CITYWIDE DRAINAGE IMPROVEMENT PROGRAM	$6,000	$—	$1,000	$1,000	$2,000	$2,000
WRP-012	SEWER LIFT STATION ELIMINATION STUDY	$1,931	$—	$1,931	$—	$—	$—
	Total	**$73,715**	**$10,531**	**$11,339**	**$16,615**	**$17,615**	**$17,615**


CITY OF PALMDALE
2025-2030 5-YEAR CIP
Watershed Resource Projects
PALMDALE
a place to call home
5-YEAR CIP PROJECT LOCATION BY TYPE
DRAINAGE IMPROVEMENTS
CONSTRUCT DETENTION BASIN
FREEWAY
STREET
SEWER LIFT STATION
CITY OF PALMDALE
CONSTRUCT STORM DRAIN
INSTALL SEWER LINE
LACO
UNINCORPORATED LA COUNTY POCKET
Additional Programs & Projects (not displayed on the map*):
- WRP-004: L.A. County Public Works - Co-Op Service Requests
- WRP-005: Citywide Sewer Mainline Repairs
- WRP-010: Sewer Manhole Improvements
* The geographic focus of the projects and programs listed here is extensive, possibly covering a specific area or the entire city.
Refer to the project/program description in the 2025-2030 5-year Capital Improvement Plan for additional information.
CITY COUNCIL DISTRICT NO.1
CITY COUNCIL DISTRICT NO.2
CITY COUNCIL DISTRICT NO. 3
CITY COUNCIL DISTRICT NO. 4
CITY COUNCIL DISTRICT NO. 5
PORTAL RIDGE WATERSHED
AMARGOSA WATERSHED
ANAVERDE WATERSHED
PEARLAND WATERSHED
LITTLEROCK WATERSHED
BIG ROCK WATERSHED
PALMDALE REGIONAL AIRPORT
WRP-001 & WRP-002
WRP-003
WRP-006
WRP-007
WRP-008
WRP-009
WRP-011
LACO
RANCHO VISTA BLVD / AVENUE P
AVENUE P
AVENUE L
AVENUE M
AVENUE N
AVENUE O
AVENUE Q
AVENUE R
AVENUE R-8
AVENUE S
AVENUE T
PALMDALE BLVD
PEARBLOSSOM HIGHWAY
DIVISION STREET
SIERRA HIGHWAY
37TH ST EAST
45TH ST EAST
90TH STREET WEST
80TH STREET WEST
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WRP-001

Upper Amargosa Creek Recharge Basin/ *Habitat Mitigation*

The project consists of planting, irrigation and erosion control to preserve the watershed area and will continue providing for environmental monitoring of the site for recharging of the aquifer and also provide for the mitigation and habitat restoration of the land as required by the State Water Resource Board.

PROJECTED BUDGET

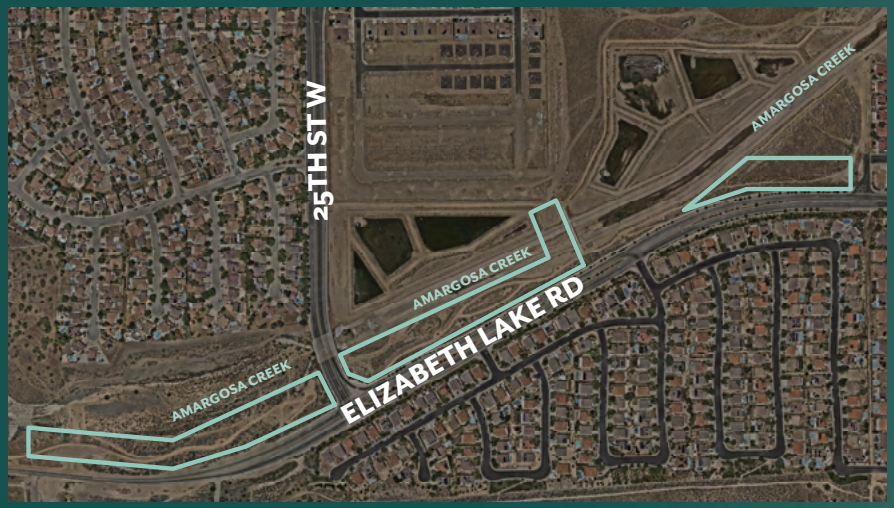
All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Drainage Fund	$2,316	$105	$105	$105	$105	**$2,736**
Total	**$2,316**	**$105**	**$105**	**$105**	**$105**	**$2,736**

WRP-002

Upper Amargosa Creek Recharge Basin Trail *Enhancement*

Grant funds received for trail enhancement are essential for providing connectivity to the recharge basin and habitat to allow for public access and use.



PROJECT COST ESTIMATE

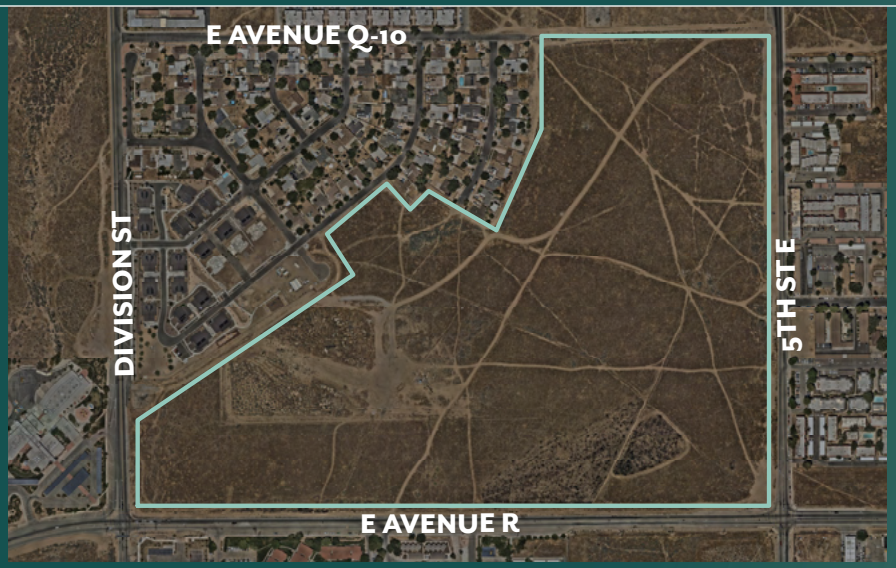
All figures below in thousands of dollars

CURRENT FISCAL YEAR BUDGET	FY 25-26
Measure A Grant Fund	$910
Public Art Fund	$90
Total	**$1,000**

WRP-003

Avenue R Regional Basin Design and *Construction*

Design and construction of a series of basins and overflow channels at Avenue R and Division Street.



PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Measure M Local Return Fund	$1,659					**$1,659**
TBD			$15,000	$15,000	$15,000	**$45,000**
Total	**$1,659**		**$15,000**	**$15,000**	**$15,000**	**$46,659**

WRP-004

Los Angeles County Public Works - Co-op *Service Requests*

The City partners with Los Angeles County Public Works to complete sewer and drainage projects.

City of Palmdale

Public Works
LOS ANGELES COUNTY

PROJECT COST ESTIMATE

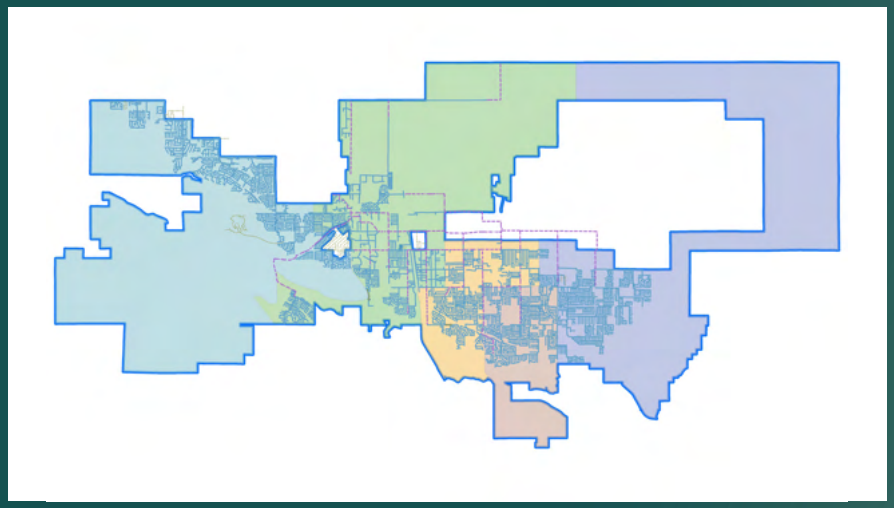
All figures below in thousands of dollars

CURRENT BUDGET FISCAL YEAR	FY 25-26
Sewer Maintenance Assessment Fund	$365
Total	**$365**

WRP-005

Citywide Sewer Mainline *Repairs*

Miscellaneous sewer repairs throughout the City including but not limited to repair and replace linings, and spot repairs.



PROJECTED BUDGET

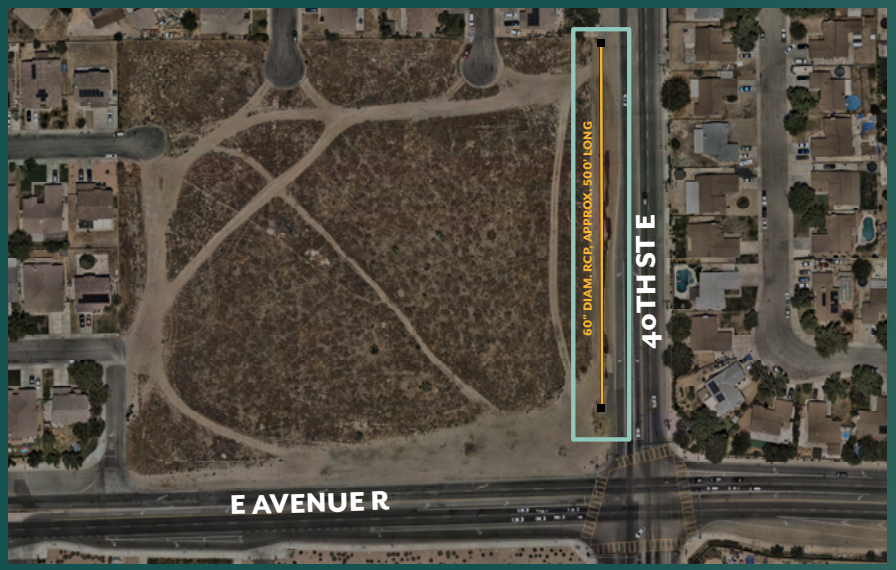
All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Sewer Maintenance Assessment Fund	$250	$520	$260	$260	$260	**$1,550**
Total	**$250**	**$520**	**$260**	**$260**	**$260**	**$1,550**

WRP-006

40th St East/Ave R Storm Drain *Improvements*

This project will address the flooding at this intersection, extend the existing 60' diameter pipe northerly until stormwater can be released to the street instead of the dirt shoulder as it currently does.



PROJECTED BUDGET

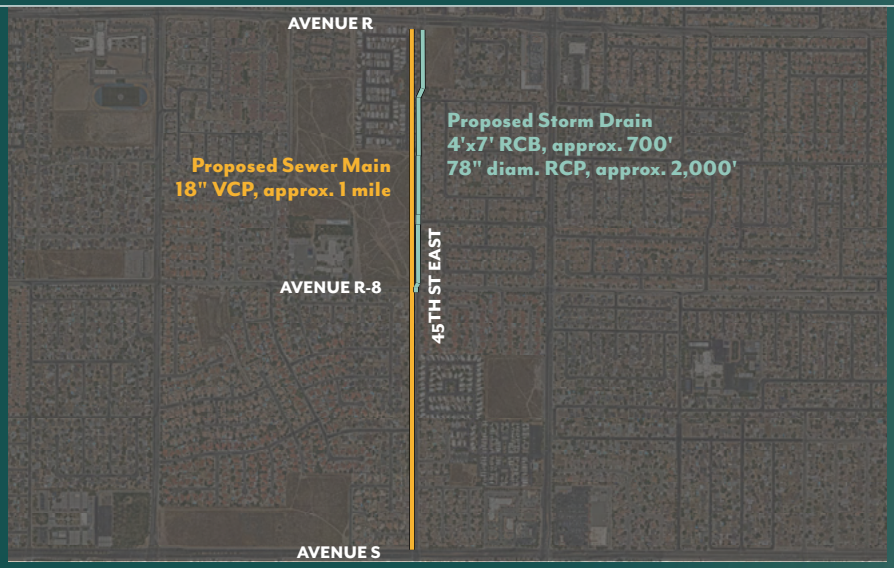
All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Drainage Fund	$1,000	$1,700				$2,700
Total	**$1,000**	**$1,700**				**$2,700**

WRP-007

45th St East Sewer & Storm Drain *Improvements*

Project proposes to contruct a new 18" relief trunk sewer along 45th Street between Avenue S and Avenue R to increase sewer capacity and provide a relief during peak flows in the area; construction of a new 78" RCP storm drain along 45th Street between Avenue R-8 and Avenue R; and street resurfacing full width between Avneue R and Avenue S.



PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Drainage Fund	$700	$1,500				**$2,200**
Measure M Local Return	$1,500	$1,500				**$3,000**
Sewer Maintenance Assessment	$1,000	$1,700				**$2,700**
Sewer Upgrade Fund	$200	$224				**$424**
Total	**$3,400**	**$4,924**				**$8,324**

WRP-008

Marie Kerr Park and Ride Lot - *Drainage Basin*

The project proposes constructing a new 20-acre park and ride located east of the Palmdale Amphitheater at Marie Kerr Park and a new bioretention basin. Construction is slated to begin Summer 2026.

PROJECT COST ESTIMATE

All figures below in thousands of dollars

CURRENT BUDGET FISCAL YEAR	FY 25-26
Drainage Fund	$1,000
Total	**$1,000**

WRP-009

McAdam Park Renovations - *Utility Connections*

Phase 1: Project proposes to renovate McAdam Park, including but not limited to, replacing the playground, replacing the existing restroom with a restroom and concession unit, replacing the maintenance storage building with a new structure, updating sports field lighting with new LED lighting, installing a new softball field with sports field lighting, expand the parking lot, resurfacing the existing parking lot and re-stripe, and installing a new park monument sign. Phase 1 is slated to begin construction spring 2026.

Phase 2: Project proposes repairing the Old Schoolhouse to include roof, wood siding, and upgrading hardscape surroundings. It will also include repairing and painting existing pavilions. Phase 2 is slated to begin construction by end of calendar year 2025.

PROJECT COST ESTIMATE

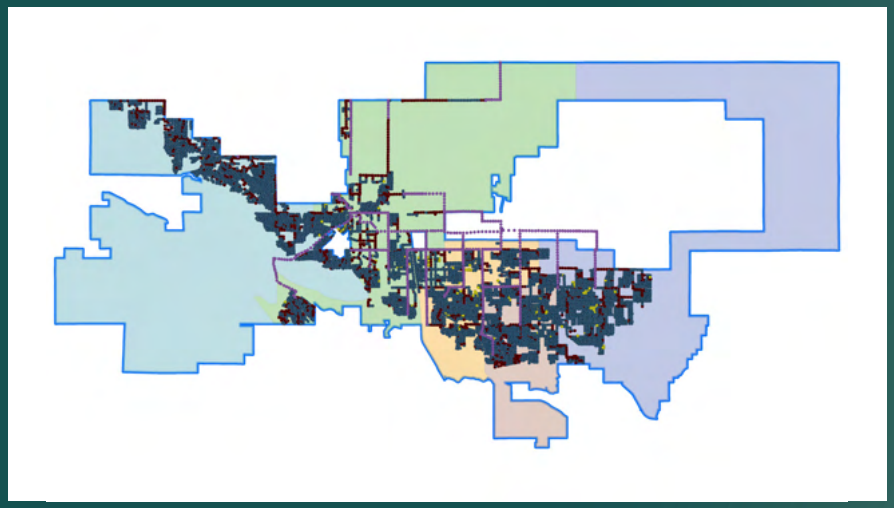
All figures below in thousands of dollars

CURRENT BUDGET FISCAL YEAR	FY 25-26
Sewer Maintenance Assessment Fund	$200
Total	**$200**

WRP-010

Sewer Manhole *Improvements*

Repair and replace sewer manholes and collars as needed.



PROJECTED BUDGET

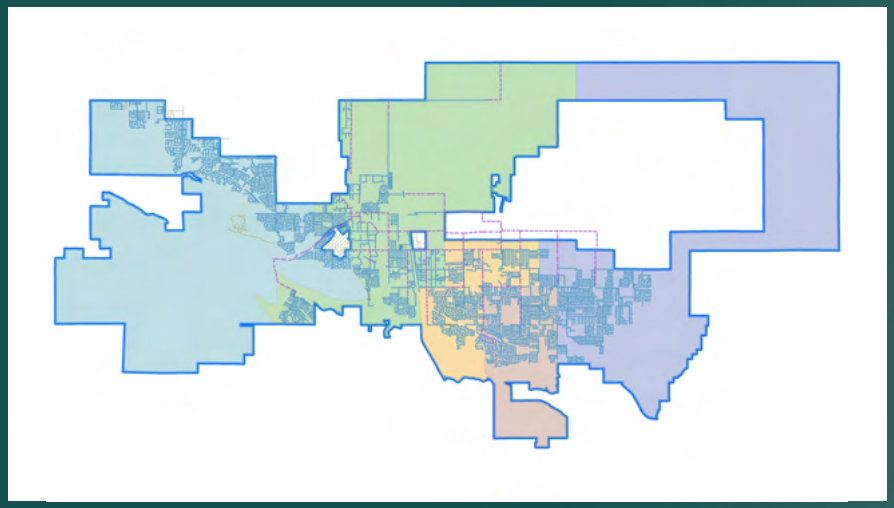
All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Sewer Maintenance Assessment Fund		$500	$250	$250	$250	$1,250
Total		**$500**	**$250**	**$250**	**$250**	**$1,250**

WRP-011

Citywide Drainage *Improvement Program*

Improvements to drainage components across the city.



PROJECTED BUDGET

All figures below in thousands of dollars

Fund Source	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Estimated Total
Drainage Fund		$1,000	$1,000	$2,000	$2,000	$1,250
Total		**$1,000**	**$1,000**	**$2,000**	**$2,000**	**$1,250**

WRP-012

Sewer Lift Station Elimination *Study*

Elimination of the sewer lift station along Avenue S at Casa Verde Drive.

PROJECT COST ESTIMATE

All figures below in thousands of dollars

CURRENT BUDGET FISCAL YEAR	FY 25-26
Sewer Maintenance Assessment Fund	$1,931
Total	**$1,931**

CITY OF PALMDALE

Department of Public Works

38250 Sierra Highway
Palmdale, CA 93550

661-267-5300
cityofpalmdaleca.gov

City Council Staff Report

DATE: **FEBRUARY 18, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

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

DISTRICT: **1**

SUBJECT: **APPROVE SECOND AMENDMENT TO AGREEMENT WITH SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY (SCRRA) FOR ADDITIONAL DESIGN REVIEW SERVICES FOR THE PALMDALE BOULEVARD AND SIERRA HIGHWAY RAILROAD CROSSING SAFETY UPGRADES PROJECT, AND INCREASING SERVICE COSTS OF $445,500**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve Second Amendment to Agreement No. A-7943 with Southern California Regional Rail Authority (SCRRA) for additional design review services for the Palmdale Boulevard and Sierra Highway Railroad Crossing Safety Upgrades project, and increasing the service costs of $445,500; and,

2. Authorize the Interim City Manager or his designee to execute the Second Amendment to Agreement No. A-7943 with Southern California Regional Rail Authority (SCRRA) for minor and/or non-substantial changes.

BACKGROUND

On March 6, 2013, the City Council authorized a Memorandum of Understanding approving $25,000,000 of Measure R Equity Grant funds for improvements to State Route 138 (Palmdale Blvd.) between 5th Street East and 10th Street East, including at-grade railroad safety improvements. A budget of $150,000 was allocated for FY 2013-14 through FY 2015-16.

On May 4, 2022, Amendment No. 1 was executed for an additional $171,600 to address increased design costs resulting from ongoing coordination among Caltrans, the California Public Utilities Commission, Union Pacific, and the City.

DISCUSSION

Since the initiation of the SR 138 (Palmdale Boulevard) at-grade crossing improvement project and the filing of the City's Formal Application with the California Public Utilities Commission (CPUC), the City has used existing project funds to advance design and coordination to reach the current design milestones. These expenditures have included consultant engineering for geometric refinements, traffic signal and preemption design, preparation and submittal of technical exhibits (including preemption calculations), and participation in CPUC proceedings and technical meetings with Union Pacific Railroad (UPRR), the Rail Safety Division (RSD), Caltrans, and SCRRA.

Additional funding is now required to complete the final design, address remaining agency comments, and implement the terms under the proposed Settlement Agreement with the CPUC parties. The requested funds will be used to finalize Plans, Specifications, and Estimates and to complete remaining coordination with UPRR, Caltrans, and Metrolink.

Southern California Regional Rail Authority (SCRRA), as owner-operator of one of the railroad tracks, provides oversight, review, and independent quality assurance of the Project Approval/Environmental Document (PA/ED) and the Plans, Specifications, and Estimates (PS&E). SCRRA is also responsible for the ultimate approval of each of these documents. As such, the City must reimburse SCRRA for its efforts in reviewing and providing comments on the project documents. Amendment No. 2, if approved, would increase the amount of reimbursable funding for SCRRA to complete the design reviews and is necessary due to the scope-of-work revision previously approved by Council in April 2022 and the extended project timeline.

FISCAL IMPACT

$445,500; This project is funded using Measure R Equity Grant funds. Funds are budgeted and available in FY 2025-26.

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 existing 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

Agrmt No. A-7943 Amendment No. 2 to Agrmt No. A-7943 with SCRRA
Amendment No. 1 to Agrmt No. A-7943 with SCRRA

AMENDMENT NO. 2

DESIGN SERVICES AGREEMENT

for

SR 138 (PALMDALE BLVD.) 5TH STREET EAST TO 10TH STREET EAST IMPROVEMENTS PROJECT

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY (SCRRA)

AND THE

CITY OF PALMDALE

COVERING THE

PUBLIC AT-GRADE HIGHWAY RAILROAD CROSSING

AT

PALMDALE BLVD., SCRRA MILE POST 68.40 – VALLEY SUBDIVISION

IN

CITY OF PALMDALE

LOS ANGELES COUNTY, CALIFORNIA

SCRRA Folder No.: S0001196

SCRRA Project No.: 860973

Amendment No. 2
Design Services Agreement
for

SR 138 (Palmdale Blvd.) 5th Street East to 10th Street East Improvements Project
At Mile Post 68.40 - Valley Subdivision
City of Palmdale
Los Angeles County, CA

THIS Amendment No. 2 ("AMENDMENT NO. 2") to the Design Service Agreement ("AGREEMENT") for SR 138 (Palmdale Blvd.) 5th Street East to 10th Street East Improvements Project, hereinafter referred to as ("DSA") is made and entered into as of the _____ day of _____, 202___, by and between the **SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY**, a joint powers authority existing under the laws of the State of California (hereinafter referred to as "SCRRA"), to be addressed at 900 Wilshire Blvd. Suite 1500, Los Angeles, CA 90017 and the **CITY OF PALMDALE**, a charter city and a municipal corporation duly organized and existing under the laws of the State of California and its Charter (hereinafter referred to as "CITY"), to be addressed at City of Palmdale, 38300 Sierra Highway, Palmdale, CA 93550. CITY and SCRRA may be referred to singly as "PARTY" and collectively as "PARTIES."

RECITALS:

1. SCRRA & CITY entered into the AGREEMENT as of May 7th, 2018, which defined the terms and conditions for the Design phase of the PROJECT.

2. The AGREEMENT was amended ("AMENDMENT NO. 1") to address increased design costs on August 23rd, 2022.

3. PARTIES now desire to amend the AGREEMENT to complete final railroad signal design, design of Wireless Crossing Nearside Station Stop at Palmdale Boulevard, and for additional agency support costs.

AGREEMENT

NOW, THEREFORE, it is mutually agreed by and between the PARTIES hereto as follows:

Amend **SECTION II**, Items 2 & 3 shall be replaced by:

"2. The total cost of the RAILROAD DESIGN REVIEW SERVICES provided by this AGREEMENT shall not exceed the sum of Nine Hundred Eight Thousand Fifty Dollars and no cents ($908,050). Within thirty (30) days of execution of this AMENDMENT NO. 2, CITY agrees to deposit an additional Four Hundred Forty-Five Thousand Five Hundred Dollars and no cents ($445,500) which brings the total amount of deposited funds up to one hundred percent (100%) of the estimated cost of railroad signal design (including Wireless Crossing Nearside Station Stop for Palmdale Boulevard), design reviews, administration, management, flagging, and contingency portion of the total DESIGN SERVICES as outlined in EXHIBIT A. The City first deposited Seventy Thousand Nine Hundred Fifty Dollars and no cents ($70,950) in June 2018, then provided a second deposit in the amount of Two Hundred Twenty Thousand Dollars and no cents ($220,000) in August 2018, then provided a third deposit in the amount of One Hundred Seventy-One Thousand Six Hundred Dollars and no cents ($171,600) in November 2022, and now shall deposit Four Hundred Forty-Five Thousand Five Hundred Dollars and no cents ($445,500). The four deposits together represent the total estimated cost of the DESIGN SERVICES as outlined in EXHIBIT A.

3. SCRRA will be reimbursed on the basis of actual cost up to the "not-to-exceed" total amount. SCRRA shall notify CITY in writing when seventy-five percent (75%) of the deposited funds have been exhausted and include an estimate of what, if any, additional funds are estimated to be needed to complete the services under this AGREEMENT."

Amend **EXHIBIT A**, page 12, to delete in its entirety and in lieu thereof insert:

EXHIBIT "A"

SR 138 (PALMDALE BLVD.) 5TH STREET EAST TO 10TH STREET EAST
IMPROVEMENTS PROJECT

DESIGN SERVICES AGREEMENT

BUDGETED SCHEDULE AND COST
As of December 2025

The anticipated services and cost estimates may require adjustment to accommodate actual project requirements, but at no time shall the budgeted cost ceiling be exceeded, unless authorized by an amendment to this AGREEMENT.

ESTIMATED COST

Task Description	DSA	Amend 1	Amend 2	Total Cost
Railroad Signal and Communications Design (Including WCNSS)	$200,000	($30,000)	$140,000	$310,000
WCNSS PTC Tower: Environmental Clearance & Field Discovery			$90,000	$90,000
Design Review of CITY and UPRR Submittals	$30,000	$35,000	$50,000	$115,000
Agency Project Administration, Design Review and Management	$30,000	$145,000	$125,000	$300,000
Safety training, signal locating, and 4 days of flagging	$4,500	$6,000		$10,500
Contingency (10%)	$26,450	$15,600	$40,500	$82,550
Total	**$290,950**	**$171,600**	**$445,500**	**$908,050**

IN WITNESS WHEREOF, the parties have caused this AGREEMENT to be duly executed by their duly qualified and authorized officials.

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

By: _____
Darren M. Kettle
Chief Executive Officer

Date: _____

APPROVED AS TO FORM:

By: _____
Don O. Del Rio
General Counsel

Date: _____

CITY OF PALMDALE

By: _____
Salvador Mendez
Interim City Manager

Date: _____

APPROVED AS TO FORM:

By:_____
Alexandra Severino
City Attorney

Date: _____

ATTEST:

By:_____
Rochelle Scott
City Clerk

A-7943

ORIGINAL

AMENDMENT NO. 1
DESIGN SERVICES AGREEMENT
for
SR 138 (PALMDALE BLVD.) 5TH STREET EAST TO 10TH STREET EAST IMPROVEMENTS PROJECT

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY (SCRRA)

AND THE

CITY OF PALMDALE

COVERING THE

PUBLIC AT-GRADE HIGHWAY RAILROAD CROSSING

AT

PALMDALE BLVD., SCRRA MILE POST 68.40 – VALLEY SUBDIVISION

IN

CITY OF PALMDALE

LOS ANGELES COUNTY, CALIFORNIA

SCRRA Folder No.: S0001196

SCRRA Project No.: 860973

Amendment No. 1
Design Services Agreement
for

SR 138 (Palmdale Blvd.) 5th Street East to 10th Street East Improvements Project
At Mile Post 68.40 - Valley Subdivision
City of Palmdale
Los Angeles County, CA

THIS Amendment No. 1 ("AMENDMENT NO. 1") to the Design Service Agreement for SR 138 (Palmdale Blvd.) 5th Street East to 10th Street East Improvements Project, effective May 7, 2018, hereinafter referred to as ("DSA") is made and entered into as of the 23rd day of August, 2022, by and between the **SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY**, a joint powers authority existing under the laws of the State of California (hereinafter referred to as "SCRRA"), to be addressed at 900 Wilshire Blvd. Suite 1500, Los Angeles, CA 90017 and the **CITY OF PALMDALE**, a charter city and a municipal corporation duly organized and existing under the laws of the State of California and its Charter (hereinafter referred to as "CITY"), to be addressed at City of Palmdale, 38300 Sierra Highway, Palmdale, CA 93550. CITY and SCRRA may be referred to singly as "PARTY" and collectively as "PARTIES."

RECITALS:

Whereas, by DSA, SCRRA and the CITY entered into an Agreement for the CITY to design at-grade crossing improvements.

Whereas, the CITY has revised the scope of work to allow for sufficient funding to continued work on the project. SCRRA shall therefor revise the railroad signal design plans for all railroad signal and communication facilities to provide for additional preemption time, traffic signal interconnection, PTC coordination, and additional railroad warning facilities as required and determined by CPUC and the latest SCRRA grade crossing safety standards. SCRRA shall also review and provide comments on the new scope of work engineering documents (plans, specifications, and reports) for the PROJECT as submitted by CITY for consistency and compliance with SCRRA design standards and criteria.

Therefore, it has been agreed that the DSA will be amended in this AMENDMENT NO. 1.

AGREEMENT

NOW, THEREFORE, it is mutually agreed by and between the PARTIES hereto as follows:

Amend **SECTION I**, Page 4 of 12, to delete "g. Provision of flagging and cable marking." and in lieu thereof insert "g. Provision of flagging, RWP training and cable marking."

Amend **SECTION II**, Page 5 of 12, to delete "The total cost of the RAILROAD DESIGN REVIEW SERVICES provided by this AGREEMENT shall not exceed the sum of Two Hundred Ninety Thousand Nine Hundred and Fifty Dollars ($290,950.00). Within thirty (30) days of execution of this AGREEMENT, CITY agrees to deposit the amount of Seventy Thousand Nine Hundred and Fifty Dollars ($70,950.00), which represents the estimated cost of the design reviews, administration, management, flagging and contingency portion of the total DESIGN SERVICES as outlined in EXHIBIT A.

Upon CPUC's approval of the GO88-B for the CROSSING, CITY agrees to deposit with SCRRA a check in the amount of Two Hundred Twenty Thousand Dollars ($220,000.00), which represents the estimated cost of the railroad signal and communication design and contingency portion of the total DESIGN SERVICES as outlined in EXHIBIT A. The two deposits together represent the total estimated cost of the DESIGN SERVICES as outlined in EXHIBIT A. SCRRA will be

reimbursed on the basis of actual cost up to the "not-to-exceed" total amount. SCRRA shall notify CITY in writing when seventy-five percent (75%) of the deposited funds have been exhausted and include an estimate of what, if any, additional funds are estimated to be needed to complete the services under this AGREEMENT."

and in lieu thereof insert

"The total cost of the RAILROAD DESIGN REVIEW SERVICES provided by this AGREEMENT shall not exceed the sum of Four Hundred Sixty Thousand Five Hundred and Fifty Dollars ($462,550.00). Within thirty (30) days of execution of this AMENDMENT NO. 1, CITY agrees to deposit the amount of Seventy Thousand Nine Hundred and Fifty Dollars ($70,950.00), which represents the estimated cost of the design reviews, administration, management, flagging and contingency portion of the total DESIGN SERVICES as outlined in EXHIBIT A.

Upon CPUC's approval of the GO88-B for the CROSSING, CITY agrees to deposit with SCRRA a check in the amount of Two Hundred Twenty Thousand Dollars ($220,000.00), which represents the estimated cost of the railroad signal and communication design and contingency portion of the total DESIGN SERVICES as outlined in EXHIBIT A. Upon execution of AMENDMENT NO. 1, CITY agrees to deposit the amount of One Hundred Seventy-One Thousand Six Hundred Dollars ($171,600.00), which represents the estimated cost of the design reviews, administration, management, flagging and contingency portion of the total DESIGN SERVICES as outlined in EXHIBIT A. The three deposits together represent the total estimated cost of the DESIGN SERVICES as outlined in EXHIBIT A. SCRRA will be reimbursed on the basis of actual cost up to the "not-to-exceed" total amount. SCRRA shall notify CITY in writing when seventy-five percent (75%) of the deposited funds have been exhausted and include an estimate of what, if any, additional funds are estimated to be needed to complete the services under this AGREEMENT."

Amend **EXHIBIT A**, page 12, to delete in its entirety and in lieu thereof insert

EXHIBIT "A"

SR 138 (PALMDALE BLVD.) 5TH STREET EAST TO 10TH STREET EAST

IMPROVEMENTS PROJECT
DESIGN SERVICES AGREEMENT

BUDGETED SCHEDULE AND COST
As of March 2022

The anticipated services and cost estimates may require adjustment to accommodate actual project requirements, but at no time shall the budgeted cost ceiling be exceeded, unless authorized by an amendment to this AGREEMENT.

ANTICIPATED SCHEDULE

The anticipated duration of this project is eighteen to twenty-four months.

ESTIMATED COST

Task Description	**Estimated Cost**
Railroad Signal and Communications Design	$170,000
Design Review of CITY and UPRR Submittals	$65,000
Agency Project Administration and Management	$175,000
Safety training, signal locating, and 4 days of flagging	$10,500
Contingency (10%)	$42,050
Total	$462,550

IN WITNESS WHEREOF, the parties have caused this AGREEMENT to be duly executed in by their duly qualified and authorized officials.

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

By: _____
Darren Kettle
Chief Executive Officer

Date: 8-23-2022

CITY OF PALMDALE

By: _____
~~Steve~~ Hofbauer
Mayor

Date: _____

APPROVED AS TO FORM:

By: _____
Don Del Rio
General Counsel

Date: 8/16/2022

APPROVED AS TO FORM:

By: _____
~~Christopher Beck~~ Scott Porter
Acting City Attorney

Date: 6/16/2022

Attest:

_____
Shanae S. Smith
City Clerk

MINUTES
CITY COUNCIL/SA
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
FEBRUARY 3, 2026

www.cityofpalmdale.org

1) CALL MEETING TO ORDER

Mayor Ohlsen called the meeting to order at 5:01 pm.

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

2) ROLL CALL
MAYOR OHLSEN, MAYOR PRO TEM BISHOP, COUNCILMEMBERS LOA, BETTENCOURT, ALARCÓN

PRESENT: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.
ABSENT: None.

3) PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

Councilmember Bettencourt led the pledge of allegiance.

4) PRESENTATIONS

4.1) Commendation to Roxanne Faber and Linda Willis in honor of their retirement from the City of Palmdale.

Mayor Ohlsen presented Roxanne Faber and Linda Willis with a Commendation in honor of their retirement from the City of Palmdale.

4.2) Planning / Building & Safety Divisions Update

Economic and Community Development Director Taggart presented the staff report.

Planning Manager Magana gave an overview of the Planning Division's role within the City, and Building Official George provided an overview of the Building and Safety Division.

There was Council discussion regarding the statistics for projects in 2025 and the housing element requirements. Building Official George responded. Mayor Pro Tem Bishop thanked staff for their work and for remaining business-friendly.

5) CONSENT CALENDAR

The following individuals provided public input:

Jason Zink discussed items 4.2, 5.4, 5.5, 5.6, 5.7.

Rich Gallego spoke regarding item 5.4.

Resident, no-name given, commented on item 4.2, and another resident, no-name given, expressed interest in wanting to know how many single-family homes will be built as opposed to multi-unit homes.

Mayor Ohlsen closed public comments.

The following items were pulled for discussion: 5.4, 5.5, 5.6, and 5.7.

5.1) 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).

5.2) Receive and file the Monthly and Quarterly Investment Activity Reports for December 2025.

5.3) Adopt Resolution No. CC 2026-004, a Resolution of the City Council of the City of Palmdale, dissolving the Palmdale Civic Authority.

5.4) Receive and file the City Manager Recruitment Update.

Director of Operations Samson provided a detailed update and overview on the City Manager recruitment.

There was Council and staff discussion regarding the timeline for the evaluation and final selection of the City Manager candidates, and Council review of all submitted applications.

Motion: Receive and file the City Manager Recruitment Update.
Moved by Austin Bishop, seconded by Eric Ohlsen.

Vote: Motion carried (5-0)
Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.

5.5) Approve Agreement with Onward Engineering for Construction Management and Observation Services for PN 869-A, Arterial Road Rehabilitation at Palmdale Boulevard Project, for a total not to exceed amount of $267,174 for a term of 150 working days from the date of the Notice to Proceed.

Director of Public Works Torres presented the staff report.

Councilmember Alarcón discussed the procurement and bidding process and requested that every staff report include all bidders. There was further discussion on the selection process and the contingency amount. Director of Public Works Torres provided clarification.

Motion: Approve Agreement with Onward Engineering for Construction Management and Observation Services for PN 869-A.
Moved by Austin Bishop, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)
Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.

5.6) Approve Agreement with Maestro Development, LLC, for Construction Management and Observation Services for PN 851, Melville J. Courson Park Revitalization Project for a total not to exceed amount of $456,500 for a term of 360 working days commencing from the date of the Notice to Proceed.

Director of Public Works Torres presented the staff report.

A discussion ensued between Council and staff regarding the bidding and evaluation process, the cost of materials, including time and labor for the project, relevant experience, underbidding, and hiring local contractors. There was further discussion regarding security fencing, lighting, the amenities at Courson Park, and the need for a refresh. Director of Parks and Recreation Smith responded, detailing the process behind designing the park.

Motion: Approve Agreement with Maestro Development, LLC, for Construction Management and Observation Services for PN 851.
Moved by Austin Bishop, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)
Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.

5.7) Approve Agreement with Pacific Advanced Civil Engineering, Inc., for Professional Services for PN 788, Regional Basin Infrastructure Project, for a total not to exceed amount of $1,508,304 for a term of 36 months from the date of the Notice to Proceed.

Councilmember Loa recused himself.

Deputy Director of Public Works Wu presented the staff report.

There was a discussion between Councilmember Alarcón and staff regarding drainage concerns in the community, bid analysis and proposals, the delivery of work and the hourly rate, and the reasons for selecting PACE as the bidder.

PACE representatives provided a presentation addressing flooding, drainage, and the project's benefits.

Interim City Manager Mendez spoke about the project's timeline. Further discussion ensued amongst Council about flooding in their districts and public safety issues.

Motion: Approve Agreement with Pacific Advanced Civil Engineering, Inc., for Professional Services for PN 788.
Moved by Andrea Alarcón, seconded by Austin Bishop.

Vote: Motion carried (4-0)
Yes: Eric Ohlsen, Austin Bishop, Laura Bettencourt, Andrea Alarcón.

Councilmember Loa returned to the dais.

5.8) Approve the minutes from the previous meeting.

Motion: Approve all items listed on the agenda with the exception of items 5.4, 5.5, 5.6, and 5.7.
Moved by Austin Bishop, seconded by Richard J. Loa.

Vote: Motion carried (5-0)
Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.

6) PUBLIC HEARING

6.1) Receive and file the Fiscal Year 2025-26 Annual Employee Vacancy Report in accordance with Assembly Bill 2561.

Mayor Ohlsen opened the Public Hearing.

Director of Operations Samson presented the staff report.

There was a discussion between the Council and staff regarding the report and vacancies.

Public testimony: Jason Zink.

Mayor Ohlsen closed the Public Hearing.

Motion: Receive and file the Fiscal Year 2025-26 Annual Employee Vacancy Report in accordance with Assembly Bill 2561.
Moved by Austin Bishop, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)
Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.

Mayor Ohlsen called for a recess from 6:51pm-7:01pm.

7) CITY MANAGER'S REPORT

Interim City Manager Mendez provided an update on several upcoming events including: Wednesdays at The Trucks at the Palmdale Auto Mall, Valentines Day dance February 6 at Marie Kerr Park Recreation Center, Celebrating Black History Month - Tap Into Soul Saturday February 7 at the Palmdale Playhouse, Cupid in the Park from Friday February 9 through February 14 at Domenic Massari Park, Marie Kerr Park, and Sam Yellen Park, and Valentines Day with Always Adele at the Palmdale Playhouse on February 14.

8) NON-AGENDA PUBLIC COMMENTS

The following individuals provided public comments:

Eugene Hernandez spoke about ICE enforcement and Hispanic heritage holidays.

Dejeet Sarkar submitted a proposal to the Council related to honoring hometown heroes, including John Allen. Mayor Ohlsen stated the importance of recognizing all local service members and indicated that the request would be taken into consideration.

David Jester spoke about honoring veterans, the AV Edge contract, and various other items.

Roger Soderstedt discussed the spending costs for the Chimbole Center and Courson Park and requested a bench at Arnie Quinones Park.

Jason Zink discussed donating city funds to assist certain businesses and various other items.

Rich Gallego addressed the Council on their fiduciary responsibility, the new city logo, the AV Edge contract, and various other items.

Felix Menendez spoke on the economic impacts of immigration raids and thanked the Council for its efforts to support the Latino community.

Marcos Alvarez spoke about the impacts of federal immigration enforcement on the community.

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

Councilmember Alarcón requested an agenda action item for a future meeting to discuss the Council meeting dates. Interim City Manager Mendez provided clarification on moving the second Council meeting in February. Council voted to agendize the item, with Councilmembers Loa, Alarcón, and Bettencourt voting in favor, and Mayor Ohlsen and Mayor Pro Tem Bishop voting in opposition.

Councilmember Alarcón also requested a list of all special events supported and funded by the City, and requested that the information be posted on the City's website for public viewing. She also requested an update on the City logo, an AV Edge presentation for the public, and requested a cap on the Interim City Manager Mendez's unilateral contracting authority. Interim City Manager Mendez stated his signing authority for contracts.

Councilmember Loa requested scheduling a meeting to discuss City Manager candidates and to conduct Council interviews. A motion was made by Councilmember Loa and seconded by Councilmember Alarcón. Council voted on the motion, with Councilmembers Loa and Alarcón voting in favor, and with Mayor Ohlsen, Mayor Pro Tem Bishop, and Councilmember Bettencourt voting in opposition. Mayor Pro Tem Bishop spoke in support of moving forward with the subcommittee process and holding discussions in closed session.

Mayor Pro Tem Bishop thanked staff and the community for the opportunity to serve.

Councilmember Bettencourt commented on the MLK Festival at Poncitlan Square and a play she attended at the Playhouse. She requested future agenda items, including discussion of a Rose Parade float, formation of a committee for the City's 250th anniversary celebration, and an update on the City logo at the next meeting. She also stated that updates from the Cal Cities Desert Mountain Division meeting would be provided at the next meeting.

Mayor Ohlsen reported on meetings he attended in Sacramento and a meeting with Governor Newsom.

10) CITY ATTORNEY'S REPORT

10.1) Legislative and litigation update regarding Federal Immigration Enforcement.

Councilmember Alarcón asked questions regarding the language in the staff report.

City Attorney Severino presented the staff report.

There was further discussion between Council and staff regarding this item.

Mayor Ohlsen opened public comments.

The following individuals provided public comments: Eugene Hernandez, Felix Menendez, Marcos Alvarez, Rich Gallego, David Hester, and Jason Zink.

Mayor Ohlsen closed public comments.

Mayor Ohlsen received and filed the report.

11) CLOSED SESSION

PRESENTATION BY CITY ATTORNEY

11.1) PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: City Attorney
This closed session is being held pursuant to the authority of California Government Code Section 54957.

11.2) CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION
Initiation of litigation: (2 cases)
This closed session is being held pursuant to the authority of California Government Code Section 54956.9, paragraph (4) of subdivision (d).

PUBLIC EMPLOYMENT
Title: City Manager Recruitment
This closed session is being held pursuant to the authority of California Government Code Section 54957.

11.3) CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Significant exposure to litigation: (1 potential case – facts and circumstances unknown to potential plaintiffs)
This closed session is being held pursuant to the authority of California Government Code Section 54956.9, paragraph (2) of subdivision (d).

12) ANNOUNCEMENT BY CITY ATTORNEY

Closed Session was held from 8:14 pm to 11:05 pm.

City Manager Mendez announced the following:

11.1 There were two actions:
1) Continue the item to the next Council meeting; and
2) Provide a report that outlines the process for new, additional, or supplemental City Attorney services.

City Attorney Severino announced the following:

11.2 -There was no reportable action.

11.3 -The subcommittee made its recommendation to the City Council and the City Council will continue the City Manager recruitment process.

11.4 -There was no reportable action.

13) ADJOURNMENT

Mayor Ohlsen adjourned the meeting at 11:07 pm to February 18, 2026, 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 18th day of February 2026.

_____
Eric Ohlsen, Mayor

ATTEST:

_____
Rochelle Scott, City Clerk

MINUTES
CITY COUNCIL
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
FEBRUARY 11, 2026
3:15 PM

1) CALL MEETING TO ORDER

Mayor Ohlsen called the meeting to order at 3:15 pm.

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

2) ROLL CALL MAYOR OHLSEN, MAYOR PRO TEM BISHOP, COUNCILMEMBERS LOA, BETTENCOURT, ALARCÓN

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

3) PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

Councilmember Alarcón arrived at 3:29 pm.

4) CLOSED SESSION

Public Comments: None

PRESENTATION BY CITY ATTORNEY

4.1) PUBLIC EMPLOYMENT
Title: City Manager Recruitment
This closed session is being held pursuant to the authority of California Government Code Section 54957.

5) ANNOUNCEMENT BY CITY ATTORNEY

Closed Session was held from 3:30 pm – 9:38 pm.

City Attorney Severino announced that there was no reportable action at this time.

6) ADJOURN

Mayor Ohlsen adjourned the meeting at 9:40 pm.

PASSED, APPROVED, and ADOPTED this 18th day of February 2026.

_____
Eric Ohlsen, Mayor

ATTEST:

_____
Rochelle Scott, City Clerk

MINUTES
CITY COUNCIL
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
FEBRUARY 12, 2026
3:15 PM

1) CALL MEETING TO ORDER

Mayor Ohlsen called the meeting to order at 3:20 pm.

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

2) ROLL CALL MAYOR OHLSEN, MAYOR PRO TEM BISHOP, COUNCILMEMBERS LOA, BETTENCOURT, ALARCÓN

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

3) PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

4) CLOSED SESSION

Public Comments: None.

PRESENTATION BY CITY ATTORNEY

4.1) PUBLIC EMPLOYMENT
Title: City Manager Recruitment
This closed session is being held pursuant to the authority of California Government Code Section 54957.

5) ANNOUNCEMENT BY CITY ATTORNEY

Closed Session was held from 3:22 pm - 7:38 pm.

Mayor Pro Tem Bishop arrived at 6:45 pm.

City Attorney Severino announced the following:

Councilmember Loa made a motion to continue tonight's interviewing process so that all Councilmembers could participate in the interview and deliberation process. The motion failed for lack of a second.

City Council voted 3-1 to appoint Sal Mendez City Manager pending execution of a signed contract and completion of a background check. City Council directs the City Attorney to prepare a contract.

6) ADJOURNMENT

Mayor Ohlsen adjourned the meeting at 7:40 pm.

PASSED, APPROVED, and ADOPTED this 18th day of February 2026

_____

Eric Ohlsen, Mayor

ATTEST:

_____

Rochelle Scott, City Clerk

City Council Staff Report

DATE: **FEBRUARY 18, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY MANAGER DEPARTMENT**
CITY CLERK DIVISION

DISTRICT: **ALL**

SUBJECT: **DISCUSS A POTENTIAL AMENDMENT TO THE PALMDALE MUNICIPAL CODE (CHAPTER 2.08.040) REGARDING REGULAR MEETING DATE, TIME, PLACE, AND PROVIDE DIRECTION TO STAFF**

RECOMMENDATION

Staff recommend that the City Council:

1. Discuss the matter and provide direction to staff.

BACKGROUND

Palmdale Municipal Code 2.08.040 states that regular meetings of the City Council "will be held on the first and third Tuesday of each."

Specifically, PMC 2.08.040 states in full:

> **2.08.040 Regular meeting day, time and place.**
>
> Regular meetings of the City Council will be held on the first and third Tuesday of each month. Meetings of the City Council shall be held at 38300 Sierra Highway, Suite B, Palmdale, California. The regular meeting will begin at 5:00 p.m., followed by the closed session meeting. If all matters on the agenda for any regular meeting have not been considered by the City Council by the hour of 10:30 p.m., or such earlier or later time as may be fixed by a majority vote of the City Council, then the regular meeting may be adjourned to the next succeeding Tuesday, at the same time and the exact location, unless a different day, time or location is specified in the order of adjournment. When so adjourned, each adjourned meeting shall be a regular meeting for all purposes. At least twice a year, the City Council shall meet to receive and/or present

> recognitions to and/or from the community. Notice of all meetings of the City Council, whether regular, adjourned, special, or emergency, will be given in the manner required by State statute (Brown Act or successor law). When a regular Tuesday meeting of the City Council falls on an election day or a national or State holiday and City offices are scheduled to be closed, then such meetings shall not be held and will be deemed adjourned for all purposes with no further action required by the City Council or the City Clerk except such written notices of adjournment as may be required by law. The ordinances codified in this section shall take effect 30 days after adoption.

DISCUSSION

At the direction of the City Council, staff is bringing this item back to the City Council for discussion.

FISCAL IMPACT

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.

Prepared by:	Rochelle Scott, City Clerk
Approved by:	Salvador Mendez, Interim City Manager
Approved as to form:	Alex Severino, City Attorney

ATTACHMENTS

None