PALMDALE

a place to call home

CITY COUNCIL MEETING
SUCCESSOR AGENCY/PALMDALE CIVIC AUTHORITY/
PALMDALE FINANCING AUTHORITY SPECIAL MEETINGS

CITY COUNCIL CHAMBERS
38300 SIERRA HIGHWAY
SUITE B
PALMDALE, CA 93550
THURSDAY, MAY 6, 2021
6:00 PM CLOSED SESSION
7:00 PM CC/SA/PCA/PFA
www.cityofpalmdale.org

WELCOME

EMERGENCY PUBLIC MEETING PROCEDURE DUE TO COVID-19

In compliance with the April 15, 2021 County of Los Angeles Public Health Order, the Council Chamber will be open for public comment, including public seating available at limited capacity. Citizens are required to wear masks, provide proof of vaccination or negative COVID-19 test within 72 hours of the meeting and practice social distancing. If one of these criteria is not met or the person cannot show such documentation, the person will not be allowed to enter the Council Chamber to participate in the meeting. Councilmembers may choose to participate via conference call.

How to observe the meeting virtually:

1. Spectrum local access Channel 27
2. Online live webcast at www.cityofpalmdale.org.

How to Submit Public Comments:

1) WRITTEN PUBLIC COMMENTS PRIOR TO MEETING - Click the Agendas & Minutes webpage at https://cityofpalmdale.org/310/City-Council-Meetings and find this meeting under Upcoming Events; 2) Click on the eComment button; and 3) Scroll through the agenda to find the agenda item for which you would like to provide a comment and

submit your comment; 4) The cut off time is two hours prior to the time listed on the printed agenda (e.g: 6:00 p.m. meeting cut-off is 4:00 p.m.). Such comments will be provided to the City Councilmembers prior to the meeting, but will not be read aloud during the meeting.

2) VERBAL PUBLIC COMMENT DURING THE MEETING – (ZOOM Number: US: +1 669 900 9128 Webinar ID: 940 8369 6310 Passcode: 939814 Webinar attendee link https://zoom.us/j/94083696310?pwd=dkk1cWlMVnZzU05qMjMwbGw2UGsvZz09. Verbal comments must be limited to 3 minutes. Public comments submitted will become part of the official meeting record.

The safety and well-being of employees and the public remains the City's top priority. The City of Palmdale appreciates your patience and understanding during these challenging times.

The City Council is making every effort to follow the spirit and intent of the Brown Act and other applicable laws regulating the conduct of public meetings in order to maximize transparency and public access.

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 call the City Clerk's Office at (661) 267-5151 at least 72 hours prior to the meeting.

1. CALL TO ORDER 6:00 P.M. CLOSED SESSION SPECIAL MEETING.

2. ROLL CALL: MAYOR HOFBAUER, MAYOR PRO TEM BETTENCOURT, COUNCILMEMBERS CARRILLO, LOA, AND BISHOP

3. PUBLIC COMMENTS.
   Now is the time for public participation for any person wishing to speak to the City Council on matters listed or not listed on the agenda, within the jurisdiction of the City Council. If you are attending the meeting by phone, please press *9 to "raise your hand." If attending by personal computer, please click the "raise your hand" button. Press *6 to un-mute yourself, state your name and begin speaking. PLEASE NOTE: A three-minute limit is imposed on each speaker.

4. PRESENTATION BY CITY ATTORNEY OF THE FOLLOWING ITEM(S) TO BE DISCUSSED IN CLOSED SESSION:

   4.1 CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
   Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: Number of cases – One.

4.2 CONFERENCE WITH LABOR NEGOTIATORS
City representatives: City Manager, Assistant City Manager & Human Resources Manager

Employee Organization: California Teamsters Local 911 Public, Professional & Medical Employees Union (on behalf of City Maintenance Staff)

This Closed Session is being held pursuant to the authority of California Government Code Section 54957.6.

5. ANNOUNCEMENT BY CITY ATTORNEY OF ITEM(S) DISCUSSED IN CLOSED SESSION.

6. ADJOURN CLOSED SESSION MEETING.

7. CALL TO ORDER 7:00 P.M.
City Council/Successor Agency/Palmdale Civic Authority/Palmdale Financing Authority

8. PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE IN HONOR OF OUR TROOPS.

9. ROLL CALL:
MAYOR/CHAIR HOFBAUER, MAYOR PRO TEM/VICE CHAIR BETTENCOURT; COUCILMEMBERS/DIRECTORS CARRILLO, LOA, BISHOP

10. PRESENTATIONS:

10.1 Presentation by Mayor and Council of a Proclamation declaring May 2nd - May 8th, 2021 as Professional Municipal Clerks Week in the City of Palmdale.

10.2 Presentation by Mayor and Council of a proclamation proclaiming May 16th - May 22nd, 2021 as "National Public Works Week" in the City of Palmdale.

10.3 Presentation by Mayor and Council of a picture of a cute critter that is available for adoption from our Palmdale Animal Care Center.

11. WAIVER OF FULL READING OF RESOLUTION(S) and ORDINANCE(S): Staff Recommendation: Move to waive full reading of the Resolution (s) and/or Ordinance(s) to be considered and voted on at this meeting. (Voice Vote - Requires a majority to waive.)

12. PUBLIC COMMENTS
    Now is the time for public participation for any person wishing to speak to the City Council on matters listed or not listed on the agenda, within the jurisdiction of the City Council. If you are attending the meeting by phone, please press *9 to "raise your hand." If attending by personal computer, please click the "raise your hand" button. Press *6 to un-mute yourself, state your name and begin speaking. PLEASE NOTE: A three-minute limit is imposed on each speaker.

13. CONSENT CALENDAR: 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 Calendar and will be considered separately following this portion of the Agenda.

    13.1 Receive and file the Monthly and Quarterly Investment Activity Report for March 2021. (Staff Reference: Finance Manger Kang)

    13.2 Adopt Resolution No. CC 2021-050, A Resolution of the City Council of the City of Palmdale to Continue the Proclamation of a Local Emergency resulting from Coronavirus Disease (COVID-19). (Staff Reference: Finance Manager Kang)

    13.3 Adopt a Joint Resolution No. CC 2021-029, Inclusive of SA 2021-003, of the City Council of the City of Palmdale and the Successor Agency to the Community Redevelopment Agency of the City of Palmdale, Stating the Investment Policy for the Investments and for Contributions to the Retiree Health Plans for the City and the Successor Agency and Repealing Resolutions No. CC 2020-002, CC 2020-003, SA 2020-001, AND SA 2020-002. (Staff Reference: Finance Manager Kang)

    13.4 Authorize the City Manager and Finance Manager/Treasurer to accept proposal from Western Alliance Bank in connection with refinancing of the City of Palmdale Community Facilities District No. 05-1 (Trade and Commerce Center Area) Special Tax Bonds and execute professional services agreements with the municipal advisor, bond counsel and placement agent. (Staff Reference: Finance Manager Kang)

    13.5 Approve the Board of Library Trustees Recommendation to Eliminate the Policy and Practice of Charging Fines for Overdue Library Materials and Determine an Effective Date. (Staff Reference: Parks and Recreation Manager Dombrowski)

    13.6 Adopt Resolution No. CC 2021-025, a Resolution of the City Council of the City of Palmdale directing preparation of the Annual Engineer's Report for the continuation of the Drainage Benefit Assessment Districts No. 1, and No. 2006-02 for fiscal year 2021/2022. (Staff Reference: Director of Public Works Heffernan)

13.7 Adopt Resolution No. CC 2021-026, a Resolution of the City Council of the City of Palmdale directing preparation of the combined Annual Engineer's Report for the continuation of the Landscape Maintenance Assessment Districts and Annexations for fiscal year 2021/2022. (Staff Reference: Director of Public Works Heffernan)

13.8 Adopt Resolution No. CC 2021-027, a Resolution of the City Council of the City of Palmdale directing preparation of the annual Engineer's Report for the continuation of the Park and Maintenance and Recreation Improvement District for fiscal year 2021/2022. (Staff Reference: Director of Public Works Heffernan)

13.9 Adopt Resolution No. CC 2021-028, a Resolution of the City Council of the City of Palmdale directing preparation of the combined Annual Engineer's Report for the continuation of the Streetlight Maintenance Assessment Districts and Annexations for fiscal year 2021/2022. (Staff Reference: Director of Public Works Heffernan)

13.10 Reject all bids for Project No 804, Saves Generator and Enclosure Project. (Staff Reference: Director of Public Works Heffernan - Presented by Deputy Director of Public Works Glidden)

13.11 Notice of Completion - Accept completion of Capital Project No. 709, Rancho Vista Boulevard Widening Gap Closure Project. (Staff Reference: Director of Public Works Heffernan - Presented by Deputy Director of Public Works Glidden)

13.12 Notice of Completion - Accept Capital Project No. 783, Chimbole Cultural Center Lighting Improvements. (Staff Reference: Director of Public Work Heffernan - Presented by Deputy Director of Public Works Glidden)

13.13 Approve Funding Agreement with Caltrans to provide California Public Utilities Commissions, CPUC, funds for Project STPLR-7500(285), Rancho Vista Boulevard and Sierra Highway Railroad Grade Crossing Program in the amount of $3,730,860. (Staff Reference: Director of Public Works Heffernan - Presented by Deputy Director of Public Works Glidden)

13.14 Adopt Resolution No. CC 2021-053, a Resolution of Necessity of the City Council of the City of Palmdale approving City Council take action outside of its jurisdiction. (Staff Reference: City Manager Murphy)

13.15 CC/SA/PCA/PFA - Approve the minutes from the previous meetings. (Staff Reference: City Clerk/Agency Secretary Smith)

CC – April 6, 2021 (5:00 p.m. & 7 :00 p.m.)
CC - April 20, 2021 (6:00 p.m. & 7:00 p.m.)
PCA - June 2, 2020 (7:00 p.m.)
PCA - January 12, 2021 (7:00 p.m.)
PCA - March 2, 2021 (7:00 p.m.)
PFA - March 2, 2021 (7:00 p.m.)
SA - April 6, 2021 (7:00 p.m.)

14. NEW BUSINESS:

14.1 Approve Agreement with The Wellbeing Lab dba Louis Alloro, LLC to initiate and implement a training and coaching program that pairs wellbeing and change in communities and organizations to help create and sustain a robust solution to the health and economic challenges in communities, in the amount of $295,000. (Staff Reference: City Manager Murphy - Presented by Management Analyst II, Lopez)

14.2 Adopt Resolutions Nos. CC 2021-051, PFA 2021-001, and PCA 2021-001, approving the form and authorizing execution of certain lease financing documents in connection with the refunding of the City of Palmdale Taxable Certificates of Participation (2007 Land Acquisition Financing Project) and authorizing and directing certain actions with respect thereto. (Staff Reference: Finance Manager Kang)

15. INFORMATIONAL REPORT FROM MAYOR AND / OR COUNCILMEMBERS ON THEIR VARIOUS COMMITTEE MEMBERSHIPS AND MEETINGS ATTENDED AT PUBLIC EXPENSE.

15.1 VARIOUS COMMITTEE MEMBERSHIPS.

Attachments: Committee Membership Memos from Councilmember Bettencourt, Councilmember Bishop, and Councilmember Carrillo

- ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
- ANTELOPE VALLEY TRANSIT AUTHORITY
- CALIFORNIA CONTRACT CITIES ASSOCIATION
- CITY OF PALMDALE AUDIT COMMITTEE
- CITY OF PALMDALE INVESTMENT OVERSIGHT COMMITTEE
- HIGH DESERT CORRIDOR JOINT POWERS AUTHORITY
- LEAGUE OF CALIFORNIA CITIES

- LOS ANGELES COUNTY SANITATION DISTRICT
- NORTH LOS ANGELES COUNTY TRANSPORTATION COALITION
- PALMDALE RECYCLED WATER AUTHORITY
- SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS REGIONAL COUNCIL
- UNITED STATES/MEXICO SISTER CITIES ASSOCIATION
- CALIFORNIA STATE PRISON – LOS ANGELES COUNTY, CITIZENS ADVISORY COMMITTEE

15.2 MEETINGS ATTENDED AT PUBLIC EXPENSE.

15.3 CITY MANAGER'S REPORT.

16. CITY COUNCIL REQUESTS FOR NEW AGENDA ITEMS.

17. ADJOURN meeting to May 18, 2021 at 7:00 p.m. in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.

City Council Staff Report

DATE: **MAY 6, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY MANAGER'S OFFICE**
FINANCE DIVISION

DISTRICT: **ALL**

SUBJECT: **RECEIVE AND FILE THE MONTHLY AND QUARTERLY INVESTMENT ACTIVITY REPORTS FOR MARCH 2021.**

ISSUE

Receive and file the monthly and quarterly investment activity reports for March 2021.

RECOMMENDATION

Staff recommends that the City Council accept the monthly and quarterly investment activity reports for City of Palmdale and Successor Agency for March 2021.

BACKGROUND

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

The monthly and quarterly reports provide a synopsis of the investment activity for the City of Palmdale and Successor Agency. The reports provide information on assets, allocations, average maturities, yields, and book valuations.

The interest rates presented are the most current rates available as of the date of this report.

The market values presented for pooled City and Successor Agency investments are based on closing prices for the related investment as of the date of this report. This

information was obtained from the Wall Street Journal, Bloomberg Financial Markets, Capital Market Finances, or other reliable source of market prices.

DISCUSSION

Compliance with Investment Policy

For March, the invested portfolio amount for the City of Palmdale totaled $184,027,256 an increase of $3,277,825 from the previous month and $3,694,066 increase in comparison to last year. The increase in overall portfolio balance from the previous month is a result of one new purchase of US Treasury Bond made in March 2021.

The par value of Successor Agency's portfolio as of March, was $11,332,024. The balance decreased by $1,503,142 from last month due to debt service payments.

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

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

Liquidity

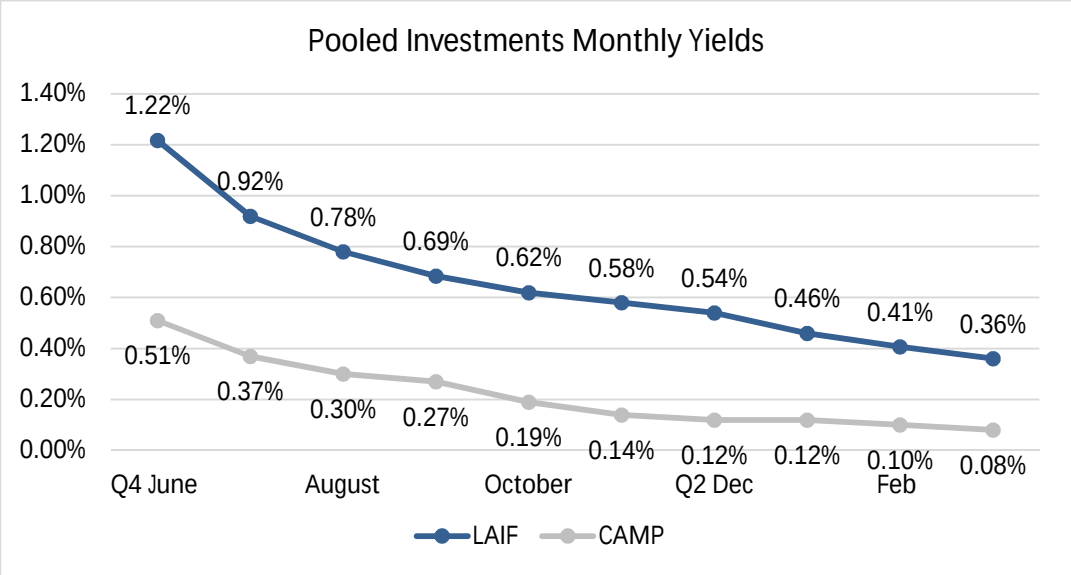
One core approach the Finance Division focuses on, is providing liquidity to measure up to the City and Successor Agency's operational requirements. Thus, the Finance Department is currently investing in two pooled funds, LAIF and CAMP. These are intended for the daily operational activities, used for economic uncertainties and maintenance needs. The pooled funds provide a higher liquidity ratio to ensure the City and Successor Agency meet cash flow requirements.

Total LAIF balance for the City of Palmdale is $123,851,097 compared to February's balance of $113,851,097. The increase in balance is due to the reinvestment of funds from CAMP to LAIF.

Successor Agency LAIF balance at the end of March was $5,182,016, a 29.6 percent decrease from June, but flat to the prior month. The decrease in balance for the year is due to withdraws to cover monthly expenses and debt service payments.

CAMP's balance for City of Palmdale is $248,639, compared to February's balance of $10,248,123. Due to declining interest rates for CAMP, funds were reinvested in a more favorable rate under LAIF.

The interest rates presented are the most current rates available as of the date of this report. As of March 31, 2021, the interest rates for LAIF and CAMP investments were at .36 percent and .08 percent, respectively. By comparison, the LAIF and CAMP interest rates at the end of February were at .41 percent and .10 percent. Both rates have been steadily declining. This time last year, LAIF and CAMP rates were at 1.79 percent and 1.50, respectively.



The chart above shows both the Local Agency Investment Fund and California Management Program's average monthly yields from the beginning of FY 2021, the graph depicts the prolonged period of declining rates.

We anticipate a further decrease in the upcoming months, considering the economic impacts of COVID. Overall, LAIF shows better performance than CAMP in interest rates. The difference between the performance of the two funds is partly due to the varying pool characteristics. CAMP's portfolio composition is much more subject to market volatility, resulting in performance variation.

Diversity

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

City of Palmdale and Successor Agency's investment portfolios remain strongly diversified. The monthly and quarterly reports include all investments held by both entities and current book values as of March 31, 2021.

In March, there was one U.S. Treasury Note acquired at premium of $260,634. No securities were called or matured.

It is anticipated that both the City of Palmdale and Successor Agency will have sufficient moneys to meet its expenditure requirements for the next six months as we continue to monitor any financial impact due to the Coronavirus pandemic.

Attached are summaries of the investments on the City of Palmdale and Successor Agency's books as of March 31, 2021.

FISCAL IMPACT

There is no fiscal impact associated with the recommended actions for this report.

STRATEGIC PLAN

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

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

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

Prepared by:	Janelle Samson, Assistant Finance Manager
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

1. Monthly Report on City of Palmdale Investments
2. Monthly Report on Successor Agency Investments
3. Quarterly Report on City of Palmdale Investments
4. Quarterly Report on Successor Agency Investments

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
March 31, 2021
CITY OF PALMDALE INVESTMENTS

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	FDIC Number	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT
U.S. TREASURY SECURITIES					Yield			
05-07-18	04-15-21	CITY	9128284G2 U.S. Treasury Note		2.38	5,000,000.00	4,968,000.00	5,086,330.00
05-31-17	05-31-21	CITY	912828R77 U.S. Treasury Note		1.38	5,000,000.00	4,946,986.95	5,054,690.00
05-31-19	04-30-24	CITY	9128286R6 U.S. Treasury Note		2.03	5,000,000.00	5,051,650.00	5,388,280.00
01-15-21	05-31-23	CITY	9128284S6 U.S. Treasury Note		2.75	2,815,000.00	2,985,994.41	2,999,053.18
03-19-21	12-31-25	CITY	9128285T3 U.S. Treasury Note		2.63	3,000,000.00	3,260,634.36	3,278,255.22
			TOTAL U.S. TREASURY SECURITIES			$ 20,815,000.00	$ 21,213,265.72	$ 21,806,608.40
GOVERNMENT AGENCY PAPER								
06-05-19	06-05-23	CITY	3133EKPT7 Fed Farm Credit Bk		2.13	5,000,000.00	5,008,600.00	5,264,435.95
06-10-20	12-15-22	CITY	313GVN87 Freddie Mac		0.40	5,000,000.00	5,000,000.00	5,000,280.10
06-10-20	06-16-25	CITY	3133ELK37 Federal Farm Credit		0.78	5,000,000.00	5,000,000.00	5,001,470.75
08-07-20	05-06-24	CITY	3133EL2X1 Federal Farm Credit		0.42	2,000,000.00	2,000,000.00	2,000,000.00
08-27-20	11-27-24 c = callable	CITY	3134GWNG7 Freddie Mac Domestic		0.50	$ 2,000,000.00	2,000,000.00	2,000,000.00
			TOTAL GOVERNMENT AGENCY PAPER			$ 19,000,000.00	$ 19,008,600.00	$ 19,266,186.80
CERTIFICATES OF DEPOSIT								
05-16-18	05-17-21	CITY	38148PK97 Goldman Sachs Bank Usa	33124	2.90	245,000.00	245,000.00	250,985.84
06-01-17	06-01-21	CITY	14042RFY2 Capital One NA	4297	2.25	245,000.00	245,000.00	249,761.82
05-11-18	05-11-22	CITY	05580AMR2 Bmw Bank North America	35141	2.95	245,000.00	245,000.00	257,552.09
05-15-18	05-16-22	CITY	86063QAN5 Stifel Bank & Trust	57311	2.85	245,000.00	245,000.00	257,132.40
05-18-18	05-18-22	CITY	29278TBF6 Enerbank Usa	57293	2.95	245,000.00	245,000.00	257,627.30
05-31-17	05-31-22	CITY	02587CFM7 American Express Bk	35328	2.40	245,000.00	245,000.00	254,640.02
06-01-17	05-31-22	CITY	51210SMT1 Lakeside Bank	19573	2.00	245,000.00	245,026.85	253,401.79
05-10-18	05-10-23	CITY	61747MX30 Morgan Stanley Bank Na	32992	3.15	245,000.00	245,000.00	264,858.48
05-11-18	05-11-23	CITY	87164WWF1 Synchrony Bank	27314	3.15	245,000.00	245,000.00	264,875.38
05-11-18	05-11-23	CITY	17312QL23 Citibank Na	7213	3.15	245,000.00	245,000.00	264,875.38
05-15-18	05-15-23	CITY	20033AYE0 Comenity Capital Bank	57570	3.10	245,000.00	245,000.00	264,548.55
			TOTAL CERTIFICATES OF DEPOSIT			$ 2,695,000.00	$ 2,695,026.85	$ 2,840,259.05

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
March 31, 2021

CORPORATE NOTES

03-10-20	03-01-23	CITY	30231GAR3 Exxon Mobil	2.73	1,000,000.00	1,045,330.00	1,052,024.89
03-10-20	05-13-22	CITY	037833BF6 Apple Inc	2.70	1,000,000.00	1,039,820.00	1,044,894.60
03-10-20	11-03-22	CITY	594918BH6 Microsoft Corp	2.65	1,000,000.00	1,047,870.00	1,051,523.94
03-10-20	01-13-23	CITY	037833DE7 Apple Inc	2.40	1,000,000.00	1,041,800.00	1,051,978.36
03-10-20	12-14-22	CITY	92826CAC6 VISA Inc	2.80	1,500,000.00	1,572,135.00	1,584,140.90
06-10-20	04-15-23	CITY	30231GBL5 Exxon Mobil Corp	1.75	5,000,000.00	5,000,000.00	5,131,579.15
06-10-20	05-11-23	CITY	166764BV1 Chevron Corp	1.14	2,075,000.00	2,075,000.00	2,110,739.09
08-14-20	08-14-23	CITY	94988J5R4 Wells Fargo Bank	3.55	3,000,000.00	3,000,000.00	3,000,000.00
			TOTAL CORPORATE BONDS		$ 15,575,000.00	$ 15,821,955.00	$ 16,026,880.93

STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND

09-01-84	n/a	CITY ACCOUNT	98-19-620	0.78	63,899,652.15	63,899,652.15	63,899,652.15
06/23/08	n/a	PCA ACCOUNT	40-19-060	0.78	59,939,028.96	59,939,028.96	59,939,028.96
			TOTAL LAIF ACCOUNTS		$ 123,838,681.11	$ 123,838,681.11	$ 123,838,681.11

CAMP- CALIFORNIA ASSET MANAGEMENT PROGRAM

6080-01	n/a	CITY ACCOUNT	6080-01	0.30	248,639.40	248,639.40	248,639.40
			TOTAL CAMP ACCOUNTS		$ 248,639.40	$ 248,639.40	$ 248,639.40
			TOTAL CITY INVESTMENTS		$ 182,172,320.51	$ 182,826,168.08	$ 184,027,255.69

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
March 31, 2021

LIBRARY INVESTMENTS

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT NUMBER	INTEREST RATE	INVESTED AMOUNT
STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND					
11-20-84	n/a	LIBRARY	16-19-012	0.78	12,415.55
		TOTAL LIBRARY INVESTMENTS			$ 12,415.55

FISCAL AGENT CASH

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT NUMBER	INTEREST RATE	INVESTED AMOUNT
BOND PROCEEDS					
SIERRA GATEWAY COMMUNITY FACILITIES DISTRICT 91-1					
Fiscal Agent: U.S. Bank National Association (fka First Trust)					
05-10-95	n/a	BOND	95421220	0.01	106.62
05-10-95	n/a	IMPROVEMENT	95421222	0.01	154,926.46
City Held Cash	(Fund 736-114000)	($255,885.63)			
		TOTAL SIERRA GATEWAY COMMUNITY FACILITIES DISTRICT 91-1			$ 155,033.08
BOND PROCEEDS					
RITTER RANCH COMMUNITY FACILITIES DISTRICT 93-1					
Fiscal Agent: U.S. Bank National Association (fka First Trust)					
04-06-95	n/a	RESERVE-SEN	95420880	n/a	0.00
04-06-95	n/a	IMPV-ACQUI	95420884	0.01	2,585,167.90
04-06-95	n/a	BOND	95420887	0.00	0.15
City Held Cash	(Fund 738-114000)	($1,000,675.82)			
		TOTAL RITTER RANCH COMMUNITY FACILITIES DISTRICT 93-1			$ 2,585,168.05
BOND PROCEEDS					
ANAVERDE COMMUNITY FACILITIES DISTRICT 2003-1					
Fiscal Agent: U.S. Bank National Association (fka First Trust)					
08-01-19	n/a	RESERVE	242969003	0.00	1,447,002.87
08-01-19	n/a	SP TAX - REFUNDING BO	242969004	0.01	361,364.36
08-01-19	n/a	SP TAX - REFUNDING BO	242969005	0.01	300.42
City Held Cash	(Fund 734-114000)	$900,917.97			
		TOTAL ANAVERDE COMMUNITY FACILITIES DISTRICT 2003-1			$ 1,808,667.65

BOND PROCEEDS

2005 $7.2M COMMUNITY FACILITIES DISTRICT 05-1 (TRADE AND COMMERCE CENTER)

Fiscal Agent: U.S. Bank National Association (fka First Trust)

08-02-05	n/a	SPEC TRB SER A/B	790330000	0.01	28.00
08-02-05	n/a	RESERVE FUND	790330002	0.01	555,434.63

City Held Cash (Fund 735-114000) $744,688.56

TOTAL 2005 $7.2M COMMUNITY FACILITIES DISTRICT 05-1 (TRADE AND COMMERCE CENTER) $ 555,462.63

BOND PROCEEDS

2006-1 Godde Hill Estate Sewer Improvements LOIB

Fiscal Agent: U.S. Bank National Association (fka First Trust)

11-08-06	n/a	REDEMPTION FUND	106844000	0.01	0.67
11-08-06	n/a	ADM EXP	106844002	0.01	1,594.28
11-08-06	n/a	RESERVE FUND	106844003	0.01	107,256.30

City Held Cash (Fund 739-114000) $127,799.09

TOTAL 2006-1 Godde Hill Estate Sewer Improvements LOIB $ 108,851.25

BOND PROCEEDS

2007 $19.9M COP Power Plant Land Acquisition

Fiscal Agent: U.S. Bank National Association (fka First Trust)

04-12-07	n/a	LEASE PAYMENT	112055000	0.01	994,375.39
04-12-07	n/a	RESERVE FUND	112055001	0.00	1,500,571.25

TOTAL 2007 $19.9M COP Power Plant Land Acquisition $ 2,494,946.64

BOND PROCEEDS

2007 $6.5M COMMUNITY FACILITIES DISTRICT 05-1 (TRADE AND COMMERCE CENTER)

Fiscal Agent: U.S. Bank National Association (fka First Trust)

08-23-07	n/a	BOND FUND	117856000	0.01	26.78
08-23-07	n/a	RESERVE FUND	117856002	0.01	497,611.12

TOTAL 2007 $6.5M COMMUNITY FACILITIES DISTRICT 05-1 (TRADE AND COMMERCE CENTER) $ 497,637.90

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
March 31, 2021
FISCAL AGENT CASH

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT NUMBER	INTEREST RATE	INVESTED AMOUNT
BOND PROCEEDS					
2012 PFA $8.7M LEASE REVENUE BONDS					
Fiscal Agent: U.S. Bank National Association (fka First Trust)					
12-19-12	n/a	REVENUE FD	201546000	0.00	0.31
12-19-12	n/a	INTEREST ACCOUNT	201546001	n/a	0.00
12-19-12	n/a	PRINCIPAL ACCOUNT	201546002	n/a	0.00
		TOTAL 2012 PFA $8.7M LEASE REVENUE BONDS			$ 0.31
2013 HA PALMDALE TRANSIT VILLAGE HOMES LLC ESCROW					
Fiscal Agent: U.S. Bank National Association (fka First Trust)					
10-11-13	n/a	ESCROW FUND	206455000	0.00	2,979,524.08
		TOTAL 2013 HA TRANSIT VILLAGE HOMES ESCROW			$ 2,979,524.08
2015 HA DEBT SERVICE RESERVE					
Fiscal Agent: Bank of America					
11-19-15	n/a	DEBT SVC RESERVE	1257964992	0.08	39,064.78
		TOTAL 2015 HA DEBT SERVICE RESERVE			$ 39,064.78
PARS RESTRICTED CASH FOR PENSION STABILIZATION TRUST FUND					
05-23-18	n/a	CITY	104790895775 Public Agency Retirement Services	2.60	2,823,460.64
		TOTAL PARS PENSION TRUST FUND			$ 2,823,460.64
BOND PROCEEDS					
2015 HA $4.3M MULTIFAMILY HOUSING REVENUE BONDS					
Fiscal Agent: U.S. Bank National Association (fka First Trust)					
09-03-15	n/a	BOND FUND	277067000	0.00	143,485.38
09-03-15	n/a	INTEREST ACCT	277067001	0.01	160.01
09-03-15	n/a	BOND RESERVE	277067003	0.00	281,019.61
09-03-15	n/a	REPAIR & REPLACE FUN	277067004	0.00	1,020,110.02
		TOTAL 2015 HA $4.3M MULTIFAMILY HOUSING REVENUE BONDS			$ 1,444,775.02

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
March 31, 2021

BOND PROCEEDS

2017 PFA $17.4M LEASE REVENUE BONDS

Fiscal Agent: U.S. Bank National Association (fka First Trust)

04-05-17	n/a	REVENUE FUND	271128000	0.00	1.34
04-05-17	n/a	PRINCIPAL ACCT	271128002	n/a	0.00

TOTAL 2017 PFA $17.4M LEASE REVENUE BONDS $ 1.34

Total City Held Cash (XXX-114000) $516,844.17

GRAND TOTAL - FISCAL AGENT CASH $ 15,492,593.37

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
March 31, 2021
SUMMARY OF CASH AND INVESTMENTS

Cash on Hand			$ 16,296,893
			($3,384,616)
Pooled Cash Investments			($7,266,269)
			$9,708,845
City:	$	185,282,642	$948
Insur Fund:		($1,255,386)	$ 184,027,256
Library Investments			$12,416
Subtotal			$ 199,395,473
City/AD/CFD/PCA/PFA/HA Fiscal Agent Cash			$ 15,492,593 *
Grand total			$ 214,888,066

The interest rate quoted on LAIF, AIM, and Fiscal Agent/Trustee accounts is the most current rate available.
LAIF & AIM interest rates are as of March 31, 2021.

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS

POOLED CASH - LOCAL AGENCY INVESTMENT FUND (LAIF) & CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP)
March 31, 2021

TRANSACTION DATE	DEPOSIT	WITHDRAWAL	INTEREST RECEIVED	BALANCE
CITY ACCOUNT 98-19-620				
Beginning Balance				$ 53,899,652.15
03/03/21	$ 20,000,000.00			
03/17/21		$ (10,000,000.00)		
Subtotal	$ 20,000,000.00	$ (10,000,000.00)	$ -	$ 63,899,652.15
PCA ACCOUNT 40-19-060				
Beginning Balance				$ 59,939,028.96
Subtotal	$ -	$ -	$ -	$ 59,939,028.96
LIBRARY ACCOUNT 16-19-012				
Beginning Balance				$ 12,415.55
Subtotal	$ -	$ -	$ -	$ 12,415.55
CAMP - CALIFORNIA ASSET MANAGEMENT PROGRAM				
Beginning Balance				$ 10,248,123.11
03/22/21		$ (10,000,000.00)	$ 516.29	
Subtotal	$ -	$ (10,000,000.00)	$ 516.29	$ 248,639.40
Total	$ 20,000,000.00	$ (20,000,000.00)	$ 516.29	$ 124,099,736.06

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS

POOLED CASH - INVESTMENTS MATURED OR CALLED
March 31, 2021

TN = US Treasury
FP = Federal Paper
CD = Certificate of Deposit
C = Call
M = Maturity
CB = Corporate Bond

ISSUER	PURCHASE DATE	MATURITY DATE	REDEMPTION DATE	FACE VALUE REDEEMED	INTEREST RECEIVED	NET FUNDS	INVESTED AMOUNT	GAIN/ (LOSS)
				$ -	$ -	$ -	$ -	$ -

Total Number of Transactions: 0

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS

POOLED CASH - INVESTMENTS PURCHASED
March 31, 2021

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

ISSUER	PURCHASE DATE	MATURITY DATE	FACE VALUE	PREMIUM / (DISCOUNT)	PURCHASE PRICE	ACCRUED INTEREST PURCHASED	NET PURCHASE	Yield	Next Coupon Amount
UBS Financial Services, Inc.	03-19-21	12-31-25	$ 3,000,000.00	$ 260,634.36	$ 3,260,634.36	$ 17,620.86	$ 3,278,255.22		
			$ 3,000,000.00	$ 260,634.36	$ 3,260,634.36	$ 17,620.86	$ 3,278,255.22		

Total Number of Transactions: 1

SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
March 31, 2021

SUCCESSOR AGENCY POOLED CASH INVESTMENTS

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	INVESTED AMOUNT	TOTAL
STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND						
09-01-84	n/a	SA ACCOUNT	65-19-035	0.78	5,182,015.96	
TOTAL LAIF ACCOUNTS						$ 5,182,015.96

FISCAL AGENT CASH

BOND PROCEEDS						
CRA - 2002 Sub Lien Tax Allocation Bonds $5.3M ($5,329,748.25)						
Fiscal Agent: U.S. Bank National Association						
08-20-02	n/a	RESERVE FUND	94460700	0.01	527,745.18	
08-20-02	n/a	INTEREST ACCT	94460701	0.01	191,291.44	
08-20-02	n/a	PRINCIPAL ACCT	94460702	0.01	7,047.56	
TOTAL CRA - 2002 Sub Lien Tax Allocation Bonds $5.3M ($5,329,748.25)						$ 726,084.18
BOND PROCEEDS						
2016 SA $31.5M Tax Allocation Refunding Bonds Series A						
Fiscal Agent: U.S. Bank National Association (fka First Trust)						
04-26-16	n/a	DEBT SERVICE	245113000	0.00	1.97	
04-26-16	n/a	INTEREST ACCT	245113001	N/A	0.00	
TOTAL 2016 SA $31.5M Tax Allocation Refunding Bonds Series A						$ 1.97
GRAND TOTAL - FISCAL AGENT CASH						$726,086

SUMMARY OF CASH AND INVESTMENTS

Cash on Hand	$ 5,423,922
Pooled Cash Investments	$ 5,182,016
Successor Agency Fiscal Agent Cash	$726,086
Grand total	$ 11,332,024

* The interest rate quoted on LAIF and Fiscal Agent/Trustee accounts is the most current rate available.
LAIF interest rates are as of March 31, 2021.

SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS

POOLED CASH - LOCAL AGENCY INVESTMENT FUND (LAIF)
March 31, 2021

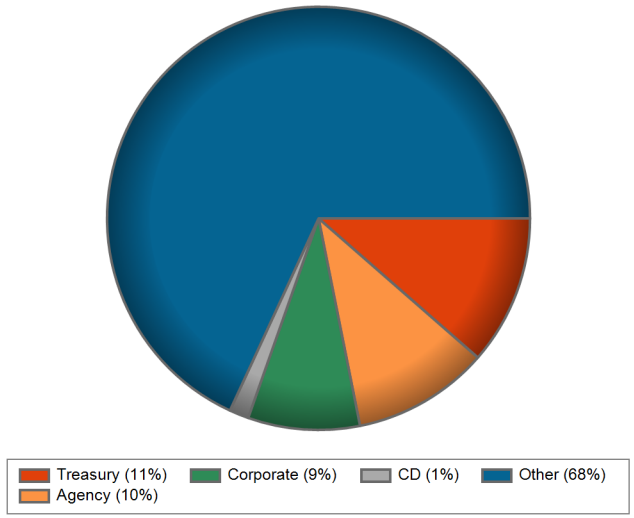
TRANSACTION DATE	DEPOSIT	WITHDRAWAL	INTEREST RECEIVED	BALANCE
SA ACCOUNT 65-19-035				
Beginning Balance				$ 5,182,015.96
Subtotal	$ -	$ -	$ -	$ 5,182,015.96

Portfolio Overview

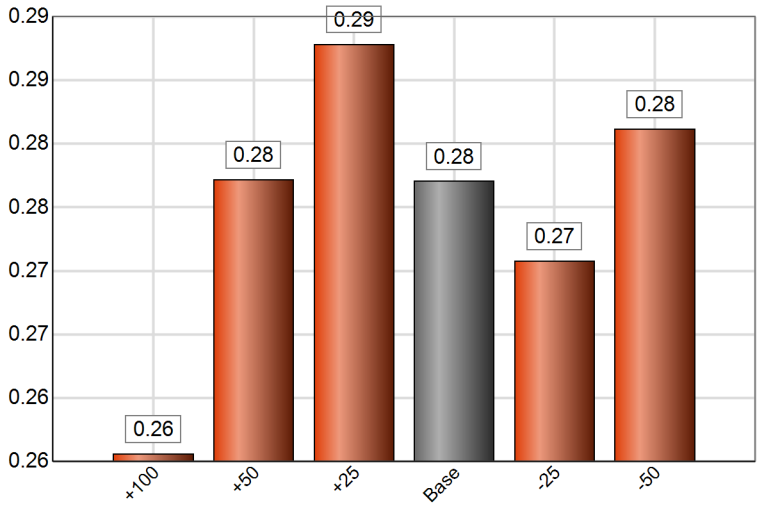
Portfolio Attributes

Curr. Face	182,172
Mkt. Value	183,680
Book Value	182,172
Est. Gain/Loss	1,508
Ave. Mkt. Price	100.83
Ave. Bk. Price	100.00
Eff. Dur.	0.58
Eff. Conv.	-0.90
TOAS	55.8
Mkt YTP	0.68
Bk YTP	1.12
WAL	0.57
Line Items	32

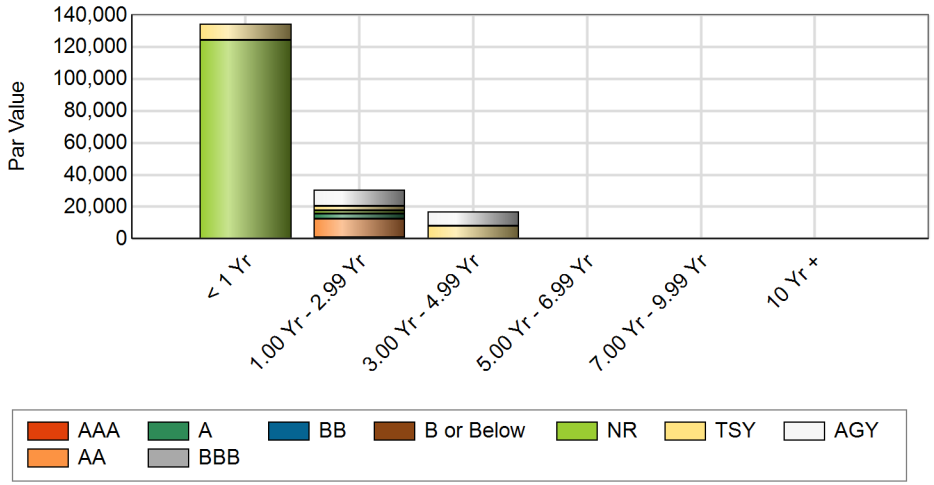
Sector Allocation



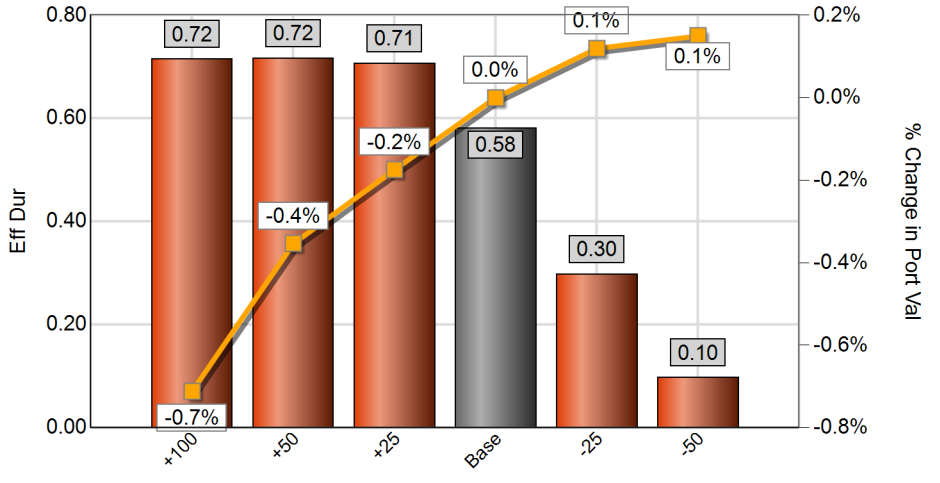
Projected TRR - 12 Mo Horizon



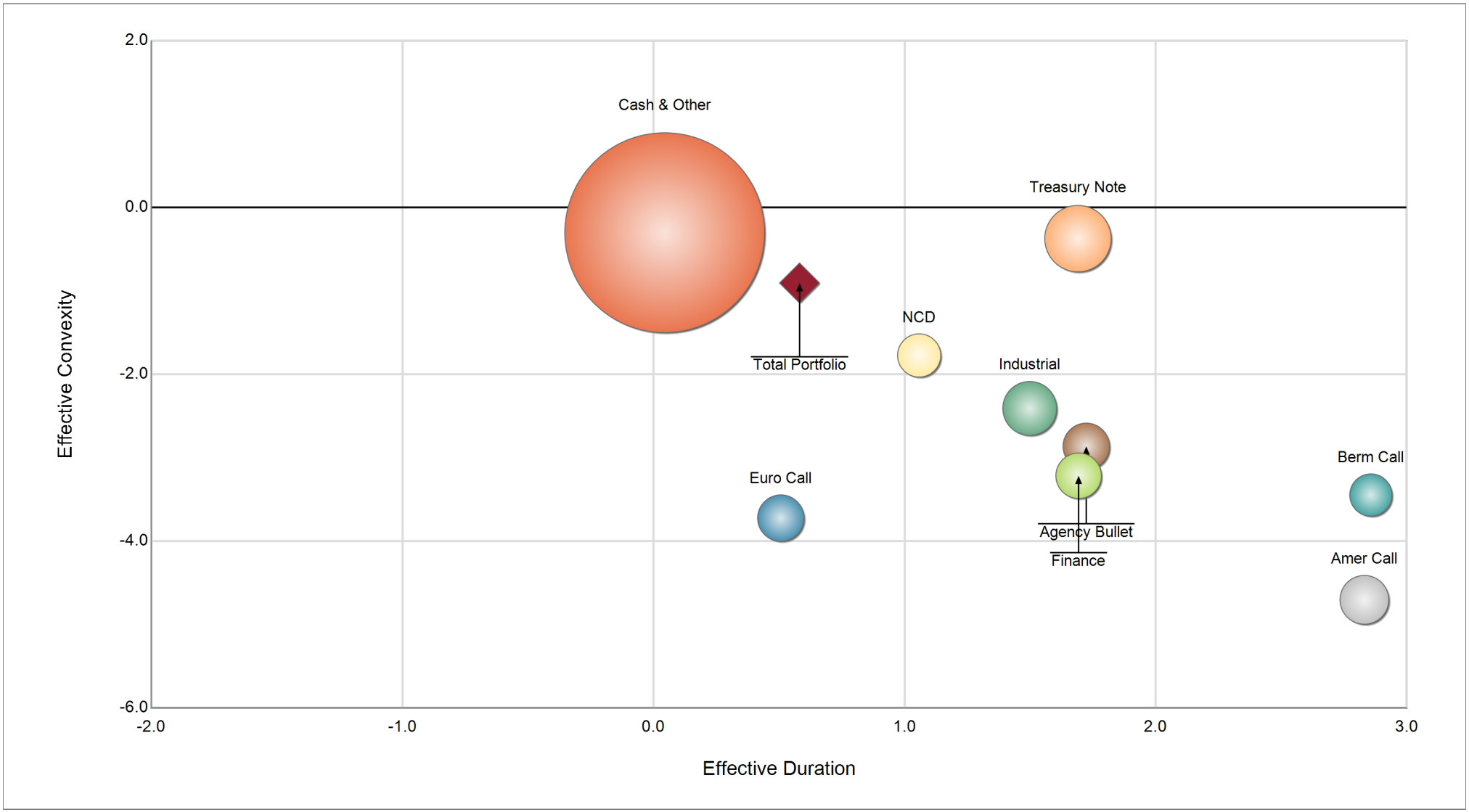
Combined Rating Distribution By Maturity



Pct. Chng in Port Val & Eff Dur (Inst. Rate Shock)



Duration/Convexity



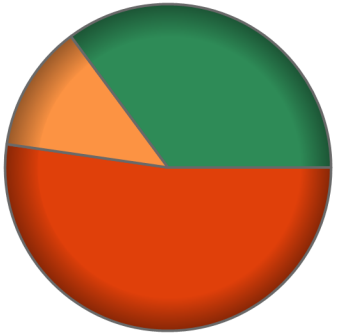
Eff. Dur.	0.58
Eff. Conv.	-0.90

Portfolio Sector Summary

Sector	Par Value	Market Value	% Port	Book Price	Market Price	Est G/L	Eff Conv	Bk Yld	Mkt Yld	Eff Dur +50	Eff Dur Base	Eff Dur -50	% Δ in Price +50	% Δ in Price Base	% Δ in Price -50
Cash & Other	124,087	124,087	68.1%	100.00	100.00	0	-0.30	0.78	0.78	0.08	0.04	0.00	0.0%	0	0.0%
Treasury Note	20,815	21,515	11.4%	100.00	103.36	700	-0.37	2.19	0.37	1.74	1.69	0.73	-0.9%	0	0.6%
Industrial	11,075	11,364	6.1%	100.00	102.61	289	-2.41	1.87	0.36	1.82	1.50	0.01	-0.9%	0	0.3%
Amer Call	7,000	6,965	3.8%	100.00	99.50	-35	-4.70	0.68	1.26	3.62	2.83	0.15	-1.7%	0	0.6%
Euro Call	5,000	5,004	2.7%	100.00	100.07	4	-3.72	0.40	0.06	1.68	0.51	0.00	-0.7%	0	0.0%
Agency Bullet	5,000	5,209	2.7%	100.00	104.17	209	-2.86	2.12	0.21	2.12	1.72	0.06	-1.1%	0	0.4%
Finance	4,500	4,767	2.5%	100.00	105.93	267	-3.22	3.30	0.42	1.98	1.69	0.06	-1.0%	0	0.4%
NCD	2,695	2,779	1.5%	100.00	103.11	84	-1.77	2.80	0.50	1.29	1.06	0.01	-0.6%	0	0.2%
Berm Call	2,000	1,991	1.1%	100.00	99.56	-9	-3.45	0.50	0.99	3.45	2.86	0.10	-1.7%	0	0.6%
Portfolio Totals	182,172	183,680	100.0%	100.00	100.83	1,508	-0.90	1.12	0.68	0.72	0.58	0.10	-0.4%	0	0.1%

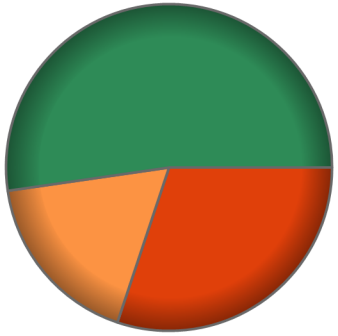
Agency/Sovereign - Summary

Subsector



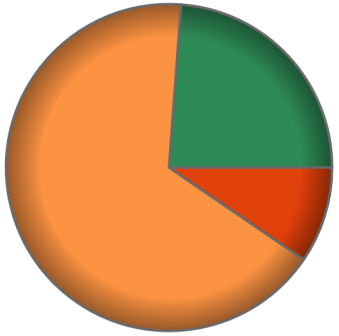
Treasury (52%)
Callable Agency (35%)
Agency Bullet (13%)

Issuer



FFCB (30%)
FHLMC (18%)
UST (52%)

Call Type

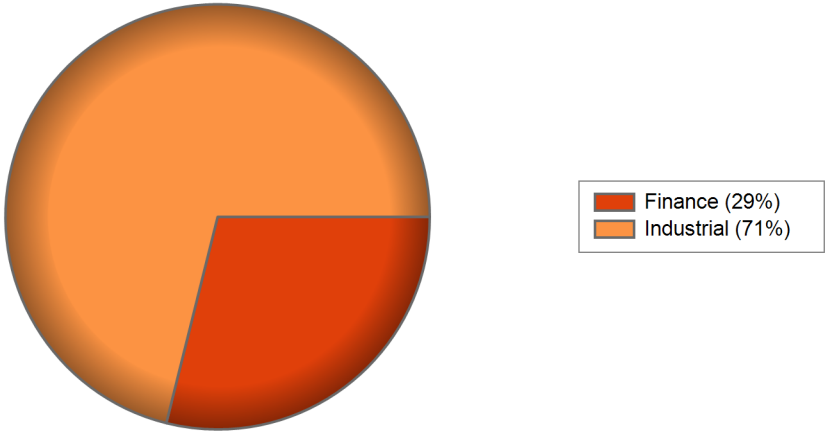


Quarterly (14%)
One time (36%)
Anytime (50%)

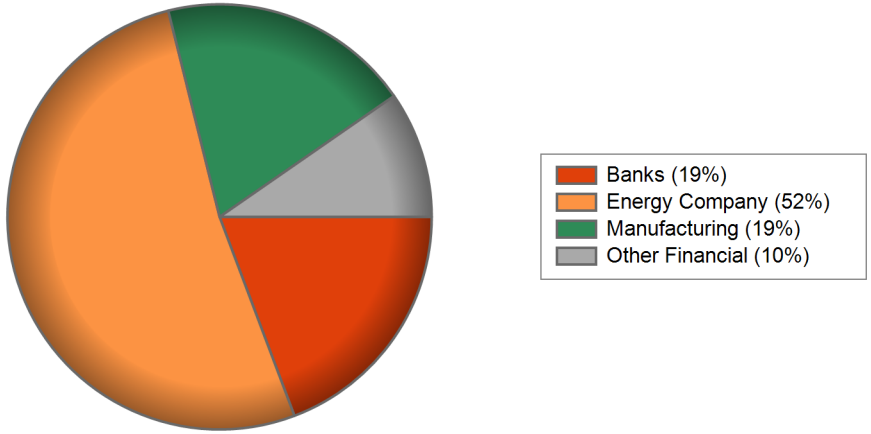
Subsector	Sector %	Par Value	Cpn	Maturity Next Call	Book Price Value	Book Yield	Market Price Value	Market Yield	G/L $ Base + 100	G/L % Base + 100	WAL Base + 100	% Px Δ -50 +100	Dur Base	Cvx Base	AFS %
				1.8 yrs	100.00		103.36		700	3.4%	1.82	0.6	1.69	-0.37	
Treasury (5)	52.3%	20,815	2.19		20,815	2.19	21,515	0.37	328	1.6%	1.82	-1.7			103.4%
				2.2 yrs	100.00		104.17		209	4.2%	2.18	0.4	1.72	-2.86	
Agency Bullet (1)	12.6%	5,000	2.13		5,000	2.12	5,209	0.21	98	2.0%	2.18	-2.1			104.2%
				3.1 yrs	100.00		99.71		-40	-0.3%	0.61	0.4	2.00	-4.17	
Callable Agency (4)	35.2%	14,000	0.55	0.2 yrs	14,000	0.55	13,960	0.79	-427	-3.1%	3.08	-2.8			99.7%
				2.3 yrs	100.00		102.18		868	2.2%	1.45	0.5	1.80	-2.00	
Total (10)	100.0%	39,815	1.61	0.2 yrs	39,815	1.60	40,683	0.49	-1	0.0%	2.30	-2.1			102.2%

Corporate - Summary

Sector Allocation



Industry Allocation



					Rating	Book		Market		G/L $	G/L %	WAL	% Px Δ	Dur	Cvx	
	Sector	Par			Moody's	Price		Price		Base	Base	Base	-50	Base	Base	
Subsector	%	Value	Cpn	Maturity	S&P	Value	Yield	Value	Yield	+ 100	+ 100	+ 100	+100			AFS %
					Aa2	100.00		105.93		267	5.9%	2.04	0.4	1.69	-3.22	
Finance (2)	28.9%	4,500	3.30	2.2 yrs	AA-	4,500	3.30	4,767	0.42	171	3.8%	2.04	-2.0			105.9%
					Aa1	100.00		102.61		289	2.6%	1.86	0.3	1.50	-2.41	
Industrial (6)	71.1%	11,075	1.87	1.9 yrs	AA	11,075	1.87	11,364	0.36	83	0.7%	1.86	-1.8			102.6%
					Aa1	100.00		103.57		556	3.6%	1.91	0.3	1.56	-2.65	
Total (8)	100.0%	15,575	2.28	2.0 yrs	AA	15,575	2.28	16,131	0.38	254	1.6%	1.91	-1.9			103.6%

Other - Summary

Subsector

No Data Available

Par Value By Maturity

No Data Available

Subsector	Sector %	Par Value	Cpn	Maturity Next Call	Book Price Value	Book Yield	Market Price Value	Market Yield	G/L $ Base + 100	G/L % Base + 100	WAL Base + 100	Px Chg -50 +100	Dur Base	Cvx Base	AFS %

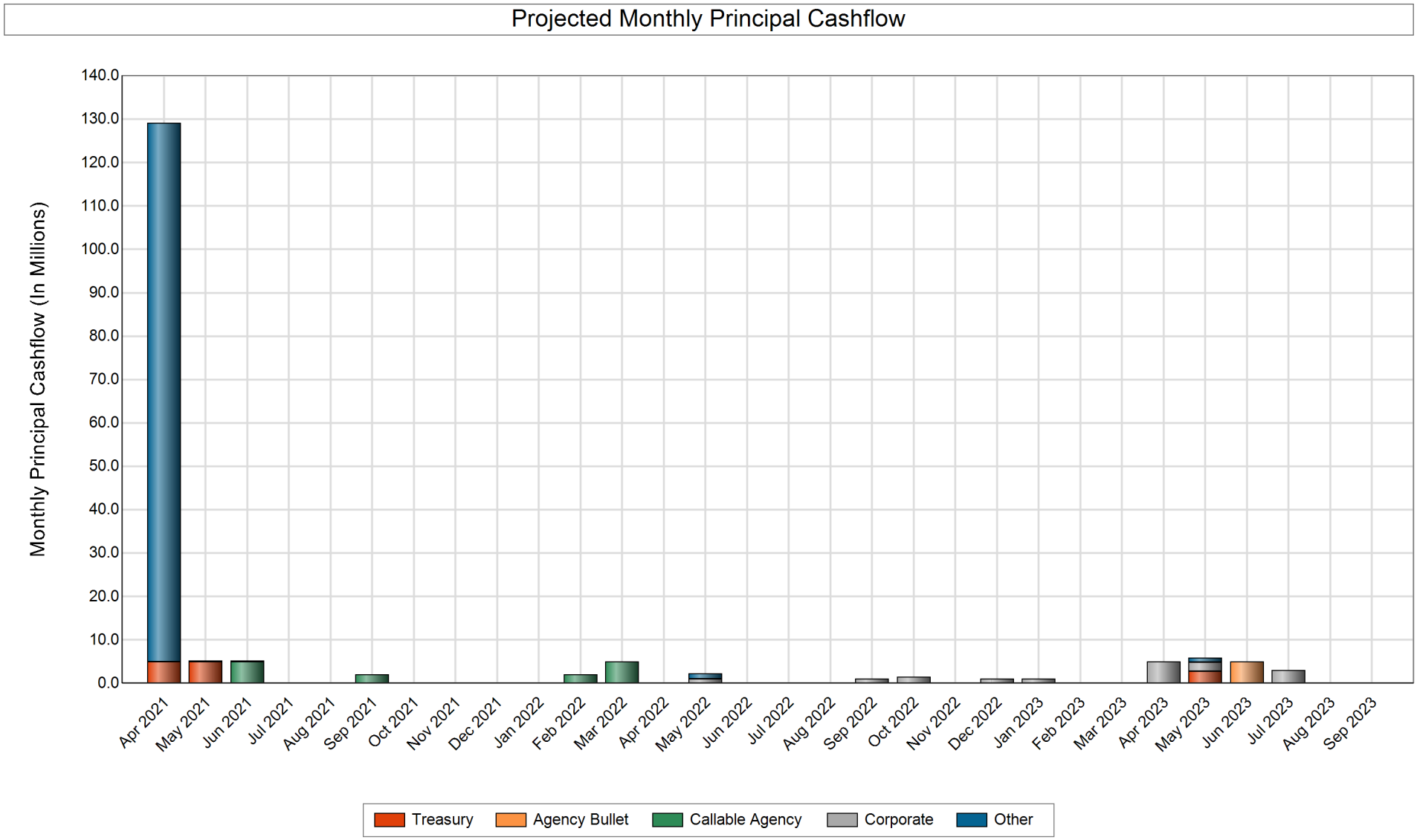
Peer Group Comparison

Peer	As of Date	Book Value	G/L %	Book Yield	Average Life Base	Average Life -50	Average Life +100	% Price Change -50	% Price Change +50	% Price Change +100	Effective Dur	Effective Cvx	UST Agy	Fix MBS	Fix ARM	Fix CMO	Flt CMO	Agy CMBS	Sm Bus.	Prv Label	Muni	Corp	CD	Other	% Fixed
1	03/21	137,398	-1.7	0.73	2.5		4.8			-4.2	3.8	-1.3	85%	0%	0%	0%	0%	4%	0%	0%	12%	0%	0%	0%	100%
2	12/20	127,701	1.6	1.48	1.5		1.5			-1.5	1.5	0.0	90%	0%	0%	0%	0%	0%	0%	0%	3%	0%	8%	0%	100%
3	02/21	125,020	1.0	2.20	1.2		1.6			-1.5	1.4	-0.2	54%	0%	0%	0%	0%	0%	0%	0%	16%	0%	30%	0%	100%
4	12/20	120,140	0.1	0.33	1.3		2.8			-2.2	1.8	-1.2	64%	0%	0%	0%	0%	0%	0%	0%	31%	4%	0%	0%	100%
5	03/21	244,780	1.6	1.96	2.2		2.3			-2.2	2.2	0.0	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
6	02/21	77,506	0.3	1.38	2.1		3.1			-2.7	2.6	-0.2	50%	0%	0%	0%	0%	0%	0%	0%	11%	24%	15%	0%	97%
7	02/21	72,965	0.9	1.45	2.8		3.1			-2.9	3.0	0.1	18%	0%	0%	0%	0%	0%	0%	0%	14%	39%	29%	0%	99%
8	02/21	54,733	0.3	1.03	1.4		3.5			-2.8	2.3	-1.7	61%	0%	0%	0%	0%	0%	0%	0%	0%	0%	39%	0%	100%
9	02/21	54,423	1.3	1.76	2.0		2.5			-2.3	2.2	-0.3	38%	0%	0%	0%	0%	0%	0%	0%	12%	13%	37%	0%	100%
10	12/20	51,223	0.7	0.01	2.4		2.8			-2.6	2.4	-0.4	6%	0%	0%	0%	0%	0%	0%	0%	73%	0%	22%	0%	100%
11	12/20	48,948	1.0	1.13	1.1		2.5			-2.1	1.6	-1.2	92%	0%	0%	0%	0%	0%	0%	0%	0%	0%	8%	0%	100%
12	01/21	48,473	0.9	1.07	1.2		2.8			-2.3	1.8	-1.5	69%	0%	0%	0%	0%	0%	0%	0%	0%	1%	30%	0%	100%
13	12/20	41,511	0.9	1.74	2.5		2.5			-2.4	2.4	0.1	54%	0%	0%	0%	0%	0%	0%	0%	43%	0%	3%	0%	99%
14	12/20	39,928	1.1	1.26	1.6		4.4			-3.3	2.5	-2.2	67%	0%	0%	0%	0%	0%	0%	0%	1%	0%	33%	0%	99%
15	03/21	33,578	-1.1	0.88	2.2		4.2			-3.8	3.5	-0.8	99%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	100%
16	12/20	22,999	0.5	1.20	0.9		3.0			-2.1	1.4	-1.8	39%	2%	0%	2%	0%	0%	0%	0%	0%	7%	50%	0%	96%
17	03/21	21,625	-0.9	0.90	1.8		4.1			-3.5	3.1	-1.5	99%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	100%
18	12/20	21,257	6.8	3.12	4.4		4.9			-3.8	3.6	-0.1	29%	33%	0%	7%	0%	2%	0%	2%	0%	18%	0%	0%	98%
19	01/21	14,607	1.4	1.44	1.4		2.9			-2.3	1.8	-1.5	36%	0%	0%	0%	0%	0%	0%	0%	0%	0%	64%	0%	100%
20	12/20	13,597	4.0	2.09	2.6		2.7			-2.6	2.6	0.1	0%	0%	0%	0%	0%	0%	0%	0%	25%	37%	38%	0%	100%
21	12/20	8,606	1.0	0.54	5.5		5.8			-5.5	5.6	0.5	0%	0%	0%	0%	0%	0%	0%	0%	81%	3%	16%	0%	97%
22	03/21	8,000	-0.3	1.14	1.0		3.6			-3.1	2.6	-1.1	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
23	12/20	357,882	0.1	0.09	0.9		2.0			-1.7	1.2	-1.3	65%	0%	0%	0%	0%	0%	0%	0%	29%	6%	0%	0%	100%
24	03/21	3,463	-2.0	0.76	2.4		5.0			-4.3	4.0	-0.7	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
25	01/21	389,780	3.9	2.14	2.1		2.4			-2.4	2.3	-0.2	48%	0%	0%	0%	0%	0%	0%	0%	35%	17%	0%	0%	100%
Avg		85,606	0.9	1.27	2.0		3.2			-2.8	2.5	-0.7	58%	1%	0%	0%	0%	0%	0%	0%	15%	7%	17%	0%	99%
Port	03/21	182,172	0.8	1.12	0.5	0.5	0.7	0.1	-0.4	-0.7	0.6	-0.9	22%	0%	0%	0%	0%	0%	0%	0%	0%	9%	1%	68%	100%

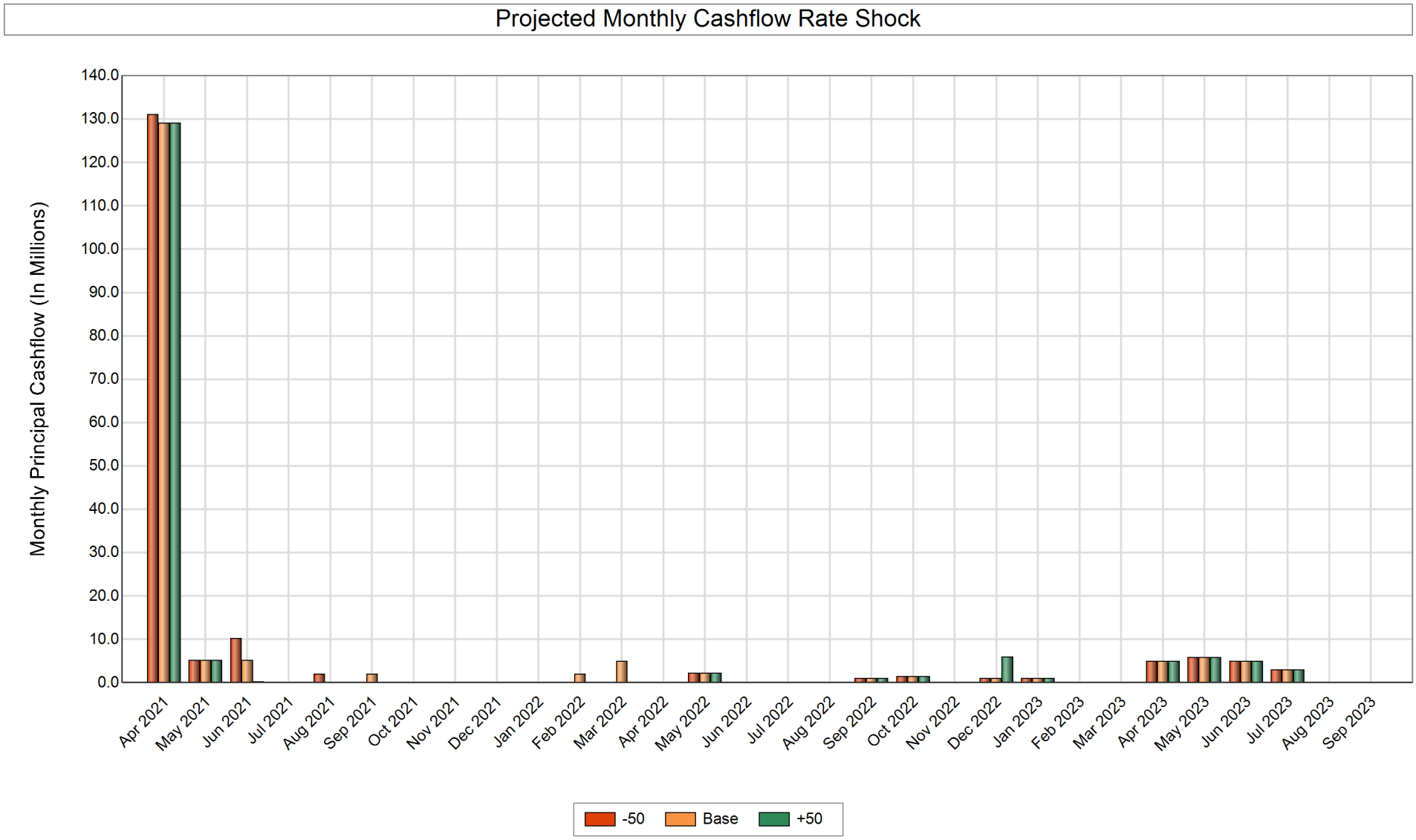
Peer Group Comparison

Peer	As of Date	Book Value	G/L %	Book Yield	Average Life Base	Average Life -50	Average Life +100	% Price Change -50	% Price Change +50	% Price Change +100	Effective Dur	Effective Cvx	UST Agy	Fix MBS	Fix ARM	Fix CMO	Flt CMO	Agy CMBS	Sm Bus.	Prv Label	Muni	Corp	CD	Other	% Fixed
Diff		96,567	-0.1	-0.15	-1.5		-2.5			2.1	-1.9	-0.2	-37%	-1%	0%	0%	0%	0%	0%	0%	-15%	2%	-15%	68%	1%

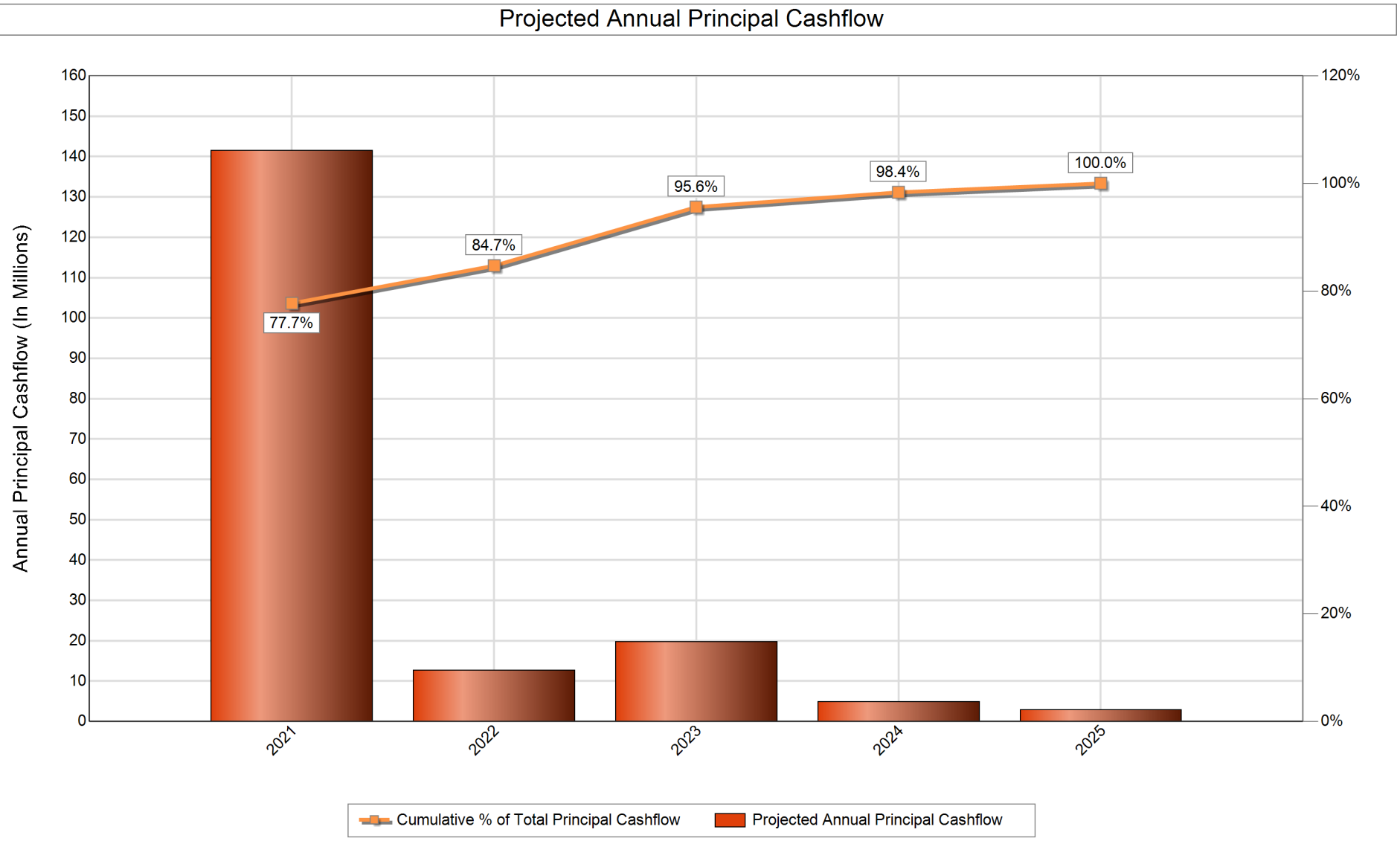
Monthly Cashflow Profile



Monthly Cashflow Rate Shock

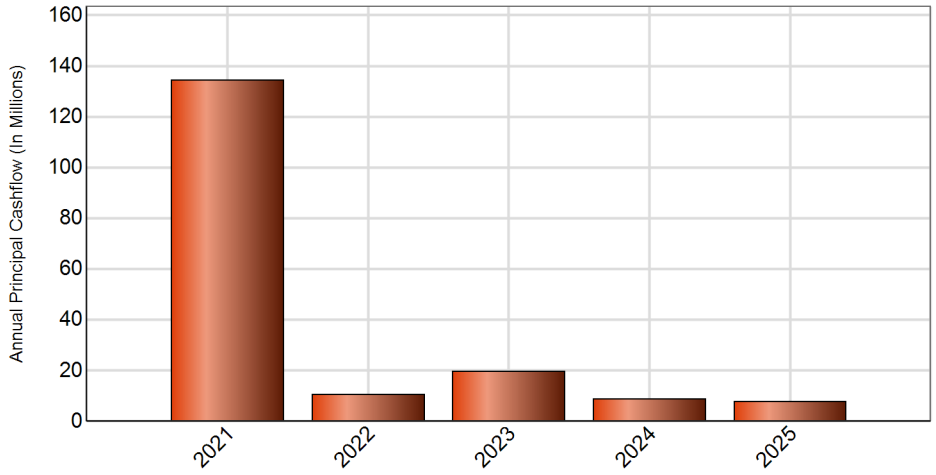


Annual Cashflow Profile

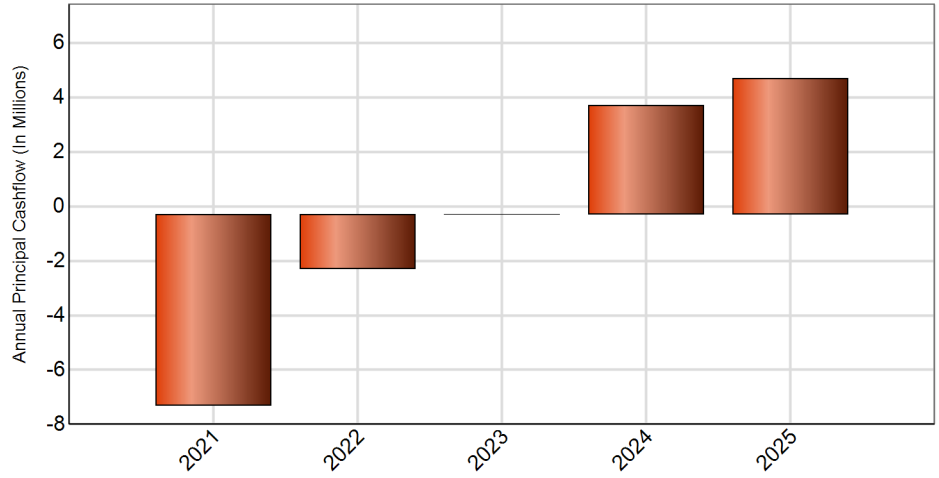


Annual Cashflow Rate Shock

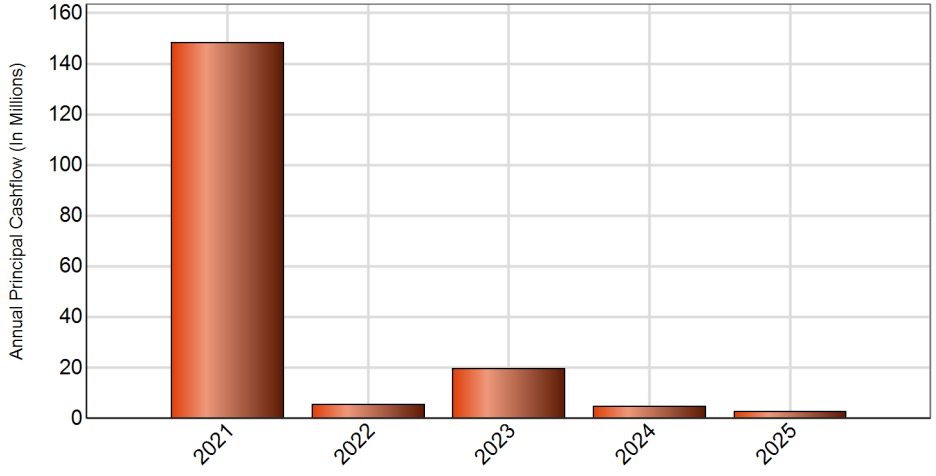
Projected Annual Principal Cashflow +50



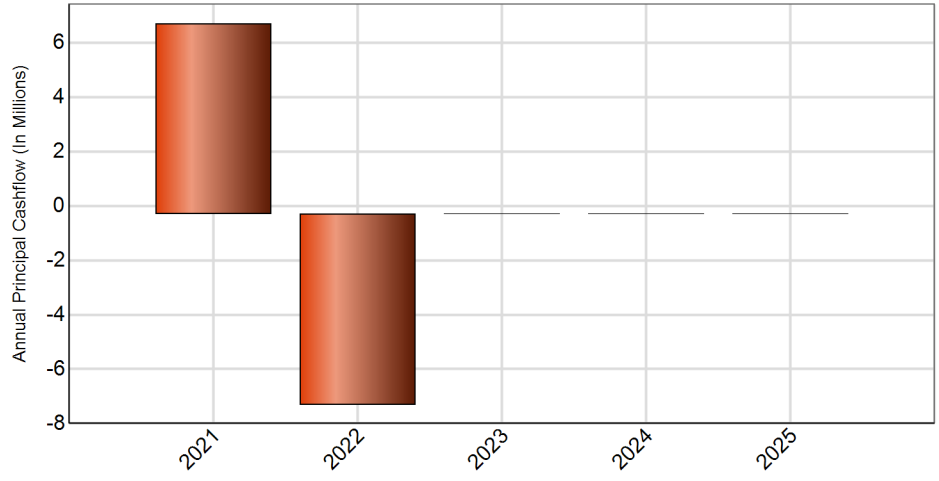
Change in Annual Principal Cashflow +50



Projected Annual Principal Cashflow -50



Change in Annual Principal Cashflow -50



12-Month Principal Cash Flow Projections							Percentage of Total Cash Flow Projections					
Period	+100	+50	+25	Base	-25	-50	+100	+50	+25	Base	-25	-50
Apr 21	129.1	129.1	129.1	129.1	131.1	131.1	71%	71%	71%	71%	72%	72%
May 21	5.2	5.2	5.2	5.2	5.2	5.2	74%	74%	74%	74%	75%	75%
Jun 21	0.2	0.2	0.2	5.2	10.2	10.2	74%	74%	74%	77%	80%	80%
Jul 21	0.0	0.0	0.0	0.0	0.0	0.0	74%	74%	74%	77%	80%	80%
Aug 21	0.0	0.0	0.0	0.0	2.0	2.0	74%	74%	74%	77%	82%	82%
Sep 21	0.0	0.0	0.0	2.0	0.0	0.0	74%	74%	74%	78%	82%	82%
Oct 21	0.0	0.0	0.0	0.0	0.0	0.0	74%	74%	74%	78%	82%	82%
Nov 21	0.0	0.0	0.0	0.0	0.0	0.0	74%	74%	74%	78%	82%	82%
Dec 21	0.0	0.0	0.0	0.0	0.0	0.0	74%	74%	74%	78%	82%	82%
Jan 22	0.0	0.0	0.0	0.0	0.0	0.0	74%	74%	74%	78%	82%	82%
Feb 22	0.0	0.0	0.0	2.0	0.0	0.0	74%	74%	74%	79%	82%	82%
Mar 22	0.0	0.0	0.0	5.0	0.0	0.0	74%	74%	74%	82%	82%	82%

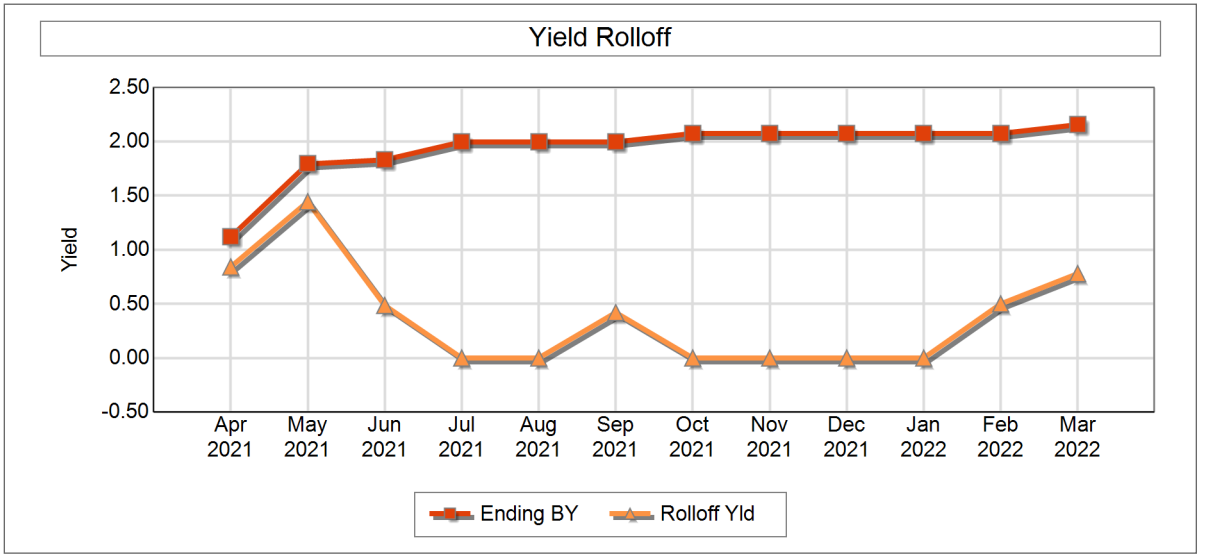
5-Year Quarterly Principal Cash Flow Projections							Percentage of Total Cash Flow Projections					
Period	+100	+50	+25	Base	-25	-50	+100	+50	+25	Base	-25	-50
2Q21	134.6	134.6	134.6	139.6	146.6	146.6	74%	74%	74%	77%	80%	80%
3Q21	0.0	0.0	0.0	2.0	2.0	2.0	74%	74%	74%	78%	82%	82%
4Q21	0.0	0.0	0.0	0.0	0.0	0.0	74%	74%	74%	78%	82%	82%
1Q22	0.0	0.0	0.0	7.0	0.0	0.0	74%	74%	74%	82%	82%	82%
2Q22	2.2	2.2	2.2	2.2	2.2	2.2	75%	75%	75%	83%	83%	83%
3Q22	1.0	1.0	1.0	1.0	1.0	1.0	76%	76%	76%	83%	83%	83%
4Q22	7.5	7.5	7.5	2.5	2.5	2.5	80%	80%	80%	85%	85%	85%
1Q23	1.0	1.0	1.0	1.0	1.0	1.0	80%	80%	80%	85%	85%	85%
2Q23	15.9	15.9	15.9	15.9	15.9	15.9	89%	89%	89%	94%	94%	94%
3Q23	3.0	3.0	3.0	3.0	3.0	3.0	91%	91%	91%	96%	96%	96%
4Q23	0.0	0.0	2.0	0.0	0.0	0.0	91%	91%	92%	96%	96%	96%
1Q24	0.0	0.0	7.0	0.0	0.0	0.0	91%	91%	96%	96%	96%	96%
2Q24	7.0	7.0	5.0	5.0	5.0	5.0	95%	95%	98%	98%	98%	98%
3Q24	0.0	0.0	0.0	0.0	0.0	0.0	95%	95%	98%	98%	98%	98%
4Q24	2.0	2.0	0.0	0.0	0.0	0.0	96%	96%	98%	98%	98%	98%
1Q25	0.0	0.0	0.0	0.0	0.0	0.0	96%	96%	98%	98%	98%	98%
2Q25	5.0	5.0	0.0	0.0	0.0	0.0	98%	98%	98%	98%	98%	98%
3Q25	0.0	0.0	0.0	0.0	0.0	0.0	98%	98%	98%	98%	98%	98%
4Q25	3.0	3.0	3.0	3.0	3.0	3.0	100%	100%	100%	100%	100%	100%

In Millions

Cash Flow and Yield Rolloff - Next 12 Months

Yield Rolloff

Month	Begin BY	Principal CF	Rolloff Yld	Ending BY
Apr 2021	1.12	129,087	0.84	1.79
May 2021	1.79	5,245	1.44	1.83
Jun 2021	1.83	5,245	0.49	2.00
Jul 2021	2.00	0	0.00	2.00
Aug 2021	2.00	0	0.00	2.00
Sep 2021	2.00	2,000	0.42	2.08
Oct 2021	2.08	0	0.00	2.08
Nov 2021	2.08	0	0.00	2.08
Dec 2021	2.08	0	0.00	2.08
Jan 2022	2.08	0	0.00	2.08
Feb 2022	2.08	2,000	0.50	2.16
Mar 2022	2.16	5,000	0.78	2.36

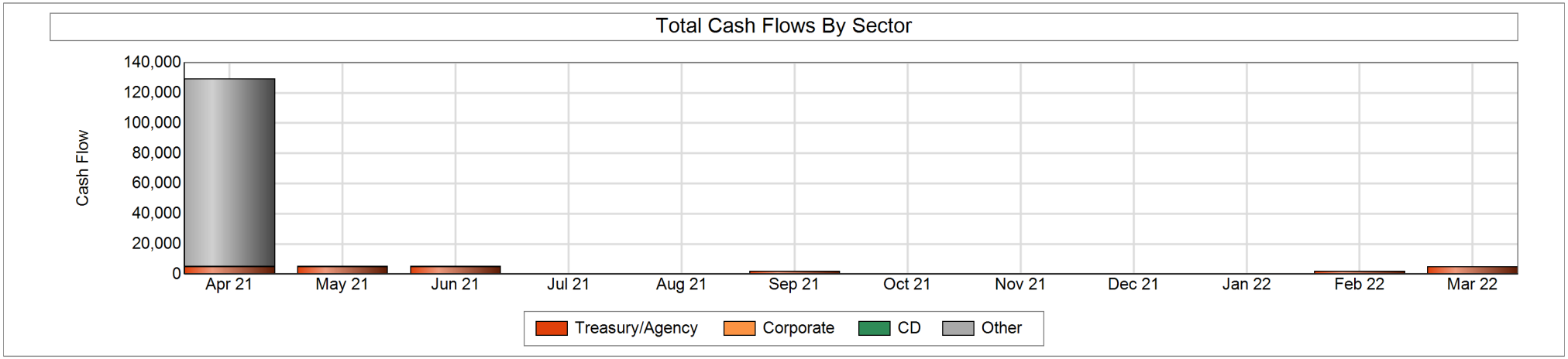


Shocked Principal and Interest Cash Flow Analysis

Year	Mod Up Stp	+100	+50	+25	-25	-50	Mod Dn Flt
Apr 2021	129,325	129,325	129,325	129,325	131,328	131,328	131,328
May 2021	5,384	5,384	5,384	5,384	5,380	5,380	5,380
Jun 2021	393	393	393	393	10,393	10,393	10,393
Jul 2021	14	14	14	14	14	14	14
Aug 2021	61	61	61	61	2,061	2,061	2,061
Sep 2021	16	16	16	16	16	16	16
Oct 2021	98	98	98	98	98	98	98
Nov 2021	98	98	98	98	98	98	98
Dec 2021	135	135	135	135	116	116	116
Jan 2022	14	14	14	14	14	14	14
Feb 2022	60	60	60	60	55	55	55
Mar 2022	16	16	16	16	16	16	16

Sector Cash Flow and Yield Rolloff - Next 12 Months

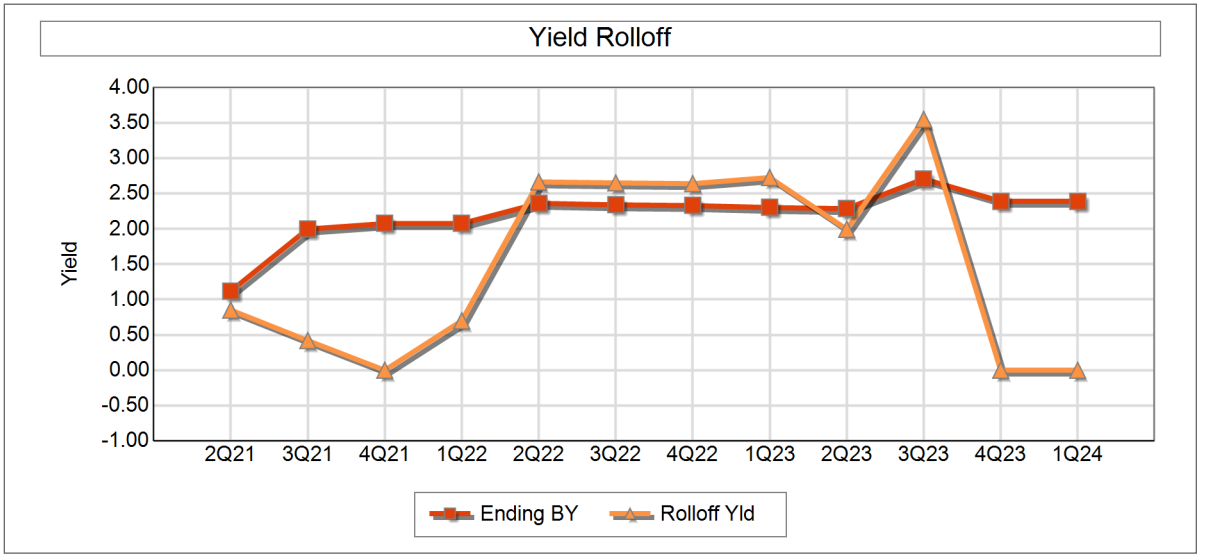
		Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Bk Yld Chg
Treasury/Agency	Cash Flow	5,115	5,077	5,122	0	5	2,003	57	39	112	0	2,005	5,010	
	End BY	1.50	1.52	1.74	1.74	1.74	1.86	1.86	1.86	1.86	1.86	1.99	2.37	0.87
Corporate	Cash Flow	39	39	21	12	53	14	39	39	21	12	53	14	
	End BY	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	0.00
CD	Cash Flow	2	269	250	2	2	2	2	21	2	2	2	2	
	End BY	2.80	2.80	2.86	2.86	2.86	2.86	2.86	2.86	2.86	2.86	2.86	2.86	0.06
Other	Cash Flow	124,168	0	0	0	0	0	0	0	0	0	0	0	
	End BY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	Cash Flow	129,325	5,384	5,393	14	61	2,019	98	98	135	14	2,060	5,025	
	End BY	1.79	1.83	2.00	2.00	2.00	2.08	2.08	2.08	2.08	2.08	2.16	2.36	0.57



Cash Flow and Yield Rolloff - Next 3 Years

Yield Rolloff

Quarter	Begin BY	Principal CF	Rolloff Yld	Ending BY
2Q21	1.12	139,577	0.85	2.00
3Q21	2.00	2,000	0.42	2.08
4Q21	2.08	0	0.00	2.08
1Q22	2.08	7,000	0.70	2.36
2Q22	2.36	2,225	2.66	2.34
3Q22	2.34	1,000	2.65	2.33
4Q22	2.33	2,500	2.64	2.30
1Q23	2.30	1,000	2.73	2.29
2Q23	2.29	15,870	1.99	2.71
3Q23	2.71	3,000	3.55	2.39
4Q23	2.39	0	0.00	2.39
1Q24	2.39	0	0.00	2.39

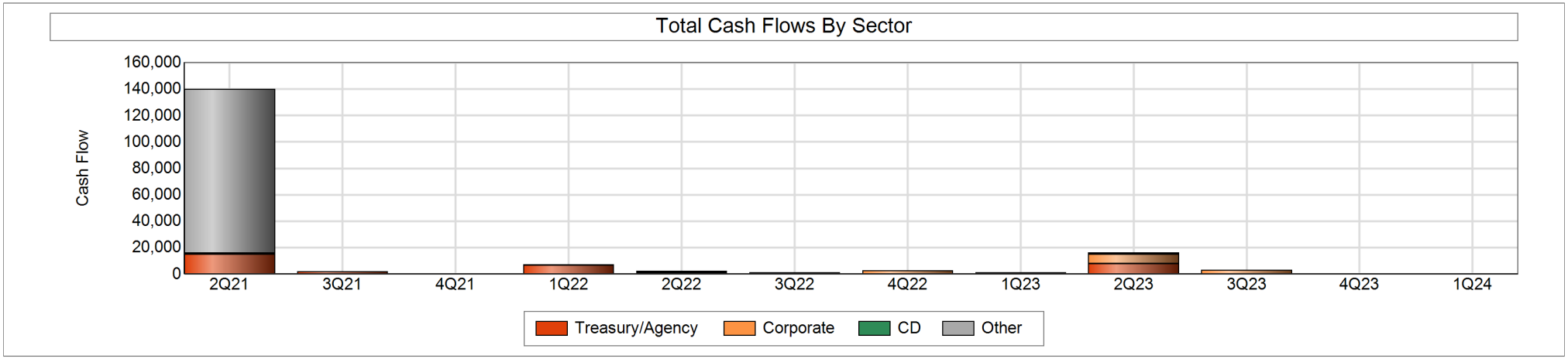


Shocked Principal and Interest Cash Flow Analysis

Quarter	Mod Up Stp	+100	+50	+25	-25	-50	Mod Dn Flt
2Q21	135,102	135,102	135,102	135,102	147,101	147,101	147,101
3Q21	91	91	91	91	2,091	2,091	2,091
4Q21	331	331	331	331	312	312	312
1Q22	90	90	90	90	85	85	85
2Q22	2,534	2,534	2,534	2,534	2,534	2,534	2,534
3Q22	1,090	1,090	1,090	1,090	1,090	1,090	1,090
4Q22	2,777	2,777	2,777	2,777	2,777	2,777	2,777
1Q23	1,064	1,064	1,064	1,064	1,064	1,064	1,064
2Q23	16,121	16,121	16,121	16,121	16,121	16,121	16,121
3Q23	3,044	3,044	3,044	3,044	3,044	3,044	3,044
4Q23	96	96	96	96	96	96	96
1Q24	0	0	0	0	0	0	0

Sector Cash Flow and Yield Rolloff - Next 3 Years

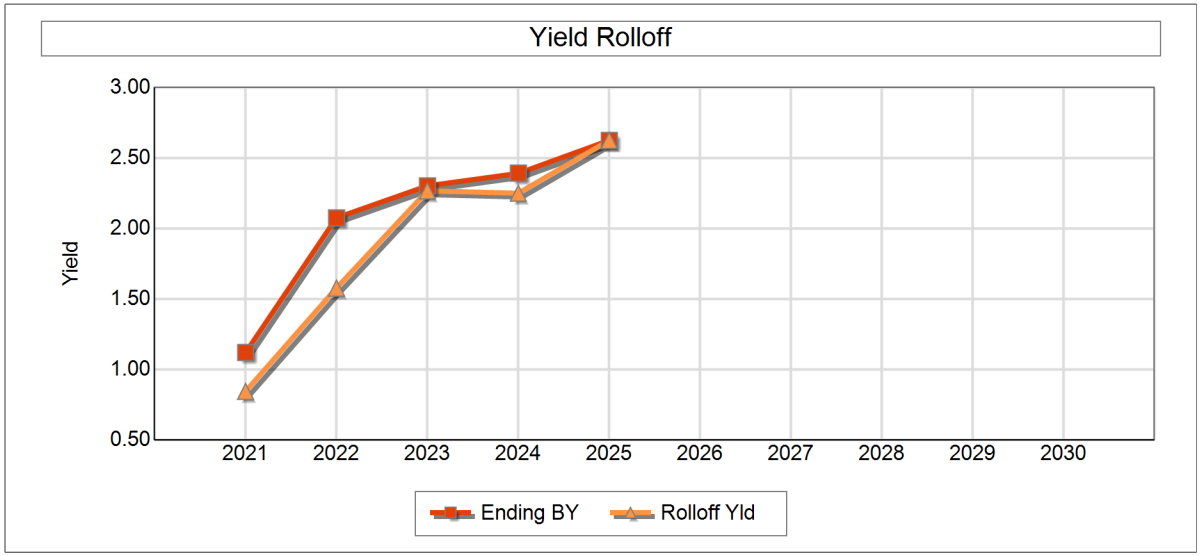
		2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	Bk Yld Chg
Treasury/Agency	Cash Flow	15,314	2,008	208	7,015	187	0	188	0	8,002	0	96	0	
	End BY	1.74	1.86	1.86	2.37	2.37	2.37	2.37	2.37	2.39	2.39	2.39	2.39	0.65
Corporate	Cash Flow	99	79	99	79	1,099	1,088	2,575	1,062	7,126	3,044	0	0	
	End BY	2.28	2.28	2.28	2.28	2.25	2.22	2.13	2.07	3.55	0.00	0.00	0.00	-2.28
CD	Cash Flow	521	7	25	7	1,248	2	14	2	993	0	0	0	
	End BY	2.86	2.86	2.86	2.86	3.14	3.14	3.14	3.14	0.00	0.00	0.00	0.00	-2.86
Other	Cash Flow	124,168	0	0	0	0	0	0	0	0	0	0	0	
	End BY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	Cash Flow	140,102	2,093	331	7,100	2,534	1,090	2,777	1,064	16,121	3,044	96	0	
	End BY	2.00	2.08	2.08	2.36	2.34	2.33	2.30	2.29	2.71	2.39	2.39	2.39	0.39



Cash Flow and Yield Rolloff - Next 10 Years

Yield Rolloff

Year	Begin BY	Principal CF	Rolloff Yld	Ending BY
2021	1.12	141,577	0.85	2.08
2022	2.08	12,725	1.58	2.30
2023	2.30	19,870	2.27	2.39
2024	2.39	5,000	2.25	2.62
2025	2.62	3,000	2.62	
2026				
2027				
2028				
2029				
2030				

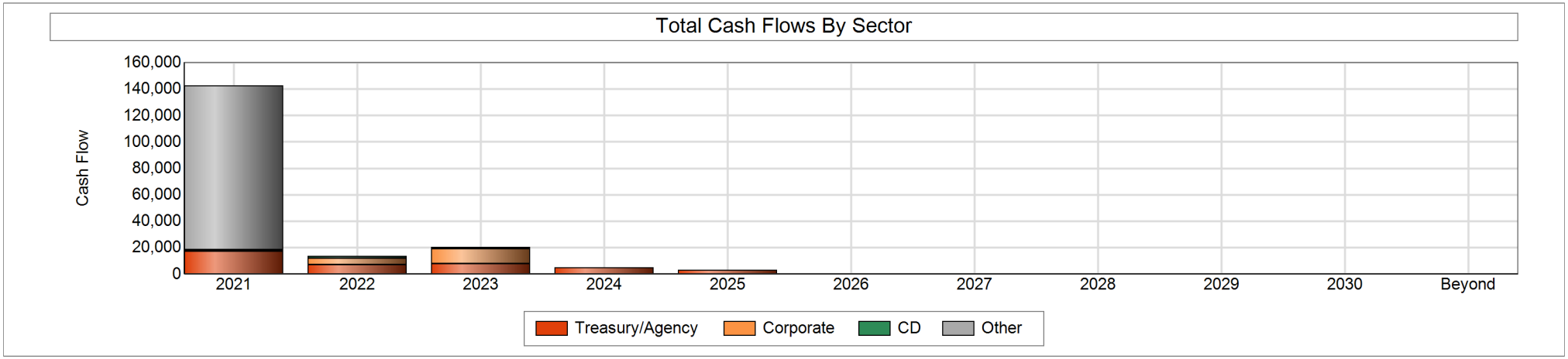


Shocked Principal and Interest Cash Flow Analysis

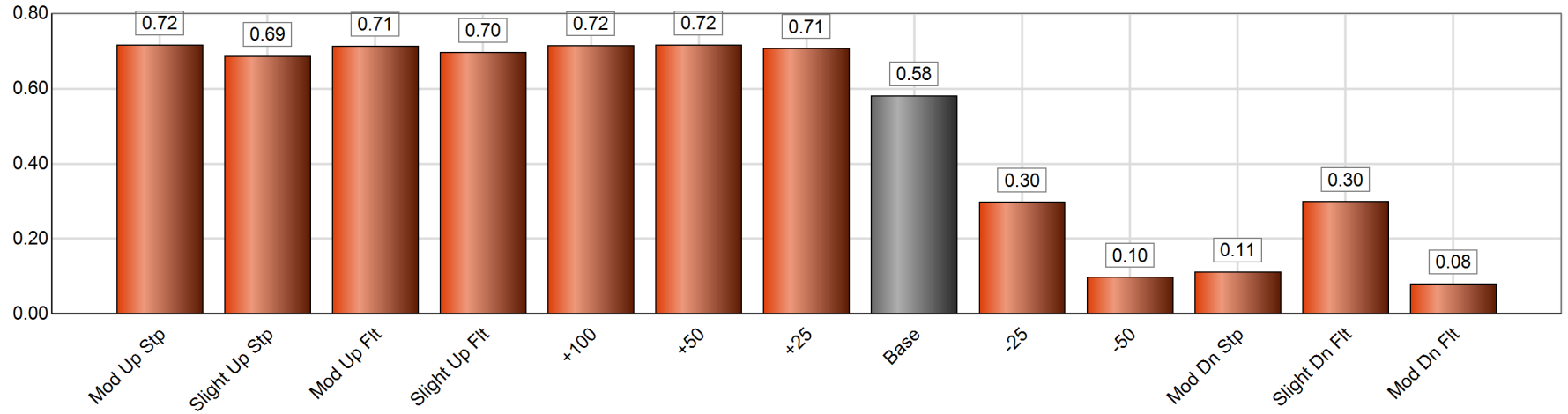
Year	Mod Up Stp	+100	+50	+25	-25	-50	Mod Dn Flt
2021	135,538	135,538	135,538	135,538	149,504	149,504	149,504
2022	11,563	11,563	11,563	11,563	6,486	6,486	6,486
2023	20,383	20,383	20,383	22,382	20,325	20,325	20,325
2024	14,157	9,190	9,190	12,143	5,135	5,135	5,135
2025	3,079	8,098	8,092	3,079	3,079	3,079	3,079

Sector Cash Flow and Yield Rolloff - Next 10 Years

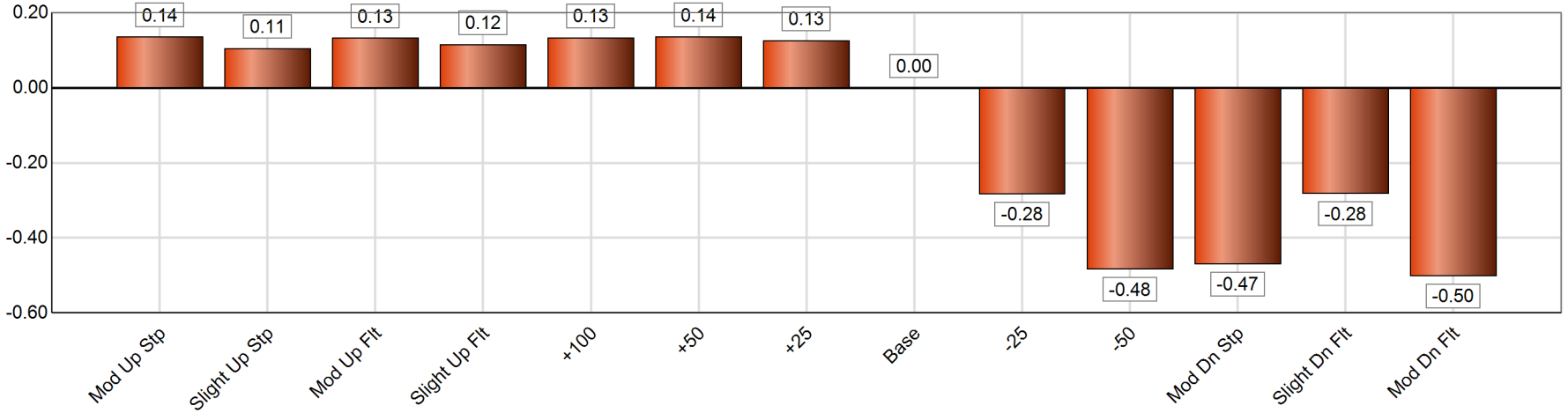
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Bk Yld Chg
Treasury/Agency	Cash Flow	17,529	7,390	8,098	5,135	3,079	0	0	0	0	0	
	End BY	1.60	1.86	2.37	2.39	2.62	0.00	0.00	0.00	0.00	0.00	-1.60
Corporate	Cash Flow	277	4,841	11,233	0	0	0	0	0	0	0	
	End BY	2.28	2.28	2.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2.28
CD	Cash Flow	553	1,270	995	0	0	0	0	0	0	0	
	End BY	2.80	2.86	3.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2.80
Other	Cash Flow	124,168	0	0	0	0	0	0	0	0	0	
	End BY	0.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.78
Total	Cash Flow	142,527	13,500	20,325	5,135	3,079	0	0	0	0	0	
	End BY	0.00	2.08	2.30	2.39	2.62	0.00	0.00	0.00	0.00	0.00	0.00

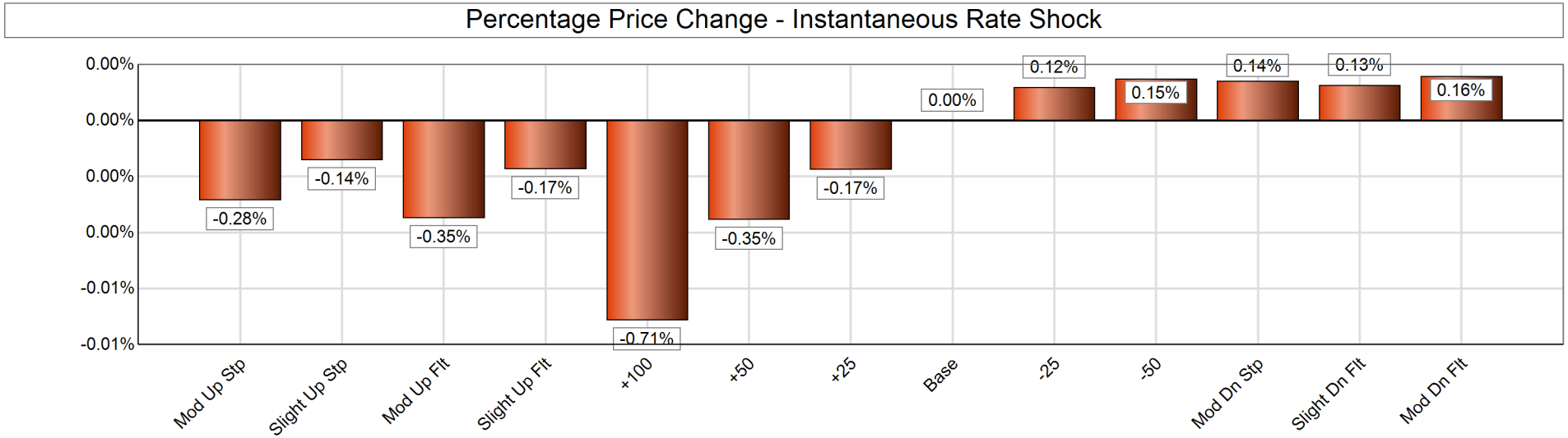


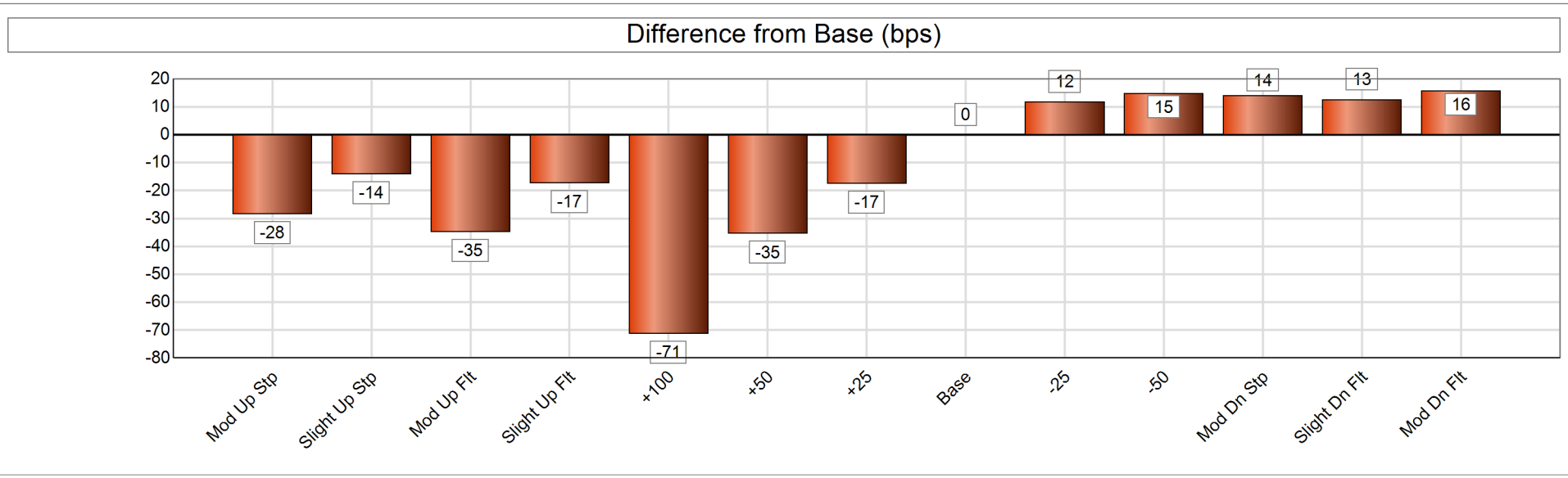
Effective Duration - Instantaneous Rate Shock



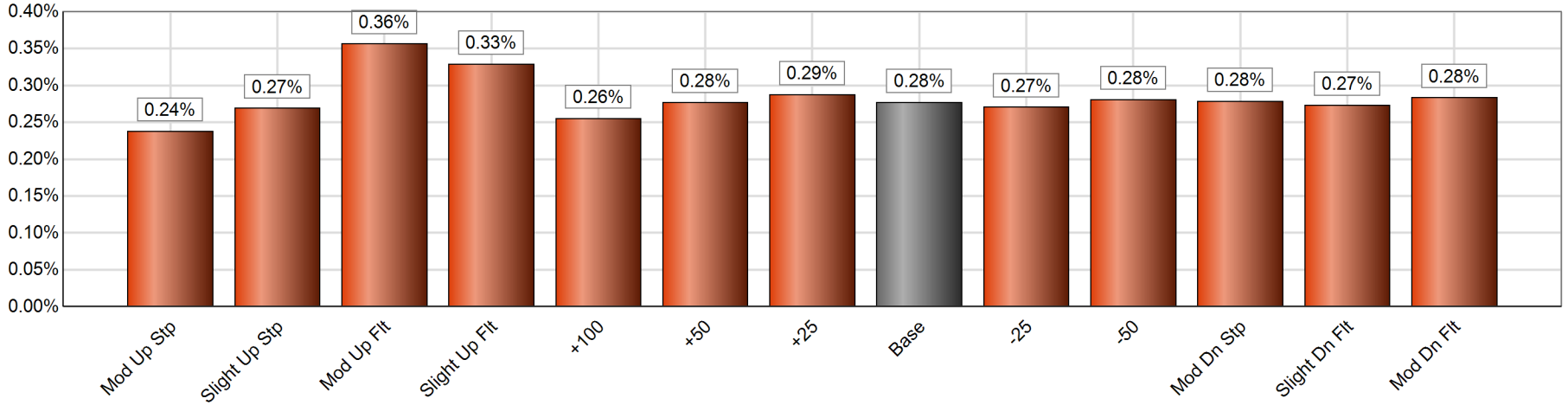
Difference from Base



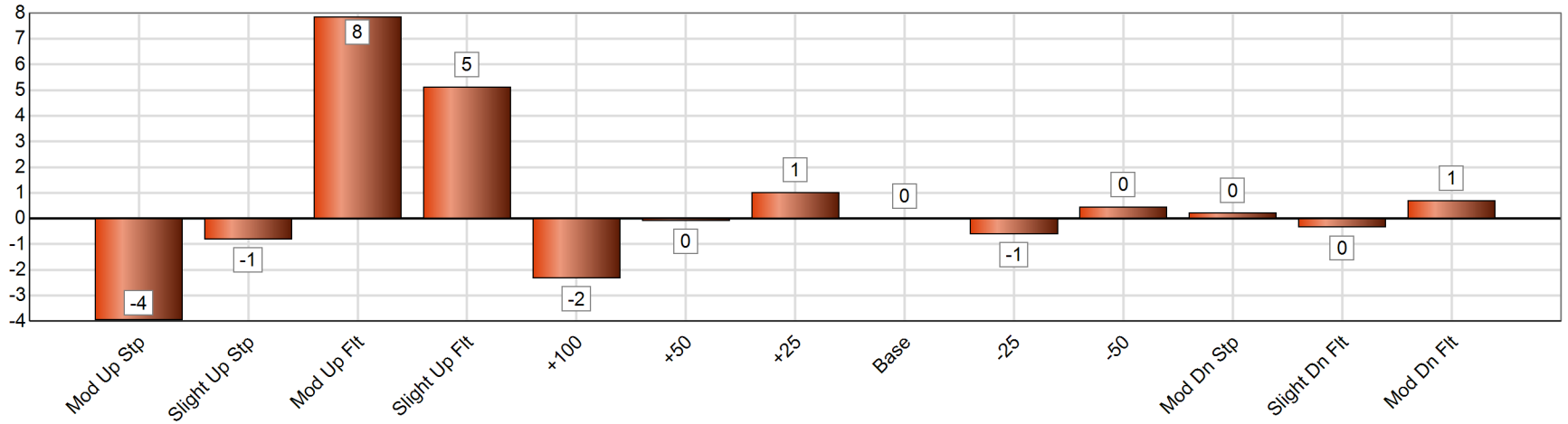

Percentage Price Change - Instantaneous Rate Shock
0.00%
0.00%
0.00%
0.00%
-0.01%
-0.01%
-0.28%
-0.14%
-0.35%
-0.17%
-0.71%
-0.35%
-0.17%
0.00%
0.12%
0.15%
0.14%
0.13%
0.16%
Mod Up Stp
Slight Up Stp
Mod Up Flt
Slight Up Flt
+100
+50
+25
Base
-25
-50
Mod Dn Stp
Slight Dn Flt
Mod Dn Flt


Difference from Base (bps)
20
10
0
-10
-20
-30
-40
-50
-60
-70
-80
-28
-14
-35
-17
-71
-35
-17
0
12
15
14
13
16
Mod Up Stp
Slight Up Stp
Mod Up Flt
Slight Up Flt
+100
+50
+25
Base
-25
-50
Mod Dn Stp
Slight Dn Flt
Mod Dn Flt

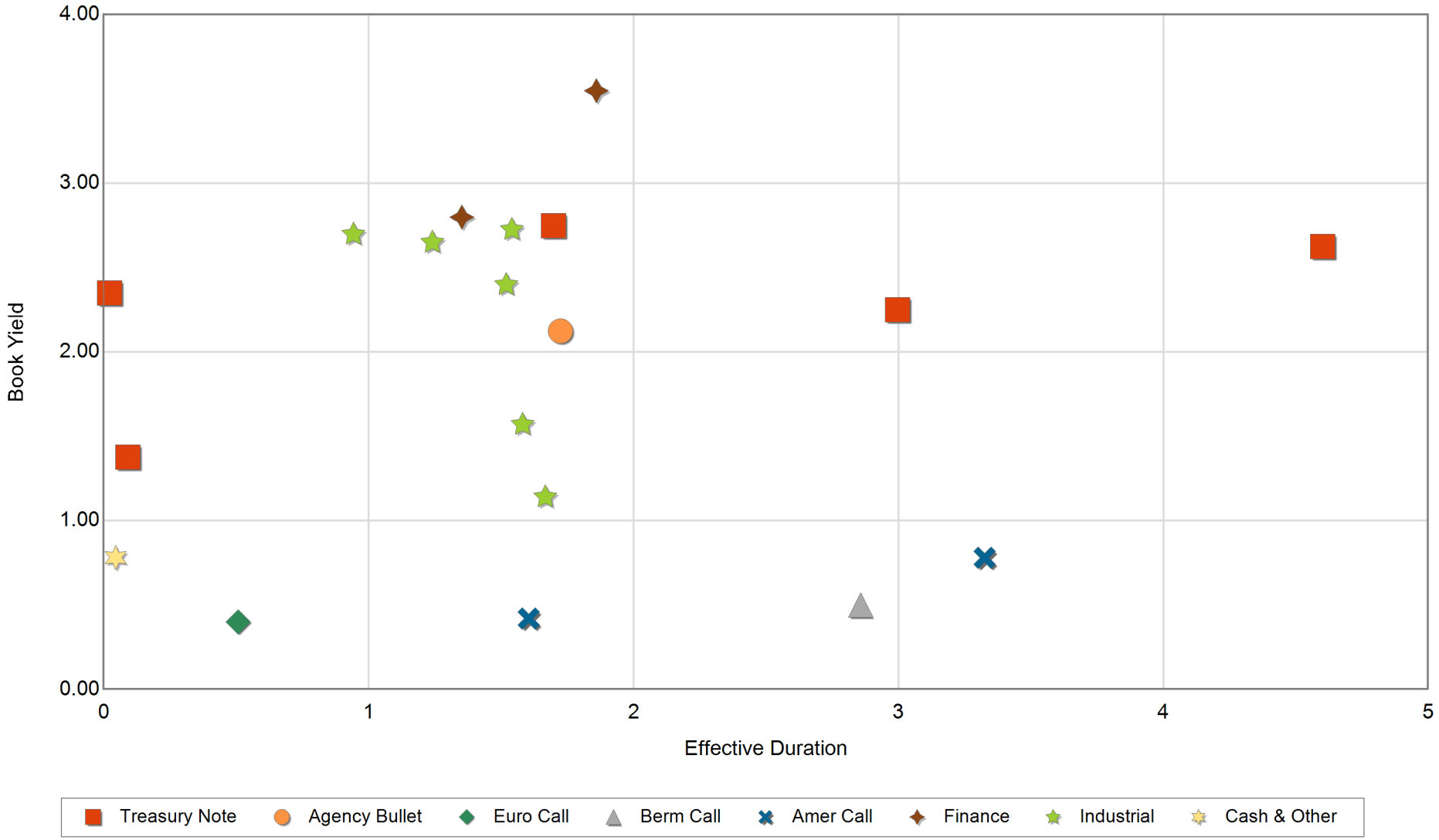
Total Returns Comparison - 12 Mo. Horizon



Difference from Base (bps)

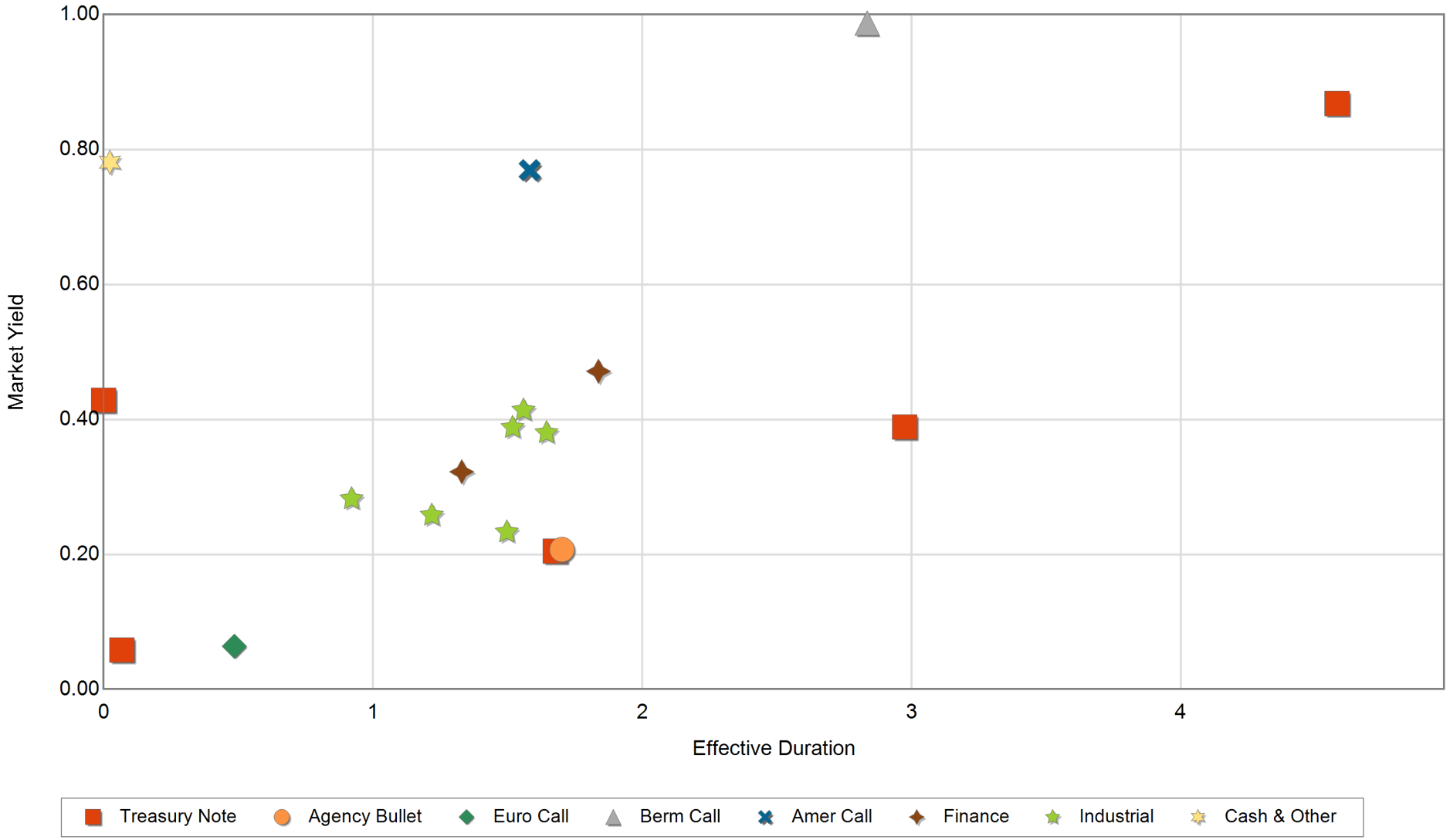


Book Yield / Duration



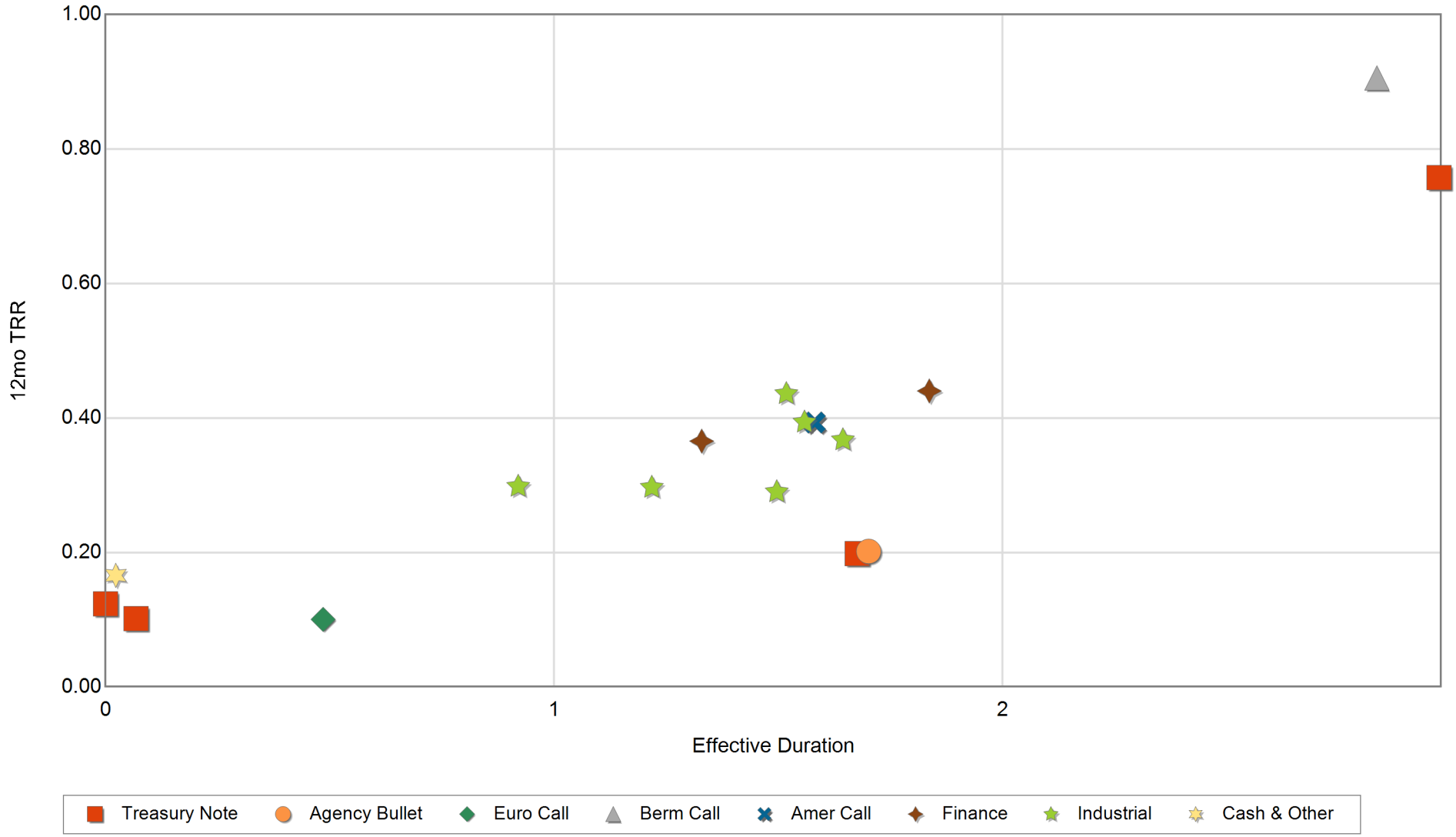
*Only securities >=$1mm shown

Market Yield / Duration



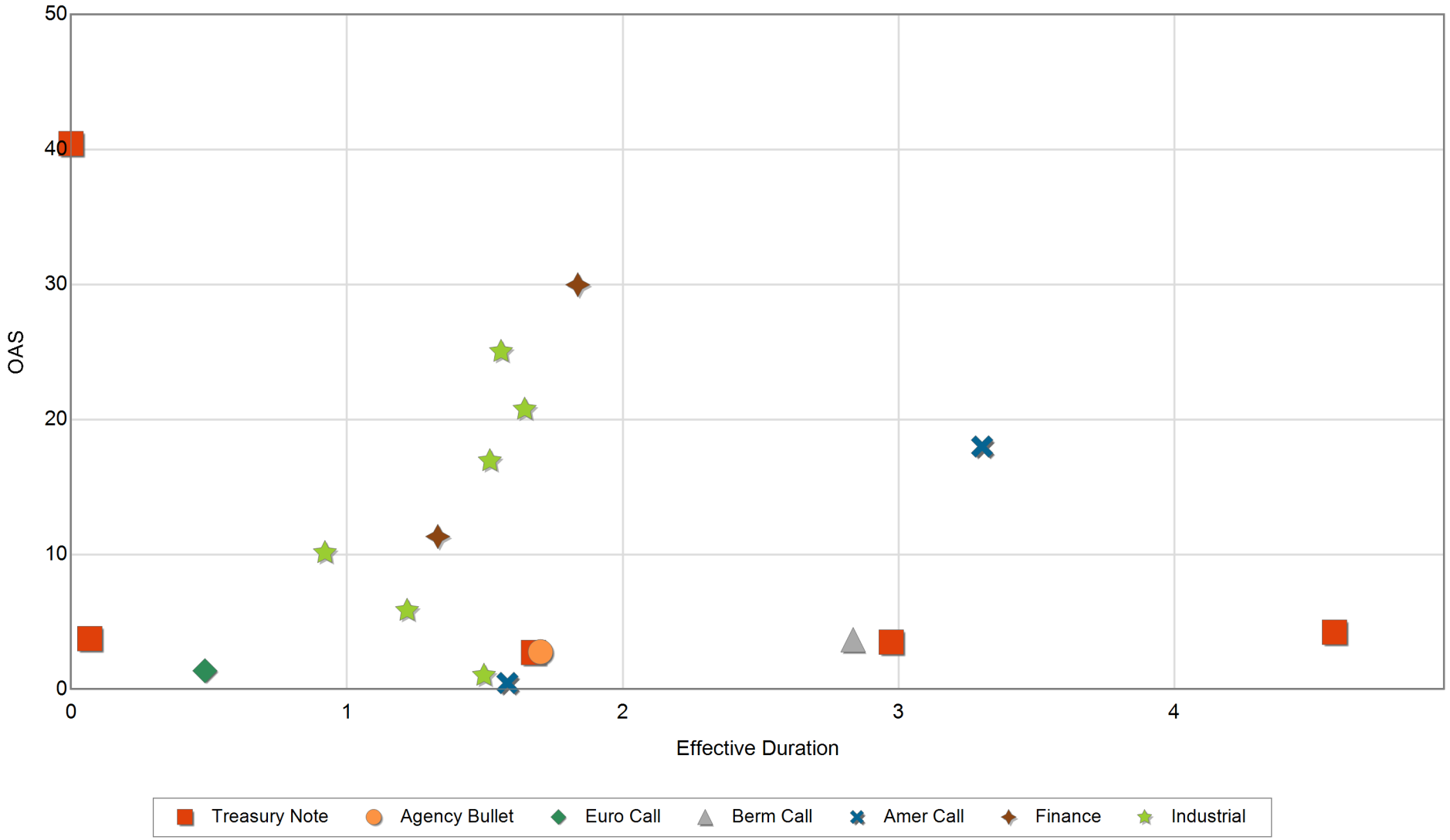
*Only securities >=$1mm shown

Total Return / Duration



*Only securities >=$1mm shown

OAS / Duration



*Only securities >=$1mm shown

Agency/Sovereign Option-Adjusted Analysis

Bond ID #	CUSIP	Security Description	Original Structure	Next Call Date	Proj. Redemp	Par Value	Book Price	Mkt Price	Est. G/L	Book			Market			TOAS	Eff Dur	Eff Conv
										YTP	YTM	YTC	YTP	YTM	YTC			
1	9128284G2	T 2 3/8 04/15/21	3Yr Bullet		04/15/21	5,000	100.00	100.08	4	2.35	2.35	2.35	0.43	0.43	0.43	40.4	0.02	-0.15
6	912828R77	T 1 3/8 05/31/21	5Yr Bullet		05/31/21	5,000	100.00	100.22	11	1.38	1.38	1.38	0.06	0.06	0.06	3.7	0.09	-0.61
8	3134GVN87	FHLMC 0.4 12/15/22	2.5YrNC1Yr 1x	06/15/21	06/15/21	5,000	100.00	100.07	4	0.40	0.40	0.40	0.06	0.36	0.06	1.4	0.51	-3.72
20	3133EL2X1	FFCB 0.42 05/06/24	3.75YrNC3mo Amer	04/19/21	09/05/21	2,000	100.00	99.85	-3	0.42	0.42	0.42	0.77	0.47	8.29	0.5	1.60	-7.81
26	9128284S6	T 2 3/4 05/31/23	5Yr Bullet		05/31/23	2,815	100.00	105.50	155	2.75	2.75	2.75	0.21	0.21	0.21	2.7	1.70	-2.86
27	3133EKPT7	FFCB 2 1/8 06/05/23	4Yr Bullet		06/05/23	5,000	100.00	104.17	209	2.12	2.12	2.12	0.21	0.21	0.21	2.8	1.72	-2.86
29	3134GWNG7	FHLMC 0 1/2 11/27/24	4.25YrNC1Yr Berm	08/27/21	02/27/22	2,000	100.00	99.56	-9	0.50	0.50	0.50	0.99	0.62	1.58	3.7	2.86	-3.45
30	9128286R6	T 2 1/4 04/30/24	5Yr Bullet		04/30/24	5,000	100.00	105.70	285	2.25	2.25	2.25	0.39	0.39	0.39	3.5	3.00	0.26
31	3133ELK37	FFCB 0.78 06/16/25	5YrNC1Yr Amer	06/16/21	03/15/22	5,000	100.00	99.36	-32	0.78	0.78	0.78	1.45	0.94	3.85	18.0	3.33	-3.46
32	9128285T3	T 2 5/8 12/31/25	7Yr Bullet		12/31/25	3,000	100.00	108.16	245	2.62	2.62	2.62	0.87	0.87	0.87	4.2	4.60	0.90
						39,815	100.00	102.18	868	1.60	1.60	1.60	0.49	0.43	1.18	9.4	1.80	-2.00

Corporate Bond Option - Adjusted Analysis

Bond ID #	CUSIP	Security Description	Ticker	Cpn	Maturity Date	Opt Call	Cpn Type	Industry Sector	Mdy	S&P	Par Value	Book Price	Mkt Price	Book Yield	Market Yield	WAL	TOAS	Eff Dur	Eff Conv
10	037833BF6	AAPL 2.7 05/13/22	AAPL	2.70	05/13/22	N	Fixed	Industrial	Aa1	AA+	1,000	100.00	102.70	2.70	0.28	1.12	10.1	0.94	-1.33
15	594918BH6	MSFT 2.65 11/03/22	MSFT	2.65	11/03/22	Y	Fixed	Industrial	Aaa	AAA	1,000	100.00	103.40	2.65	0.26	1.43	5.9	1.24	-1.35
16	92826CAC6	V 2.8 12/14/22	V	2.80	12/14/22	Y	Fixed	Finance	Aa3	AA-	1,500	100.00	103.80	2.80	0.32	1.54	11.3	1.35	-1.35
17	037833DE7	AAPL 2.4 01/13/23	AAPL	2.40	01/13/23	Y	Fixed	Industrial	Aa1	AA+	1,000	100.00	103.68	2.40	0.23	1.70	1.0	1.52	-1.35
18	30231GAR3	XOM 2.726 03/01/23	XOM	2.73	03/01/23	Y	Fixed	Industrial	Aa2	AA-	1,000	100.00	104.08	2.73	0.39	1.75	16.9	1.54	-1.53
19	30231GBL5	XOM 1.571 04/15/23	XOM	1.57	04/15/23	N	Fixed	Industrial	Aa2	AA-	5,000	100.00	102.35	1.57	0.41	2.04	25.0	1.58	-3.01
25	166764BV1	CVX 1.141 05/11/23	CVX	1.14	05/11/23	N	Fixed	Industrial	Aa2	AA-	2,075	100.00	101.60	1.14	0.38	2.11	20.8	1.67	-2.96
28	94988J5R4	WFC 3.55 08/14/23	WFC	3.55	08/14/23	Y	Fixed	Finance	Aa2	A+	3,000	100.00	107.00	3.55	0.47	2.29	30.0	1.86	-4.12
				2.28							15,575	100.00	103.57	2.28	0.38	1.91	19.9	1.56	-2.65

CD Option - Adjusted Analysis

Bond ID #	CUSIP	Security Description	Ticker	Cpn	Maturity Date	Opt Call	Cpn Type	Industry Sector	Par Value	Book Price	Mkt Price	Book Yield	Market Yield	WAL	TOAS	Eff Dur	Eff Conv
5	38148PK97	GS 2.9 05/17/21	GS	2.90	05/17/21	N	Fixed	NCD	245	100.00	100.33	2.85	0.33	0.13	30.8	0.07	-0.47
7	14042RFY2	COF 2 1/4 06/01/21	COF	2.25	06/01/21	N	Fixed	NCD	245	100.00	100.32	2.25	0.36	0.17	33.8	0.09	-0.62
9	05580AMR2	BMW 2.95 05/11/22	BMW	2.95	05/11/22	N	Fixed	NCD	245	100.00	102.74	2.94	0.48	1.11	29.3	0.94	-1.32
11	86063QAN5	SF 2.85 05/16/22	SF	2.85	05/16/22	N	Fixed	NCD	245	100.00	102.66	2.86	0.48	1.13	29.7	0.95	-1.33
12	29278TBF6	Enerbank USA	29278	2.95	05/18/22	N	Fixed	NCD	245	100.00	102.79	2.97	0.48	1.13	29.7	0.96	-1.33
13	02587CFM7	AXP 2.4 05/31/22	AXP	2.40	05/31/22	N	Fixed	NCD	245	100.00	102.23	2.40	0.48	1.17	29.5	0.99	-1.34
14	51210SMT1	LAKESD 2 05/31/22	LAKESD	2.00	05/31/22	N	Fixed	NCD	245	100.00	101.76	2.01	0.49	1.17	30.1	1.00	-1.35
21	61747MX30	MS 3.15 05/10/23	MS	3.15	05/10/23	N	Fixed	NCD	245	100.00	105.36	3.15	0.59	2.11	41.4	1.63	-2.89
22	17312QL23	C 3.15 05/11/23	C	3.15	05/11/23	N	Fixed	NCD	245	100.00	105.36	3.15	0.59	2.11	41.6	1.63	-2.89
23	87164WWF1	SYF 3.15 05/11/23	SYF	3.15	05/11/23	N	Fixed	NCD	245	100.00	105.36	3.15	0.59	2.11	41.6	1.63	-2.89
24	20033AYE0	ADS 3.1 05/15/23	ADS	3.10	05/15/23	N	Fixed	NCD	245	100.00	105.26	3.12	0.61	2.13	42.9	1.65	-2.89
				2.80					2,695	100.00	103.11	2.80	0.50	1.33	34.7	1.06	-1.77

Book Yield Table - Instantaneous Rate Shock

Bond ID #	CUSIP	Security Description	Original Structure	Par Value	Book Price	Projected Call Date - Instantaneous Rate Shock						Book Yield Table - Instantaneous Rate Shock					
						+100	+50	+25	Base	-25	-50	+100	+50	+25	Base	-25	-50
1	9128284G2	T 2 3/8 04/15/21	3Yr Bullet	5,000	100.00	4/15/21	4/15/21	4/15/21	4/15/21	4/15/21	4/15/21	2.35	2.35	2.35	2.35	2.35	2.35
2	PLMDLLAIF	CITY ACCOUNT		63,900	100.00	4/30/21	4/30/21	4/30/21	4/30/21	4/30/21	4/30/21	0.78	0.78	0.78	0.78	0.78	0.78
3	PLMDLCAMP	PCA ACCOUNT		59,939	100.00	4/30/21	4/30/21	4/30/21	4/30/21	4/30/21	4/30/21	0.78	0.78	0.78	0.78	0.78	0.78
4	PLMDLLAIF	CITY ACCOUNT		249	100.00	4/30/21	4/30/21	4/30/21	4/30/21	4/30/21	4/30/21	0.78	0.78	0.78	0.78	0.78	0.78
5	38148PK97	GS 2.9 05/17/21	3Yr Bullet	245	100.00	5/17/21	5/17/21	5/17/21	5/17/21	5/17/21	5/17/21	2.85	2.85	2.85	2.85	2.85	2.85
6	912828R77	T 1 3/8 05/31/21	5Yr Bullet	5,000	100.00	5/31/21	5/31/21	5/31/21	5/31/21	5/31/21	5/31/21	1.38	1.38	1.38	1.38	1.38	1.38
7	14042RFY2	COF 2 1/4 06/01/21	4Yr Bullet	245	100.00	6/1/21	6/1/21	6/1/21	6/1/21	6/1/21	6/1/21	2.25	2.25	2.25	2.25	2.25	2.25
8	3134GVN87	FHLMC 0.4 12/15/22	2.5YrNC1Yr 1x	5,000	100.00	12/15/22	12/15/22	12/15/22	6/15/21	6/15/21	6/15/21	0.40	0.40	0.40	0.40	0.40	0.40
9	05580AMR2	BMW 2.95 05/11/22	4Yr Bullet	245	100.00	5/11/22	5/11/22	5/11/22	5/11/22	5/11/22	5/11/22	2.94	2.94	2.94	2.94	2.94	2.94
10	037833BF6	AAPL 2.7 05/13/22	7YrNC1mo	1,000	100.00	5/13/22	5/13/22	5/13/22	5/13/22	5/13/22	5/13/22	2.70	2.70	2.70	2.70	2.70	2.70
11	86063QAN5	SF 2.85 05/16/22	4Yr Bullet	245	100.00	5/16/22	5/16/22	5/16/22	5/16/22	5/16/22	5/16/22	2.86	2.86	2.86	2.86	2.86	2.86
12	29278TBF6	Enerbank USA		245	100.00	5/18/22	5/18/22	5/18/22	5/18/22	5/18/22	5/18/22	2.97	2.97	2.97	2.97	2.97	2.97
13	02587CFM7	AXP 2.4 05/31/22	5Yr Bullet	245	100.00	5/31/22	5/31/22	5/31/22	5/31/22	5/31/22	5/31/22	2.40	2.40	2.40	2.40	2.40	2.40
14	51210SMT1	LAKESD 2 05/31/22	5Yr Bullet	245	100.00	5/31/22	5/31/22	5/31/22	5/31/22	5/31/22	5/31/22	2.01	2.01	2.01	2.01	2.01	2.01
15	594918BH6	MSFT 2.65 11/03/22	7YrNC6.8Yr Amer	1,000	100.00	9/3/22	9/3/22	9/3/22	9/3/22	9/3/22	9/3/22	2.65	2.65	2.65	2.65	2.65	2.65
16	92826CAC6	V 2.8 12/14/22	7YrNC6.8Yr Amer	1,500	100.00	10/14/22	10/14/22	10/14/22	10/14/22	10/14/22	10/14/22	2.80	2.80	2.80	2.80	2.80	2.80
17	037833DE7	AAPL 2.4 01/13/23	5.25YrNC5.1Yr Amer	1,000	100.00	12/13/22	12/13/22	12/13/22	12/13/22	12/13/22	12/13/22	2.40	2.40	2.40	2.40	2.40	2.40
18	30231GAR3	XOM 2.726 03/01/23	7YrNC6.8Yr Amer	1,000	100.00	1/1/23	1/1/23	1/1/23	1/1/23	1/1/23	1/1/23	2.73	2.73	2.73	2.73	2.73	2.73
19	30231GBL5	XOM 1.571 04/15/23	3YrNC1mo	5,000	100.00	4/15/23	4/15/23	4/15/23	4/15/23	4/15/23	4/15/23	1.57	1.57	1.57	1.57	1.57	1.57
20	3133EL2X1	FFCB 0.42 05/06/24	3.75YrNC3mo Amer	2,000	100.00	5/6/24	5/6/24	10/5/23	9/5/21	4/7/21	4/7/21	0.42	0.42	0.42	0.42	0.42	0.42
21	61747MX30	MS 3.15 05/10/23	5Yr Bullet	245	100.00	5/10/23	5/10/23	5/10/23	5/10/23	5/10/23	5/10/23	3.15	3.15	3.15	3.15	3.15	3.15
22	17312QL23	C 3.15 05/11/23	5Yr Bullet	245	100.00	5/11/23	5/11/23	5/11/23	5/11/23	5/11/23	5/11/23	3.15	3.15	3.15	3.15	3.15	3.15
23	87164WWF1	SYF 3.15 05/11/23	5Yr Bullet	245	100.00	5/11/23	5/11/23	5/11/23	5/11/23	5/11/23	5/11/23	3.15	3.15	3.15	3.15	3.15	3.15
24	20033AYE0	ADS 3.1 05/15/23	5Yr Bullet	245	100.00	5/15/23	5/15/23	5/15/23	5/15/23	5/15/23	5/15/23	3.12	3.12	3.12	3.12	3.12	3.12
25	166764BV1	CVX 1.141 05/11/23	3YrNC1mo	2,075	100.00	5/11/23	5/11/23	5/11/23	5/11/23	5/11/23	5/11/23	1.14	1.14	1.14	1.14	1.14	1.14
26	9128284S6	T 2 3/4 05/31/23	5Yr Bullet	2,815	100.00	5/31/23	5/31/23	5/31/23	5/31/23	5/31/23	5/31/23	2.75	2.75	2.75	2.75	2.75	2.75
27	3133EKPT7	FFCB 2 1/8 06/05/23	4Yr Bullet	5,000	100.00	6/5/23	6/5/23	6/5/23	6/5/23	6/5/23	6/5/23	2.12	2.12	2.12	2.12	2.12	2.12
28	94988J5R4	WFC 3.55 08/14/23	5YrNC4.9Yr Amer	3,000	100.00	7/14/23	7/14/23	7/14/23	7/14/23	7/14/23	7/14/23	3.55	3.55	3.55	3.55	3.55	3.55
29	3134GWNG7	FHLMC 0 1/2 11/27/24	4.25YrNC1Yr Berm	2,000	100.00	11/27/24	11/27/24	2/27/24	2/27/22	8/27/21	8/27/21	0.50	0.50	0.50	0.50	0.50	0.50
30	9128286R6	T 2 1/4 04/30/24	5Yr Bullet	5,000	100.00	4/30/24	4/30/24	4/30/24	4/30/24	4/30/24	4/30/24	2.25	2.25	2.25	2.25	2.25	2.25

Book Yield Table - Instantaneous Rate Shock

Bond ID #	CUSIP	Security Description	Original Structure	Par Value	Book Price	Projected Call Date - Instantaneous Rate Shock						Book Yield Table - Instantaneous Rate Shock					
						+100	+50	+25	Base	-25	-50	+100	+50	+25	Base	-25	-50
31	3133ELK37	FFCB 0.78 06/16/25	5YrNC1Yr Amer	5,000	100.00	6/16/25	4/15/25	1/15/24	3/15/22	6/16/21	6/16/21	0.78	0.78	0.78	0.78	0.78	0.78
32	9128285T3	T 2 5/8 12/31/25	7Yr Bullet	3,000	100.00	12/31/25	12/31/25	12/31/25	12/31/25	12/31/25	12/31/25	2.62	2.62	2.62	2.62	2.62	2.62
				182,172	100.00							1.13	1.13	1.13	1.13	1.13	1.13

Market Yield Table - Instantaneous Rate Shock

Bond ID #	CUSIP	Security Description	Original Structure	Par Value	Mkt Price	Projected Call Date - Instantaneous Rate Shock						Market Yield Table - Instantaneous Rate Shock					
						+100	+50	+25	Base	-25	-50	+100	+50	+25	Base	-25	-50
1	9128284G2	T 2 3/8 04/15/21	3Yr Bullet	5,000	100.08	4/15/21	4/15/21	4/15/21	4/15/21	4/15/21	4/15/21	0.43	0.43	0.43	0.43	0.43	0.43
2	PLMDLLAIF	CITY ACCOUNT		63,900	100.00	4/30/21	4/30/21	4/30/21	4/30/21	4/30/21	4/30/21	0.78	0.78	0.78	0.78	0.78	0.78
3	PLMDLCAMP	PCA ACCOUNT		59,939	100.00	4/30/21	4/30/21	4/30/21	4/30/21	4/30/21	4/30/21	0.78	0.78	0.78	0.78	0.78	0.78
4	PLMDLLAIF	CITY ACCOUNT		249	100.00	4/30/21	4/30/21	4/30/21	4/30/21	4/30/21	4/30/21	0.78	0.78	0.78	0.78	0.78	0.78
5	38148PK97	GS 2.9 05/17/21	3Yr Bullet	245	100.33	5/17/21	5/17/21	5/17/21	5/17/21	5/17/21	5/17/21	0.33	0.33	0.33	0.33	0.33	0.33
6	912828R77	T 1 3/8 05/31/21	5Yr Bullet	5,000	100.22	5/31/21	5/31/21	5/31/21	5/31/21	5/31/21	5/31/21	0.06	0.06	0.06	0.06	0.06	0.06
7	14042RFY2	COF 2 1/4 06/01/21	4Yr Bullet	245	100.32	6/1/21	6/1/21	6/1/21	6/1/21	6/1/21	6/1/21	0.36	0.36	0.36	0.36	0.36	0.36
8	3134GVN87	FHLMC 0.4 12/15/22	2.5YrNC1Yr 1x	5,000	100.07	12/15/22	12/15/22	12/15/22	6/15/21	6/15/21	6/15/21	0.36	0.36	0.36	0.06	0.06	0.06
9	05580AMR2	BMW 2.95 05/11/22	4Yr Bullet	245	102.74	5/11/22	5/11/22	5/11/22	5/11/22	5/11/22	5/11/22	0.48	0.48	0.48	0.48	0.48	0.48
10	037833BF6	AAPL 2.7 05/13/22	7YrNC1mo	1,000	102.70	5/13/22	5/13/22	5/13/22	5/13/22	5/13/22	5/13/22	0.28	0.28	0.28	0.28	0.28	0.28
11	86063QAN5	SF 2.85 05/16/22	4Yr Bullet	245	102.66	5/16/22	5/16/22	5/16/22	5/16/22	5/16/22	5/16/22	0.48	0.48	0.48	0.48	0.48	0.48
12	29278TBF6	Enerbank USA		245	102.79	5/18/22	5/18/22	5/18/22	5/18/22	5/18/22	5/18/22	0.48	0.48	0.48	0.48	0.48	0.48
13	02587CFM7	AXP 2.4 05/31/22	5Yr Bullet	245	102.23	5/31/22	5/31/22	5/31/22	5/31/22	5/31/22	5/31/22	0.48	0.48	0.48	0.48	0.48	0.48
14	51210SMT1	LAKESD 2 05/31/22	5Yr Bullet	245	101.76	5/31/22	5/31/22	5/31/22	5/31/22	5/31/22	5/31/22	0.49	0.49	0.49	0.49	0.49	0.49
15	594918BH6	MSFT 2.65 11/03/22	7YrNC6.8Yr Amer	1,000	103.40	9/3/22	9/3/22	9/3/22	9/3/22	9/3/22	9/3/22	0.26	0.26	0.26	0.26	0.26	0.26
16	92826CAC6	V 2.8 12/14/22	7YrNC6.8Yr Amer	1,500	103.80	10/14/22	10/14/22	10/14/22	10/14/22	10/14/22	10/14/22	0.32	0.32	0.32	0.32	0.32	0.32
17	037833DE7	AAPL 2.4 01/13/23	5.25YrNC5.1Yr Amer	1,000	103.68	12/13/22	12/13/22	12/13/22	12/13/22	12/13/22	12/13/22	0.23	0.23	0.23	0.23	0.23	0.23
18	30231GAR3	XOM 2.726 03/01/23	7YrNC6.8Yr Amer	1,000	104.08	1/1/23	1/1/23	1/1/23	1/1/23	1/1/23	1/1/23	0.39	0.39	0.39	0.39	0.39	0.39
19	30231GBL5	XOM 1.571 04/15/23	3YrNC1mo	5,000	102.35	4/15/23	4/15/23	4/15/23	4/15/23	4/15/23	4/15/23	0.41	0.41	0.41	0.41	0.41	0.41
20	3133EL2X1	FFCB 0.42 05/06/24	3.75YrNC3mo Amer	2,000	99.85	5/6/24	5/6/24	10/5/23	9/5/21	4/7/21	4/7/21	0.47	0.47	0.48	0.77	8.29	8.29
21	61747MX30	MS 3.15 05/10/23	5Yr Bullet	245	105.36	5/10/23	5/10/23	5/10/23	5/10/23	5/10/23	5/10/23	0.59	0.59	0.59	0.59	0.59	0.59
22	17312QL23	C 3.15 05/11/23	5Yr Bullet	245	105.36	5/11/23	5/11/23	5/11/23	5/11/23	5/11/23	5/11/23	0.59	0.59	0.59	0.59	0.59	0.59
23	87164WWF1	SYF 3.15 05/11/23	5Yr Bullet	245	105.36	5/11/23	5/11/23	5/11/23	5/11/23	5/11/23	5/11/23	0.59	0.59	0.59	0.59	0.59	0.59
24	20033AYE0	ADS 3.1 05/15/23	5Yr Bullet	245	105.26	5/15/23	5/15/23	5/15/23	5/15/23	5/15/23	5/15/23	0.61	0.61	0.61	0.61	0.61	0.61
25	166764BV1	CVX 1.141 05/11/23	3YrNC1mo	2,075	101.60	5/11/23	5/11/23	5/11/23	5/11/23	5/11/23	5/11/23	0.38	0.38	0.38	0.38	0.38	0.38
26	9128284S6	T 2 3/4 05/31/23	5Yr Bullet	2,815	105.50	5/31/23	5/31/23	5/31/23	5/31/23	5/31/23	5/31/23	0.21	0.21	0.21	0.21	0.21	0.21
27	3133EKPT7	FFCB 2 1/8 06/05/23	4Yr Bullet	5,000	104.17	6/5/23	6/5/23	6/5/23	6/5/23	6/5/23	6/5/23	0.21	0.21	0.21	0.21	0.21	0.21
28	94988J5R4	WFC 3.55 08/14/23	5YrNC4.9Yr Amer	3,000	107.00	7/14/23	7/14/23	7/14/23	7/14/23	7/14/23	7/14/23	0.47	0.47	0.47	0.47	0.47	0.47
29	3134GWNG7	FHLMC 0 1/2 11/27/24	4.25YrNC1Yr Berm	2,000	99.56	11/27/24	11/27/24	2/27/24	2/27/22	8/27/21	8/27/21	0.62	0.62	0.65	0.99	1.58	1.58
30	9128286R6	T 2 1/4 04/30/24	5Yr Bullet	5,000	105.70	4/30/24	4/30/24	4/30/24	4/30/24	4/30/24	4/30/24	0.39	0.39	0.39	0.39	0.39	0.39

Market Yield Table - Instantaneous Rate Shock

Bond ID #	CUSIP	Security Description	Original Structure	Par Value	Mkt Price	Projected Call Date - Instantaneous Rate Shock						Market Yield Table - Instantaneous Rate Shock					
						+100	+50	+25	Base	-25	-50	+100	+50	+25	Base	-25	-50
31	3133ELK37	FFCB 0.78 06/16/25	5YrNC1Yr Amer	5,000	99.36	6/16/25	4/15/25	1/15/24	3/15/22	6/16/21	6/16/21	0.94	0.94	1.01	1.45	3.85	3.85
32	9128285T3	T 2 5/8 12/31/25	7Yr Bullet	3,000	108.16	12/31/25	12/31/25	12/31/25	12/31/25	12/31/25	12/31/25	0.87	0.87	0.87	0.87	0.87	0.87
				182,172	100.83							0.67	0.67	0.67	0.68	0.83	0.83

Percentage Price Change / 12 Month Total Return

						Price Change - Instantaneous Rate Shock						Projected TRR - 12mo. Horizon					
Bond ID #	CUSIP	Security Description	Original Structure	Par Value	Mkt Price	+100	+50	+25	Base	-25	-50	+100	+50	+25	Base	-25	-50
1	9128284G2	T 2 3/8 04/15/21	3Yr Bullet	5,000	100.08	-0.04	-0.02	-0.01	0.00	0.00	0.00	0.55	0.34	0.23	0.12	0.08	0.08
2	PLMDLLAIF	CITY ACCOUNT		63,900	100.00	-0.08	-0.04	-0.02	0.00	0.00	0.00	0.63	0.40	0.28	0.17	0.12	0.12
3	PLMDLCAMP	PCA ACCOUNT		59,939	100.00	-0.08	-0.04	-0.02	0.00	0.00	0.00	0.63	0.40	0.28	0.17	0.12	0.12
4	PLMDLLAIF	CITY ACCOUNT		249	100.00	-0.08	-0.04	-0.02	0.00	0.00	0.00	0.63	0.40	0.28	0.17	0.12	0.12
5	38148PK97	GS 2.9 05/17/21	3Yr Bullet	245	100.33	-0.13	-0.07	-0.03	0.00	0.00	0.00	0.56	0.35	0.24	0.14	0.09	0.09
6	912828R77	T 1 3/8 05/31/21	5Yr Bullet	5,000	100.22	-0.17	-0.08	-0.04	0.00	0.00	0.00	0.56	0.33	0.22	0.10	0.05	0.05
7	14042RFY2	COF 2 1/4 06/01/21	4Yr Bullet	245	100.32	-0.17	-0.08	-0.04	0.00	0.01	0.01	0.61	0.38	0.27	0.15	0.10	0.10
8	3134GVN87	FHLMC 0.4 12/15/22	2.5YrNC1Yr 1x	5,000	100.07	-1.50	-0.65	-0.24	0.00	0.01	0.01	-0.21	0.15	0.33	0.10	0.05	0.05
9	05580AMR2	BMW 2.95 05/11/22	4Yr Bullet	245	102.74	-1.10	-0.55	-0.28	0.00	0.20	0.20	0.39	0.44	0.46	0.49	0.49	0.49
10	037833BF6	AAPL 2.7 05/13/22	7YrNC1mo	1,000	102.70	-1.11	-0.56	-0.28	0.00	0.20	0.20	0.19	0.25	0.27	0.30	0.30	0.30
11	86063QAN5	SF 2.85 05/16/22	4Yr Bullet	245	102.66	-1.11	-0.56	-0.28	0.00	0.20	0.20	0.38	0.44	0.47	0.50	0.50	0.50
12	29278TBF6	Enerbank USA		245	102.79	-1.11	-0.56	-0.28	0.00	0.20	0.20	0.38	0.44	0.47	0.50	0.50	0.50
13	02587CFM7	AXP 2.4 05/31/22	5Yr Bullet	245	102.23	-1.16	-0.58	-0.29	0.00	0.21	0.21	0.35	0.43	0.46	0.50	0.51	0.51
14	51210SMT1	LAKESD 2 05/31/22	5Yr Bullet	245	101.76	-1.15	-0.58	-0.29	0.00	0.21	0.21	0.35	0.43	0.47	0.51	0.51	0.51
15	594918BH6	MSFT 2.65 11/03/22	7YrNC6.8Yr Amer	1,000	103.40	-1.41	-0.71	-0.36	0.00	0.28	0.28	-0.11	0.09	0.19	0.30	0.34	0.34
16	92826CAC6	V 2.8 12/14/22	7YrNC6.8Yr Amer	1,500	103.80	-1.52	-0.76	-0.38	0.00	0.31	0.31	-0.15	0.11	0.24	0.37	0.43	0.43
17	037833DE7	AAPL 2.4 01/13/23	5.25YrNC5.1Yr Amer	1,000	103.68	-1.68	-0.84	-0.42	0.00	0.37	0.37	-0.39	-0.05	0.12	0.29	0.38	0.38
18	30231GAR3	XOM 2.726 03/01/23	7YrNC6.8Yr Amer	1,000	104.08	-1.72	-0.87	-0.43	0.00	0.37	0.37	-0.30	0.07	0.25	0.44	0.54	0.54
19	30231GBL5	XOM 1.571 04/15/23	3YrNC1mo	5,000	102.35	-1.99	-1.00	-0.50	0.00	0.32	0.32	-0.61	-0.11	0.14	0.39	0.57	0.57
20	3133EL2X1	FFCB 0.42 05/06/24	3.75YrNC3mo Amer	2,000	99.85	-2.77	-1.33	-0.64	0.00	0.16	0.16	-1.04	-0.09	0.34	0.39	0.22	0.22
21	61747MX30	MS 3.15 05/10/23	5Yr Bullet	245	105.36	-2.03	-1.02	-0.51	0.00	0.33	0.35	-0.48	0.04	0.31	0.57	0.76	0.76
22	17312QL23	C 3.15 05/11/23	5Yr Bullet	245	105.36	-2.03	-1.02	-0.51	0.00	0.33	0.35	-0.48	0.05	0.31	0.57	0.76	0.76
23	87164WWF1	SYF 3.15 05/11/23	5Yr Bullet	245	105.36	-2.03	-1.02	-0.51	0.00	0.33	0.35	-0.48	0.05	0.31	0.57	0.76	0.76
24	20033AYE0	ADS 3.1 05/15/23	5Yr Bullet	245	105.26	-2.03	-1.02	-0.51	0.00	0.33	0.35	-0.48	0.05	0.32	0.59	0.78	0.78
25	166764BV1	CVX 1.141 05/11/23	3YrNC1mo	2,075	101.60	-2.06	-1.04	-0.52	0.00	0.34	0.36	-0.72	-0.18	0.09	0.37	0.56	0.56
26	9128284S6	T 2 3/4 05/31/23	5Yr Bullet	2,815	105.50	-2.09	-1.05	-0.53	0.00	0.35	0.38	-0.91	-0.36	-0.08	0.20	0.40	0.40
27	3133EKPT7	FFCB 2 1/8 06/05/23	4Yr Bullet	5,000	104.17	-2.11	-1.06	-0.53	0.00	0.36	0.38	-0.94	-0.37	-0.08	0.20	0.41	0.41
28	94988J5R4	WFC 3.55 08/14/23	5YrNC4.9Yr Amer	3,000	107.00	-2.24	-1.15	-0.61	0.00	0.33	0.37	-0.78	-0.17	0.13	0.44	0.67	0.67
29	3134GWNG7	FHLMC 0 1/2 11/27/24	4.25YrNC1Yr Berm	2,000	99.56	-3.36	-1.65	-0.81	0.00	0.60	0.63	-1.19	0.02	0.58	0.91	0.67	0.67
30	9128286R6	T 2 1/4 04/30/24	5Yr Bullet	5,000	105.70	-2.95	-1.49	-0.75	0.00	0.76	1.03	-1.21	-0.23	0.26	0.76	1.08	1.09
31	3133ELK37	FFCB 0.78 06/16/25	5YrNC1Yr Amer	5,000	99.36	-3.82	-1.88	-0.93	0.00	0.72	0.77	-1.16	0.28	0.93	1.39	0.85	0.85
32	9128285T3	T 2 5/8 12/31/25	7Yr Bullet	3,000	108.16	-4.42	-2.24	-1.13	0.00	1.18	2.23	-1.61	0.12	1.00	1.88	2.87	3.39

Percentage Price Change / 12 Month Total Return

Bond ID #	CUSIP	Security Description	Original Structure	Par Value	Mkt Price	Price Change - Instantaneous Rate Shock						Projected TRR - 12mo. Horizon					
						+100	+50	+25	Base	-25	-50	+100	+50	+25	Base	-25	-50
				182,172	100.83	-0.71	-0.35	-0.17	0.00	0.12	0.15	0.26	0.28	0.29	0.28	0.27	0.28

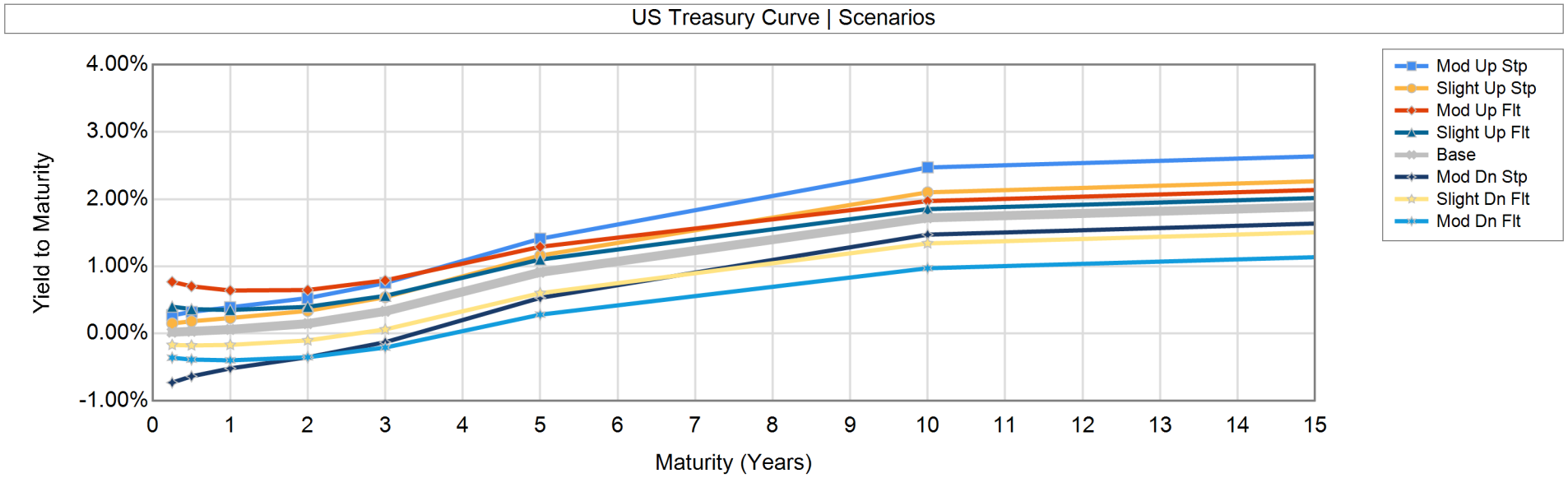
Redemption at Next Call Date - Instantaneous Rate Shock

						Probability of Redemption at NEXT Call Date						BPs CURRENTLY Away From Par					
Bond ID #	CUSIP	Security Description	Original Structure	Par Value	Next Call Date	+100	+50	+25	Base	-25	-50	+100	+50	+25	Base	-25	-50
8	3134GVN87	FHLMC 0.4 12/15/22	2.5YrNC1Yr 1x	5,000	06/15/21	0%	0%	25%	97%	100%	100%	92	41	15	-13	-39	-39
15	594918BH6	MSFT 2.65 11/03/22	7YrNC6.8Yr Amer	1,000	09/03/22	93%	99%	100%	100%	100%	100%	-134	-185	-210	-236	-259	-259
16	92826CAC6	V 2.8 12/14/22	7YrNC6.8Yr Amer	1,500	10/14/22	92%	99%	100%	100%	100%	100%	-142	-193	-219	-245	-268	-268
17	037833DE7	AAPL 2.4 01/13/23	5.25YrNC5.1Yr Amer	1,000	12/13/22	96%	99%	100%	100%	100%	100%	-115	-165	-191	-217	-239	-239
18	30231GAR3	XOM 2.726 03/01/23	7YrNC6.8Yr Amer	1,000	01/01/23	98%	100%	100%	100%	100%	100%	-132	-183	-208	-234	-255	-255
20	3133EL2X1	FFCB 0.42 05/06/24	3.75YrNC3mo Amer	2,000	04/19/21	0%	0%	0%	0%	100%	100%	132	77	47	13	-24	-40
28	94988J5R4	WFC 3.55 08/14/23	5YrNC4.9Yr Amer	3,000	07/14/23	93%	99%	99%	100%	100%	100%	-203	-254	-279	-308	-322	-325
29	3134GWNG7	FHLMC 0 1/2 11/27/24	4.25YrNC1Yr Berm	2,000	08/27/21	0%	0%	0%	9%	68%	100%	139	84	55	22	-14	-33
31	3133ELK37	FFCB 0.78 06/16/25	5YrNC1Yr Amer	5,000	06/16/21	0%	0%	0%	3%	75%	100%	147	93	63	30	-7	-31
				21,500													

Shocked Assumptions

Scenarios

		Mod Up Stp	Slight Up Stp	Mod Up Flt	Slight Up Flt	+100	+50	+25	Base	-25	-50	Mod Dn Stp	Slight Dn Flt	Mod Dn Flt
Shift Amount	3mo	25	13	75	38	100	50	25	0	-25	-50	-75	-19	-38
	6mo	29	15	67	33	100	50	25	0	-25	-50	-67	-21	-42
	12mo	33	17	58	29	100	50	25	0	-25	-50	-58	-23	-46
	2yr	38	19	50	25	100	50	25	0	-25	-50	-50	-25	-50
	3yr	42	21	46	23	100	50	25	0	-25	-50	-46	-27	-54
	5yr	50	25	38	19	100	50	25	0	-25	-50	-38	-31	-63
	10yr	75	38	25	13	100	50	25	0	-25	-50	-25	-38	-75
	30yr	75	38	25	13	100	50	25	0	-25	-50	-25	-38	-75
Shock Horizon		0 Months	0 Months	0 Months	0 Months	0 Months	0 Months	0 Months	0 Months	0 Months	0 Months	0 Months	0 Months	0 Months
Total Return Horizon		12 Months	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months
Shift Timing to Horizon		Ramped	Ramped	Ramped	Ramped	Ramped	Ramped	Ramped	Ramped	Ramped	Ramped	Ramped	Ramped	Ramped
Curve Type		Static	Static	Static	Static	Static	Static	Static	Static	Static	Static	Static	Static	Static



Assumptions

• Calculation Engine	The Yield Book © and ZM Financial
• Prepayment Model	The Yield Book ©
• Data Sources	The Yield Book ©, Reuters, Intex, KDS and Stifel
• Curve Date	Same as Portfolio As Of Date
• Curve Type Used	Swap Curve
• Market Prices	Market prices are indications only, provided by Reuters unless otherwise specified
• Horizon Price Methodology	Constant OAS where possible; constant nominal spread change as a secondary method
• Horizon Period	0 month horizon for immediate rate shock scenarios; 12 month horizon for total return scenarios
• Reinvestment Rate	3 Month LIBOR
• Cost of Funds	0.00%
• Tax Rate	00.0%
• Subtotal Weightings	Overall totals and subtotals are weighted by market value

Additional Information

Adjustable Rate Securities - YTM for ARMs and floaters assumes the coupon resets based on index levels implied by the static curve.

Projected Call Methodology - The method used to determine the call assumes a small internal margin to account for the "cost to call."

Municipals - For taxable institutions, the above tax rate detailed - along with TEFRA adjustments for BQs - is used to calculate TEY unless otherwise noted.

Original Face - If original face was not supplied, original face was estimated by dividing current face by current factor.

Dollar Amounts - Unless otherwise specified, dollar amounts are displayed in thousands (000s).

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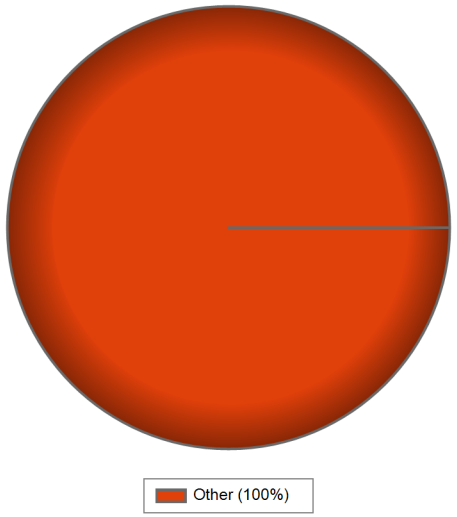
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Portfolio Overview

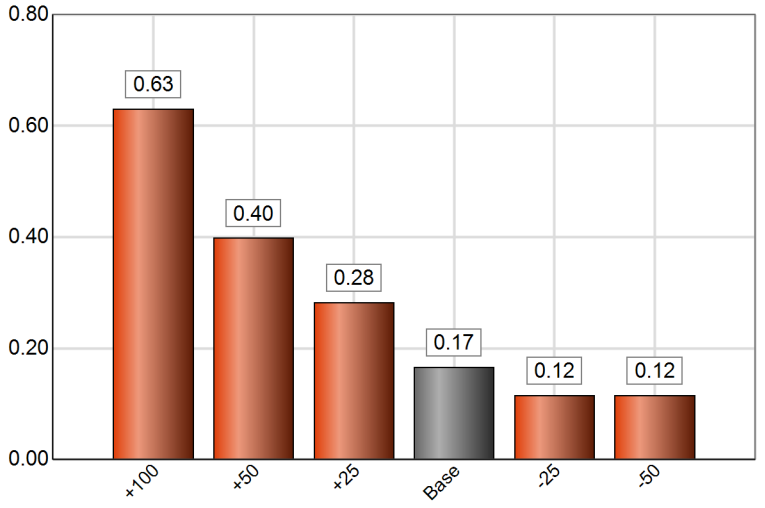
Portfolio Attributes

Curr. Face	5,182
Mkt. Value	5,182
Book Value	5,182
Est. Gain/Loss	0
Ave. Mkt. Price	100.00
Ave. Bk. Price	100.00
Eff. Dur.	0.04
Eff. Conv.	-0.30
TOAS	76.1
Mkt YTP	0.78
Bk YTP	0.78
WAL	0.08
Line Items	1

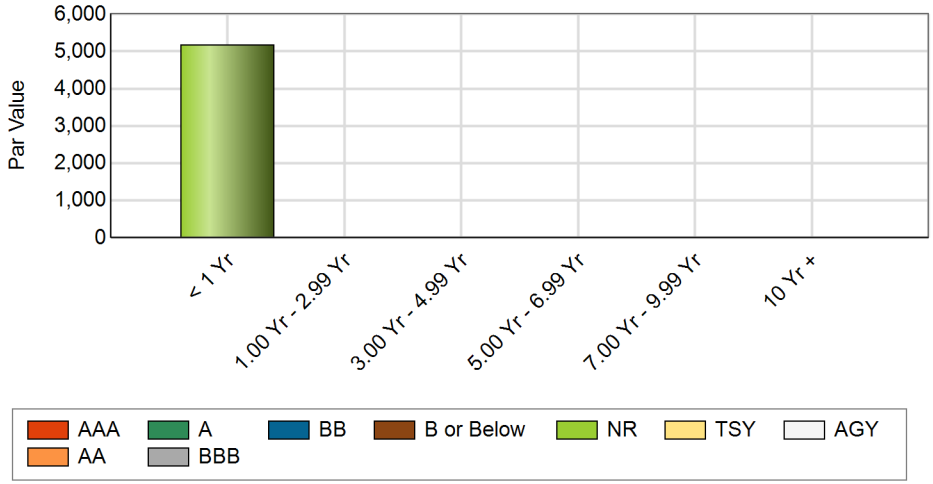
Sector Allocation



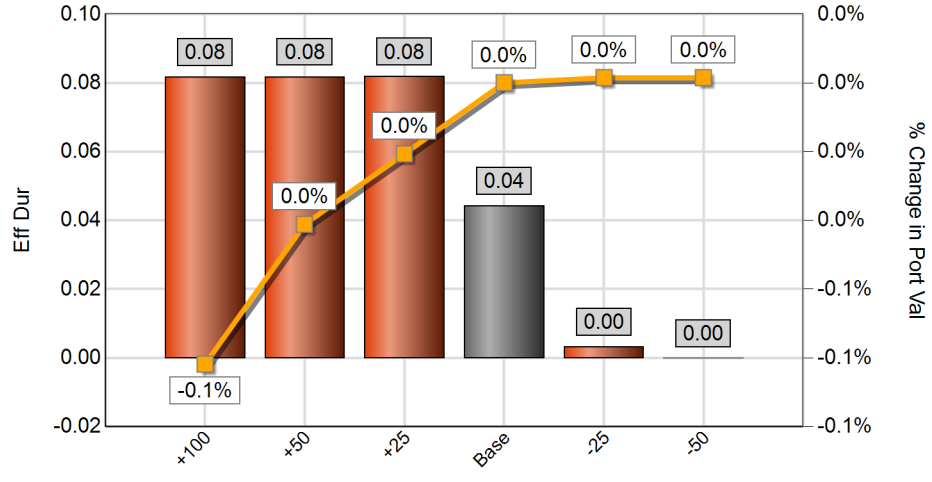
Projected TRR - 12 Mo Horizon



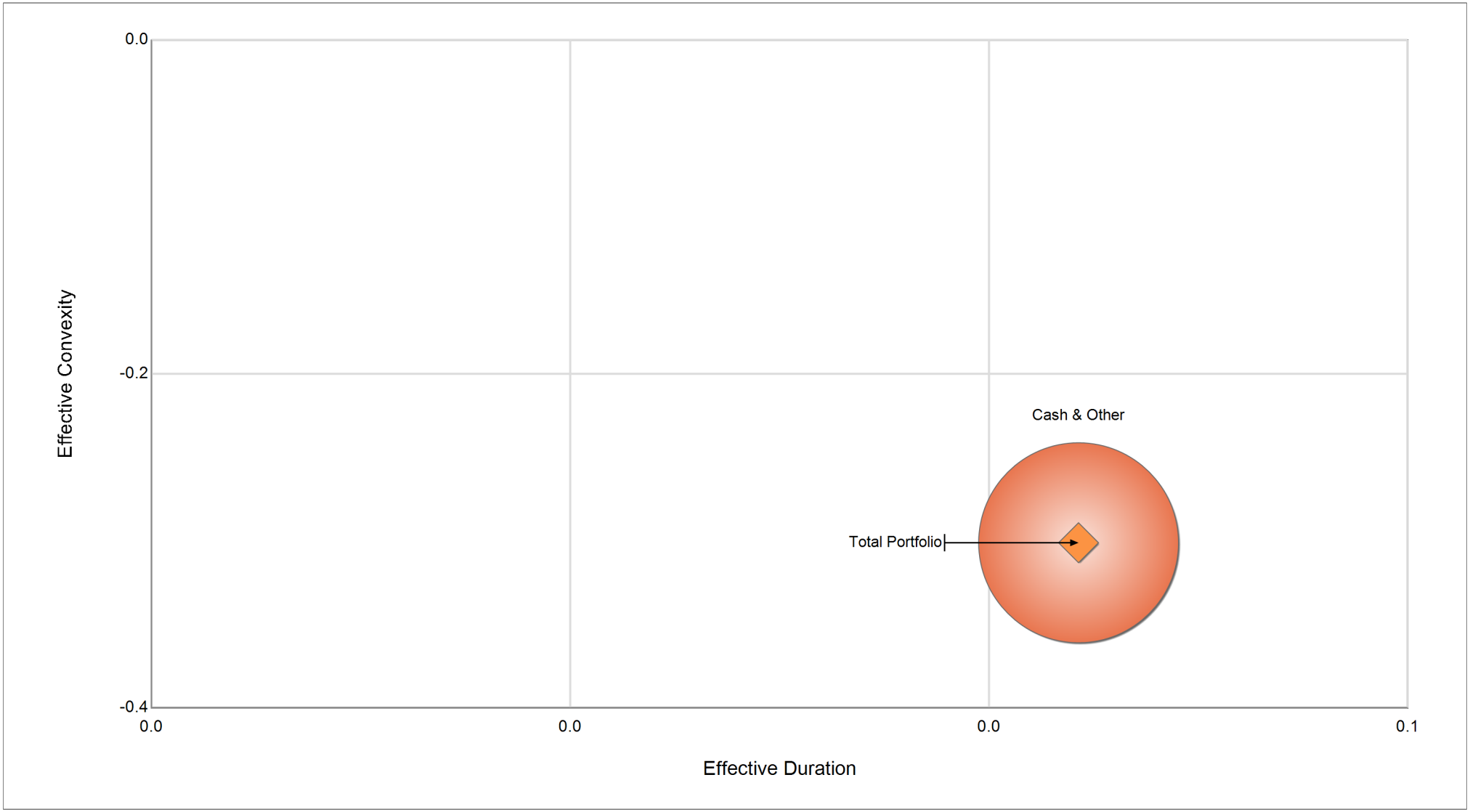
Combined Rating Distribution By Maturity



Pct. Chng in Port Val & Eff Dur (Inst. Rate Shock)



Duration/Convexity



Eff. Dur.	0.04
Eff. Conv.	-0.30

Portfolio Sector Summary

Sector	Par Value	Market Value	% Port	Book Price	Market Price	Est G/L	Eff Conv	Bk Yld	Mkt Yld	Eff Dur +50	Eff Dur Base	Eff Dur -50	% Δ in Price +50	% Δ in Price Base	% Δ in Price -50
Cash & Other	5,182	5,182	100.0%	100.00	100.00	0	-0.30	0.78	0.78	0.08	0.04	0.00	0.0%	0	0.0%
Portfolio Totals	5,182	5,182	100.0%	100.00	100.00	0	-0.30	0.78	0.78	0.08	0.04	0.00	0.0%	0	0.0%

Other - Summary

Subsector

No Data Available

Par Value By Maturity

No Data Available



Subsector	Sector %	Par Value	Cpn	Maturity Next Call	Book Price Value	Book Yield	Market Price Value	Market Yield	G/L $ Base + 100	G/L % Base + 100	WAL Base + 100	Px Chg -50 +100	Dur Base	Cvx Base	AFS %

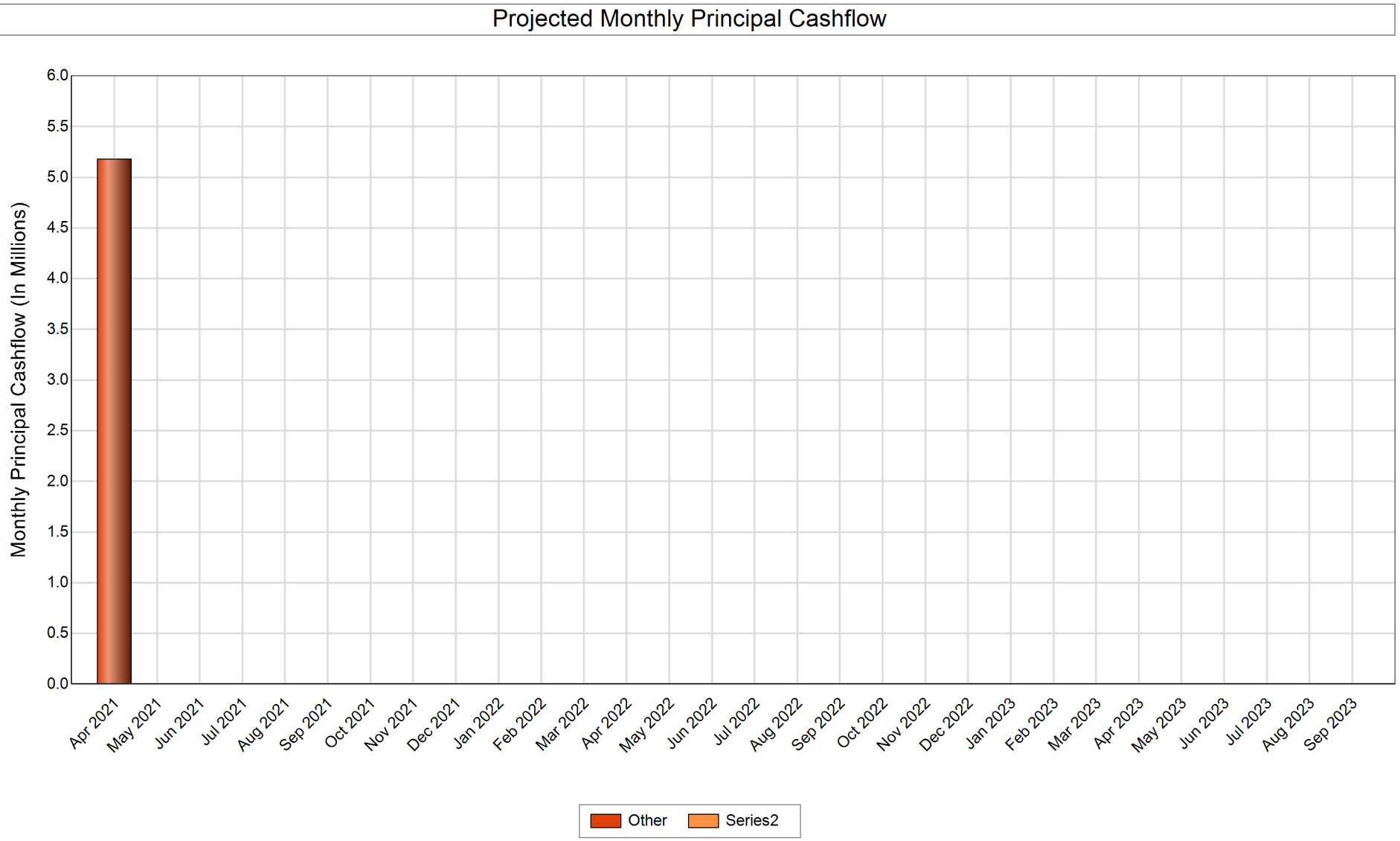
Peer Group Comparison

Peer	As of Date	Book Value	G/L %	Book Yield	Average Life Base	Average Life -50	Average Life +100	% Price Change -50	% Price Change +50	% Price Change +100	Effective Dur	Effective Cvx	UST Agy	Fix MBS	Fix ARM	Fix CMO	Flt CMO	Agy CMBS	Sm Bus.	Prv Label	Muni	Corp	CD	Other	% Fixed
1	03/21	3,463	-2.0	0.76	2.4		5.0			-4.3	4.0	-0.7	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
2	03/21	8,000	-0.3	1.14	1.0		3.6			-3.1	2.6	-1.1	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
3	12/20	8,606	1.0	0.54	5.5		5.8			-5.5	5.6	0.5	0%	0%	0%	0%	0%	0%	0%	0%	81%	3%	16%	0%	97%
4	12/20	13,597	4.0	2.09	2.6		2.7			-2.6	2.6	0.1	0%	0%	0%	0%	0%	0%	0%	0%	25%	37%	38%	0%	100%
5	01/21	14,607	1.4	1.44	1.4		2.9			-2.3	1.8	-1.5	36%	0%	0%	0%	0%	0%	0%	0%	0%	0%	64%	0%	100%
6	12/20	21,257	6.8	3.12	4.4		4.9			-3.8	3.6	-0.1	29%	33%	0%	7%	0%	2%	0%	2%	0%	18%	0%	0%	98%
7	03/21	21,625	-0.9	0.90	1.8		4.1			-3.5	3.1	-1.5	99%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	100%
8	12/20	22,999	0.5	1.20	0.9		3.0			-2.1	1.4	-1.8	39%	2%	0%	2%	0%	0%	0%	0%	0%	7%	50%	0%	96%
9	03/21	33,578	-1.1	0.88	2.2		4.2			-3.8	3.5	-0.8	99%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	100%
10	12/20	39,928	1.1	1.26	1.6		4.4			-3.3	2.5	-2.2	67%	0%	0%	0%	0%	0%	0%	0%	1%	0%	33%	0%	99%
11	12/20	41,511	0.9	1.74	2.5		2.5			-2.4	2.4	0.1	54%	0%	0%	0%	0%	0%	0%	0%	43%	0%	3%	0%	99%
12	01/21	48,473	0.9	1.07	1.2		2.8			-2.3	1.8	-1.5	69%	0%	0%	0%	0%	0%	0%	0%	0%	1%	30%	0%	100%
13	12/20	48,948	1.0	1.13	1.1		2.5			-2.1	1.6	-1.2	92%	0%	0%	0%	0%	0%	0%	0%	0%	0%	8%	0%	100%
14	12/20	51,223	0.7	0.01	2.4		2.8			-2.6	2.4	-0.4	6%	0%	0%	0%	0%	0%	0%	0%	73%	0%	22%	0%	100%
15	02/21	54,423	1.3	1.76	2.0		2.5			-2.3	2.2	-0.3	38%	0%	0%	0%	0%	0%	0%	0%	12%	13%	37%	0%	100%
16	02/21	54,733	0.3	1.03	1.4		3.5			-2.8	2.3	-1.7	61%	0%	0%	0%	0%	0%	0%	0%	0%	0%	39%	0%	100%
17	02/21	72,965	0.9	1.45	2.8		3.1			-2.9	3.0	0.1	18%	0%	0%	0%	0%	0%	0%	0%	14%	39%	29%	0%	99%
18	02/21	77,506	0.3	1.38	2.1		3.1			-2.7	2.6	-0.2	50%	0%	0%	0%	0%	0%	0%	0%	11%	24%	15%	0%	97%
19	12/20	120,140	0.1	0.33	1.3		2.8			-2.2	1.8	-1.2	64%	0%	0%	0%	0%	0%	0%	0%	31%	4%	0%	0%	100%
20	02/21	125,020	1.0	2.20	1.2		1.6			-1.5	1.4	-0.2	54%	0%	0%	0%	0%	0%	0%	0%	16%	0%	30%	0%	100%
21	12/20	127,701	1.6	1.48	1.5		1.5			-1.5	1.5	0.0	90%	0%	0%	0%	0%	0%	0%	0%	3%	0%	8%	0%	100%
22	03/21	137,398	-1.7	0.73	2.5		4.8			-4.2	3.8	-1.3	85%	0%	0%	0%	0%	4%	0%	0%	12%	0%	0%	0%	100%
23	03/21	171,888	2.2	1.76	2.3		2.4			-2.3	2.3	0.1	61%	0%	0%	0%	0%	0%	0%	0%	13%	14%	12%	0%	100%
24	03/21	244,780	1.6	1.96	2.2		2.3			-2.2	2.2	0.0	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
25	12/20	357,882	0.1	0.09	0.9		2.0			-1.7	1.2	-1.3	65%	0%	0%	0%	0%	0%	0%	0%	29%	6%	0%	0%	100%
Avg		76,890	0.9	1.26	2.1		3.2			-2.8	2.5	-0.7	59%	1%	0%	0%	0%	0%	0%	0%	15%	7%	17%	0%	99%
Port	03/21	5,182	0.0	0.78	0.1	0.1	0.1	0.0	0.0	-0.1	0.0	-0.3	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%

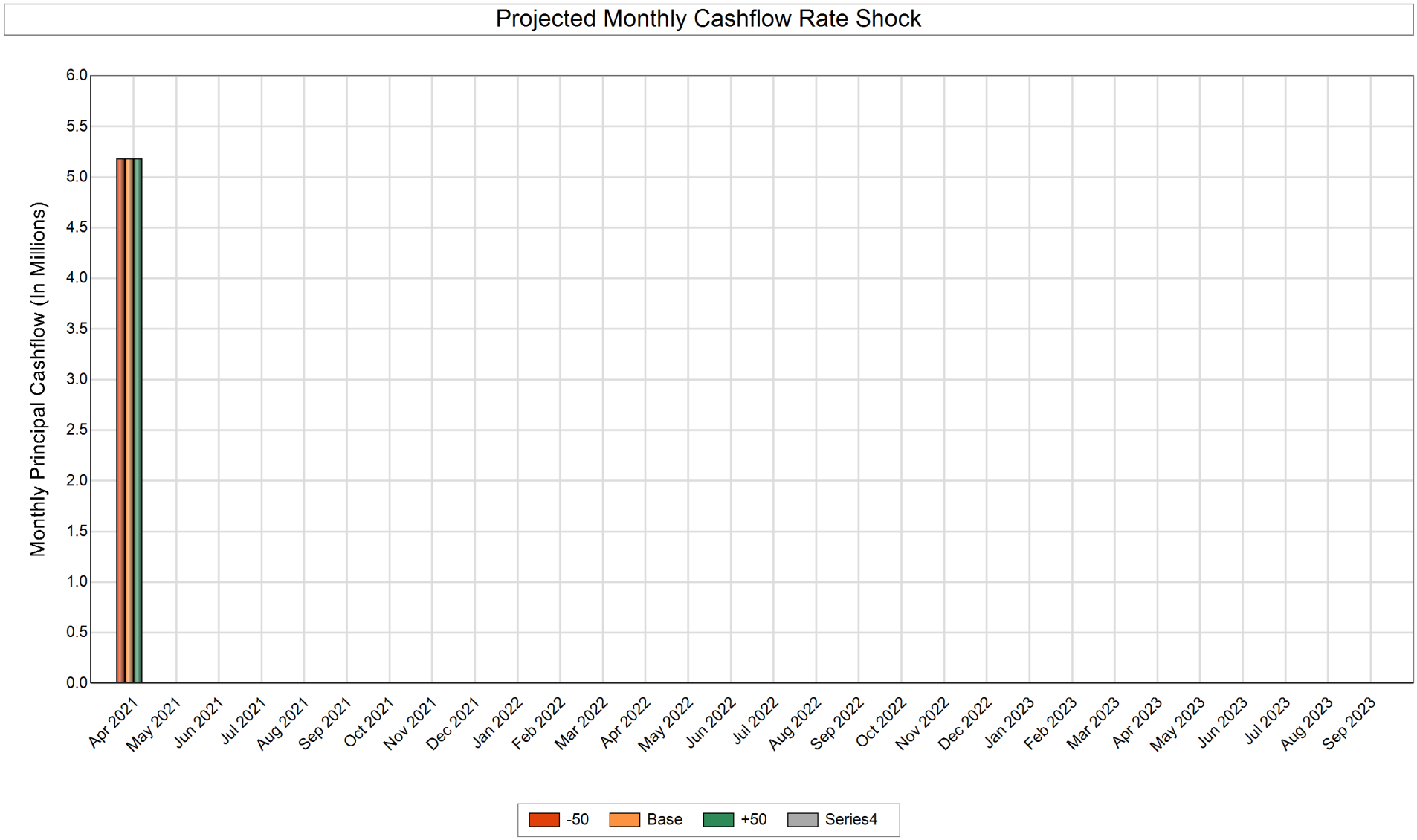
Peer Group Comparison

Peer	As of Date	Book Value	G/L %	Book Yield	Average Life Base	Average Life -50	Average Life +100	% Price Change -50	% Price Change +50	% Price Change +100	Effective Dur	Effective Cvx	UST Agy	Fix MBS	Fix ARM	Fix CMO	Flt CMO	Agy CMBS	Sm Bus.	Prv Label	Muni	Corp	CD	Other	% Fixed
Diff		-71,708	-0.9	-0.48	-2.0		-3.2		2.7		-2.5	0.4	-59%	-1%	0%	0%	0%	0%	0%	0%	-15%	-7%	-17%	100%	1%

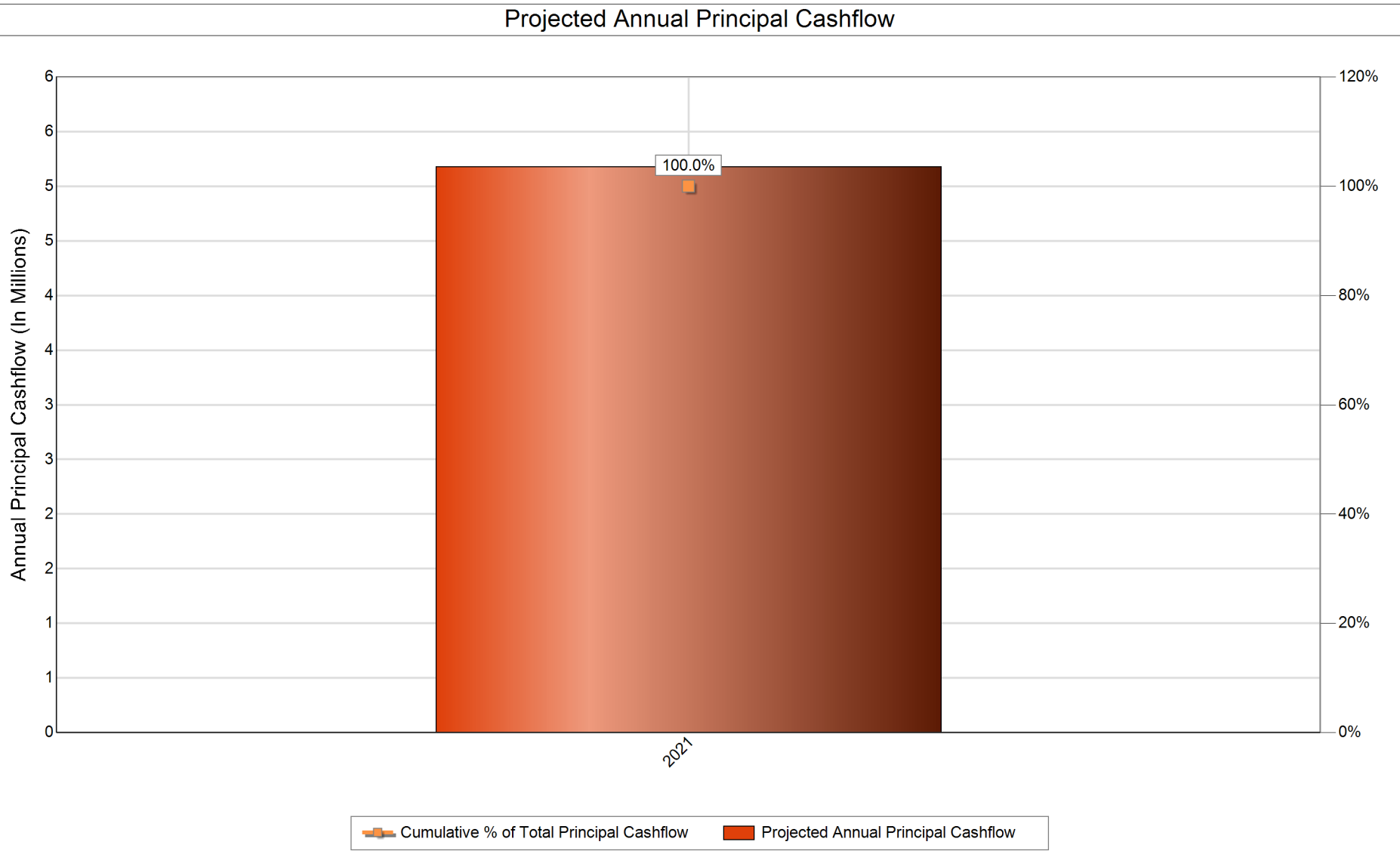
Monthly Cashflow Profile



Monthly Cashflow Rate Shock

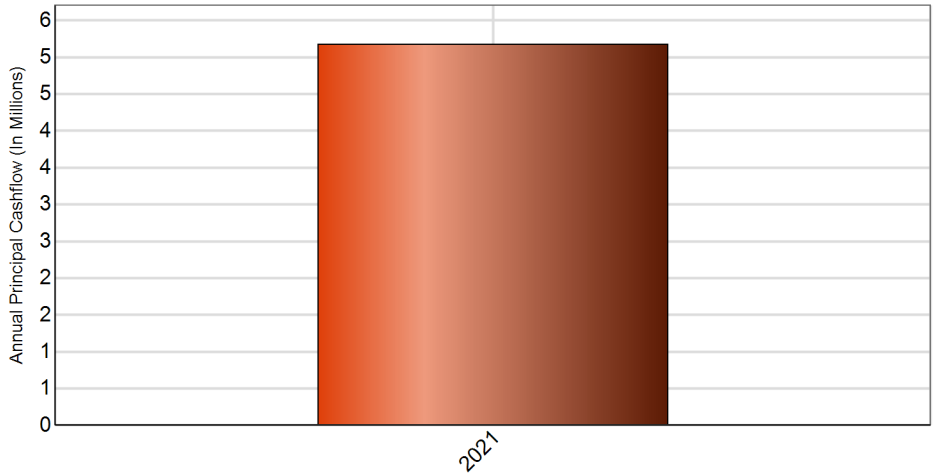


Annual Cashflow Profile

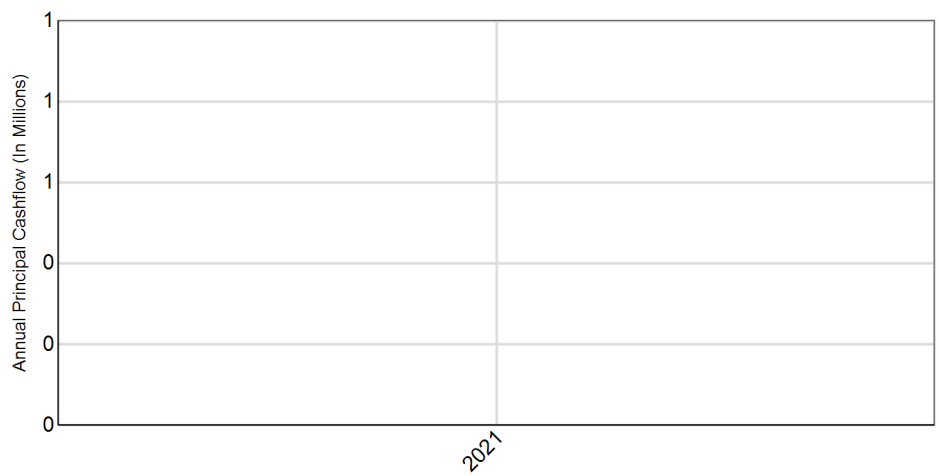


Annual Cashflow Rate Shock

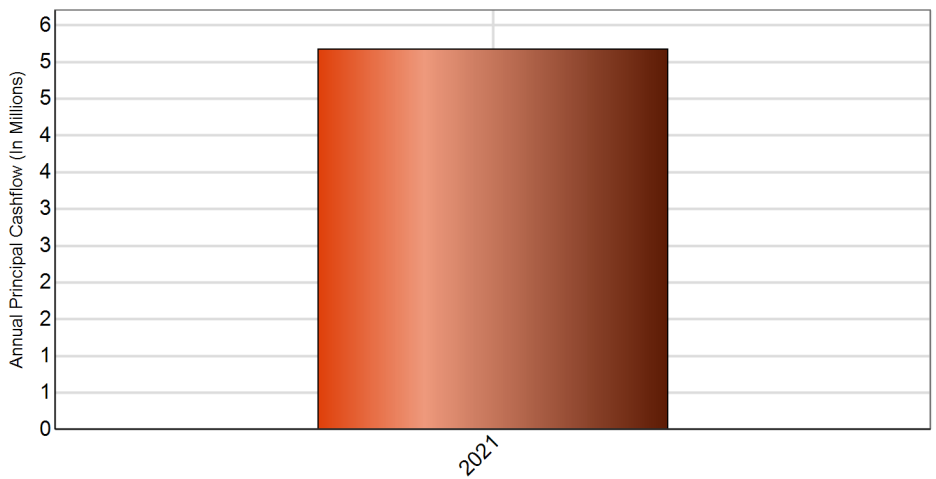
Projected Annual Principal Cashflow +50



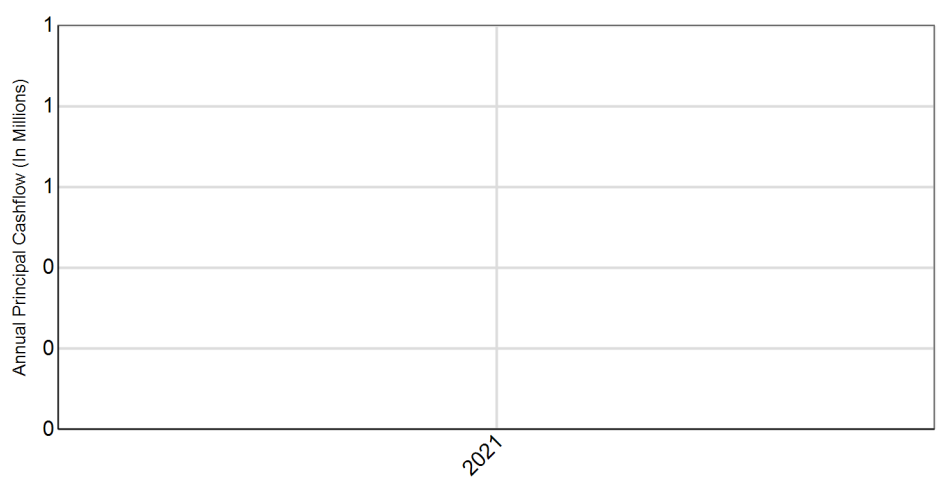
Change in Annual Principal Cashflow +50



Projected Annual Principal Cashflow -50



Change in Annual Principal Cashflow -50



12-Month Principal Cash Flow Projections							Percentage of Total Cash Flow Projections					
Period	+100	+50	+25	Base	-25	-50	+100	+50	+25	Base	-25	-50
Apr 21	5.2	5.2	5.2	5.2	5.2	5.2	100%	100%	100%	100%	100%	100%

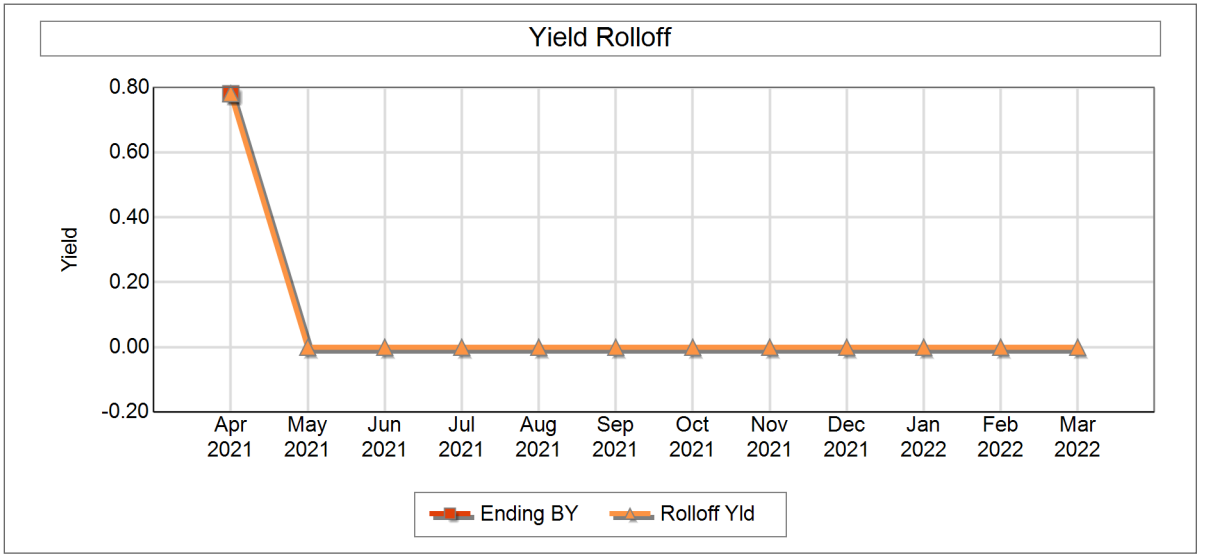
5-Year Quarterly Principal Cash Flow Projections							Percentage of Total Cash Flow Projections					
Period	+100	+50	+25	Base	-25	-50	+100	+50	+25	Base	-25	-50
2Q21	5.2	5.2	5.2	5.2	5.2	5.2	100%	100%	100%	100%	100%	100%

In Millions

Cash Flow and Yield Rolloff - Next 12 Months

Yield Rolloff

Month	Begin BY	Principal CF	Rolloff Yld	Ending BY
Apr 2021	0.78	5,182	0.78	
May 2021		0	0.00	
Jun 2021		0	0.00	
Jul 2021		0	0.00	
Aug 2021		0	0.00	
Sep 2021		0	0.00	
Oct 2021		0	0.00	
Nov 2021		0	0.00	
Dec 2021		0	0.00	
Jan 2022		0	0.00	
Feb 2022		0	0.00	
Mar 2022		0	0.00	

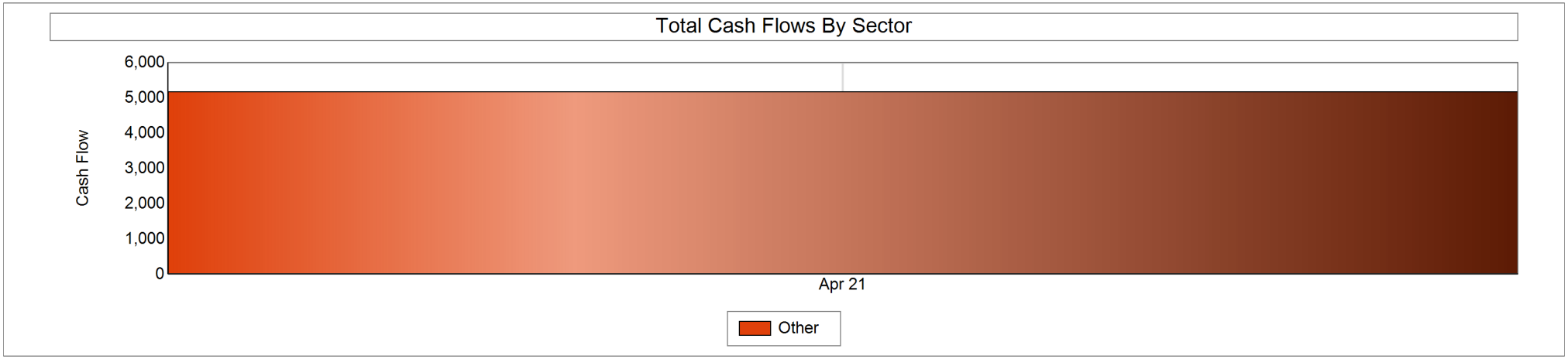


Shocked Principal and Interest Cash Flow Analysis

Year	Mod Up Stp	+100	+50	+25	-25	-50	Mod Dn Flt
Apr 2021	5,185	5,185	5,185	5,185	5,185	5,185	5,185

Sector Cash Flow and Yield Rolloff - Next 12 Months

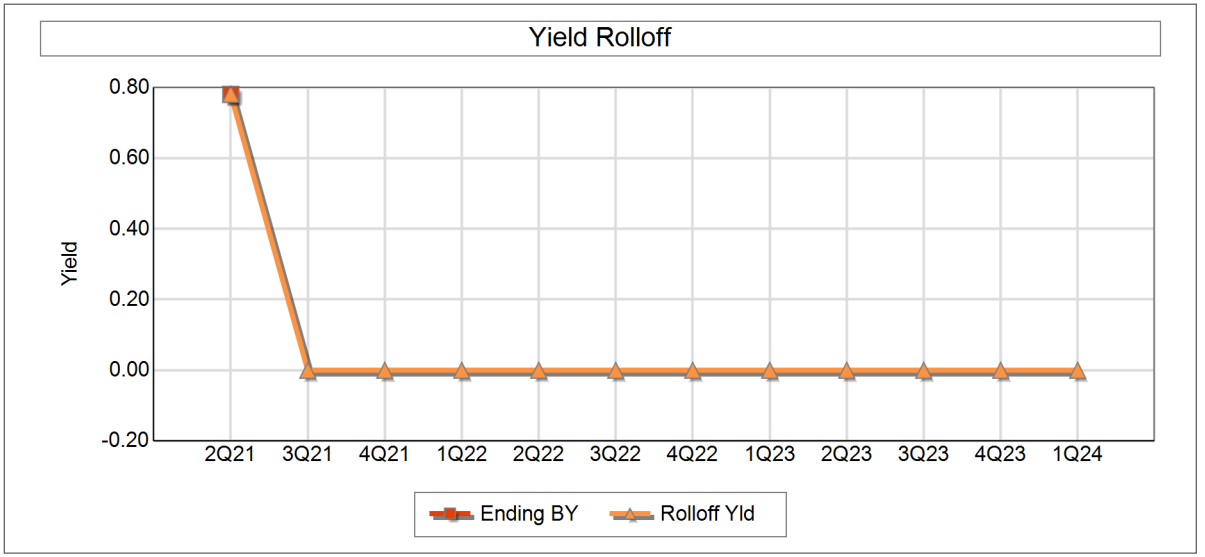
		Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Bk Yld Chg
Other	Cash Flow	5,185	0	0	0	0	0	0	0	0	0	0	0	
	End BY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	Cash Flow	5,185	0	0	0	0	0	0	0	0	0	0	0	
	End BY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



Cash Flow and Yield Rolloff - Next 3 Years

Yield Rolloff

Quarter	Begin BY	Principal CF	Rolloff Yld	Ending BY
2Q21	0.78	5,182	0.78	
3Q21		0	0.00	
4Q21		0	0.00	
1Q22		0	0.00	
2Q22		0	0.00	
3Q22		0	0.00	
4Q22		0	0.00	
1Q23		0	0.00	
2Q23		0	0.00	
3Q23		0	0.00	
4Q23		0	0.00	
1Q24		0	0.00	

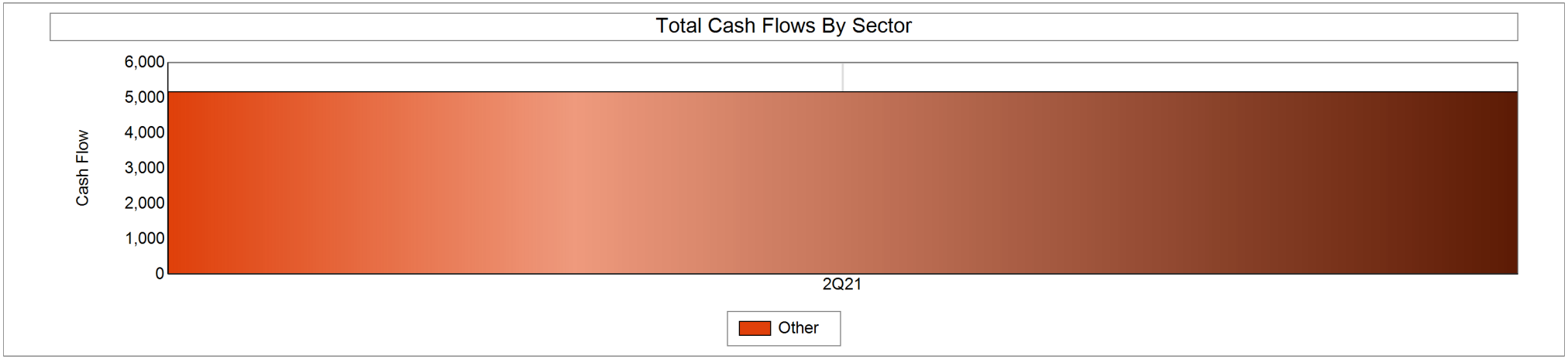


Shocked Principal and Interest Cash Flow Analysis

Quarter	Mod Up Stp	+100	+50	+25	-25	-50	Mod Dn Flt
2Q21	5,185	5,185	5,185	5,185	5,185	5,185	5,185

Sector Cash Flow and Yield Rolloff - Next 3 Years

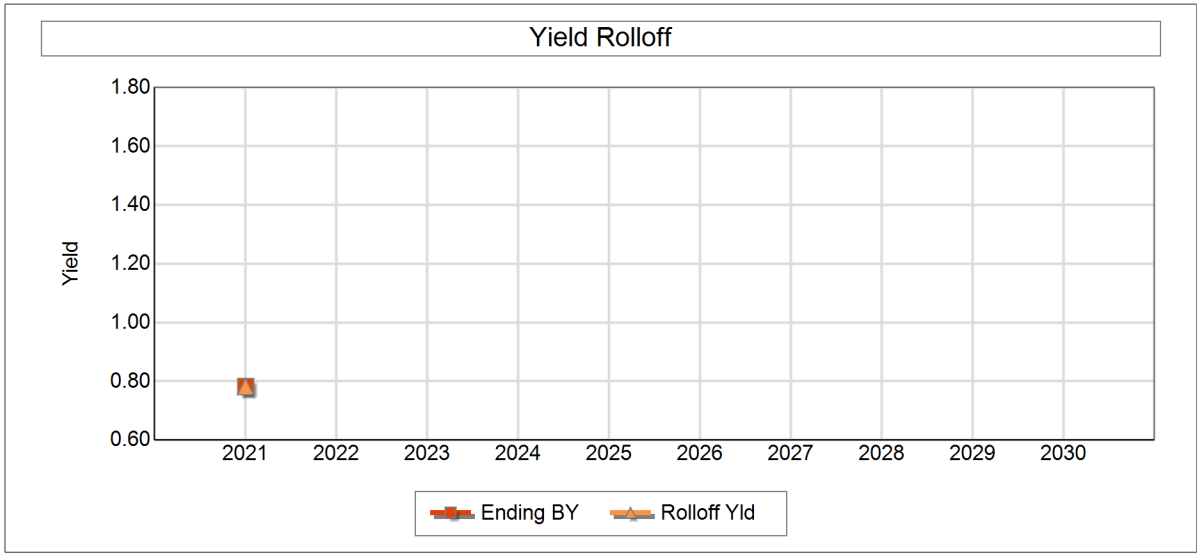
		2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	Bk Yld Chg
Other	Cash Flow	5,185	0	0	0	0	0	0	0	0	0	0	0	
	End BY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	Cash Flow	5,185	0	0	0	0	0	0	0	0	0	0	0	
	End BY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



Cash Flow and Yield Rolloff - Next 10 Years

Yield Rolloff

Year	Begin BY	Principal CF	Rolloff Yld	Ending BY
2021	0.78	5,182	0.78	
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				

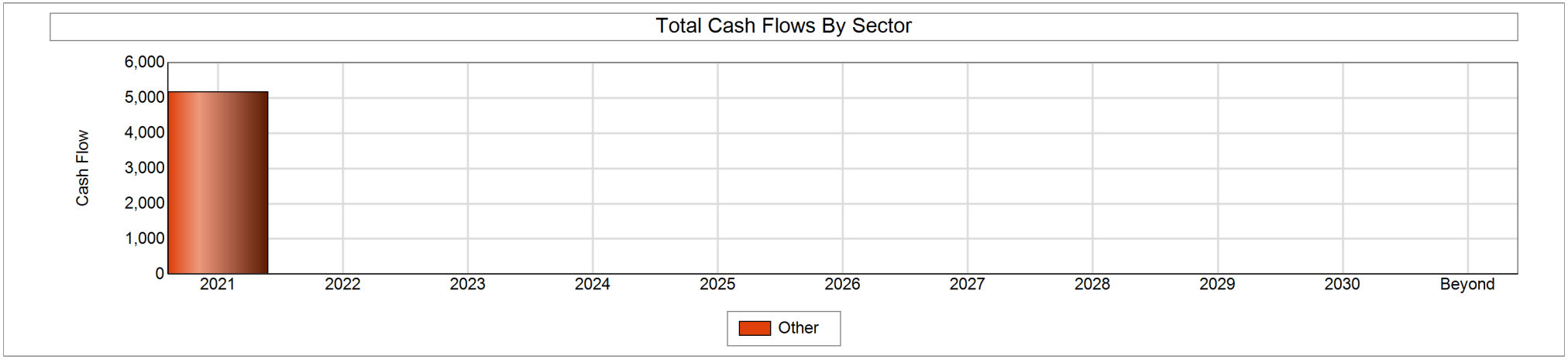


Shocked Principal and Interest Cash Flow Analysis

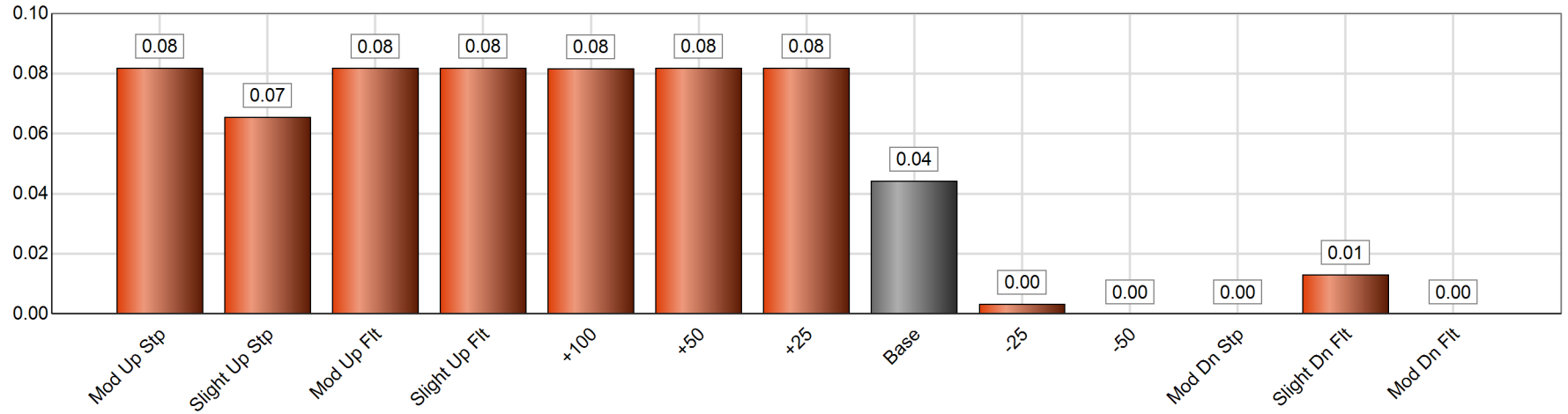
Year	Mod Up Stp	+100	+50	+25	-25	-50	Mod Dn Flt
2021	5,185	5,185	5,185	5,185	5,185	5,185	5,185

Sector Cash Flow and Yield Rolloff - Next 10 Years

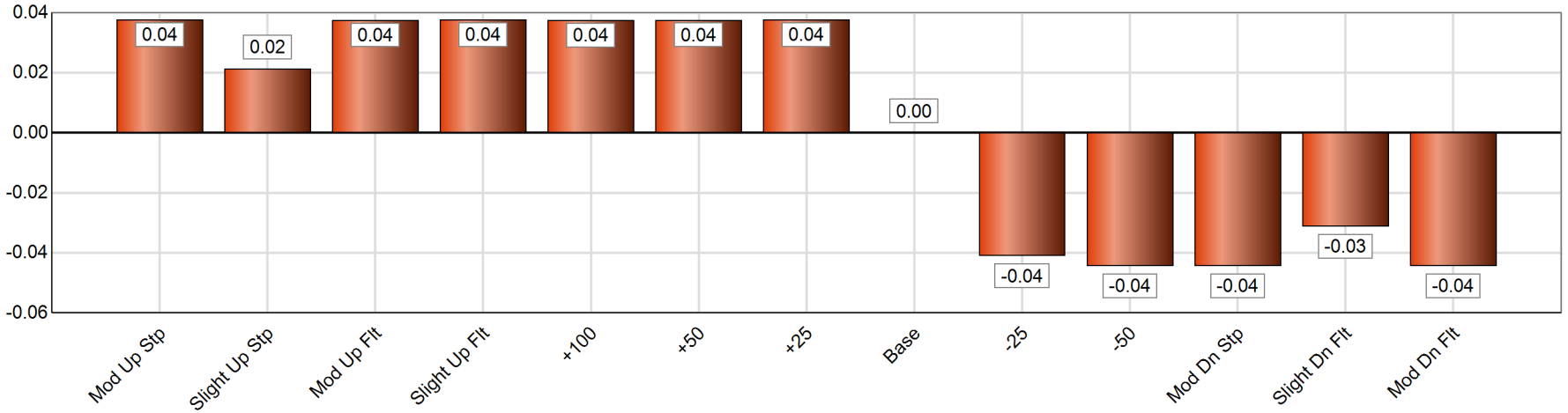
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Bk Yld Chg
Other	Cash Flow	5,185	0	0	0	0	0	0	0	0	0	
	End BY	0.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.78
Total	Cash Flow	5,185	0	0	0	0	0	0	0	0	0	
	End BY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



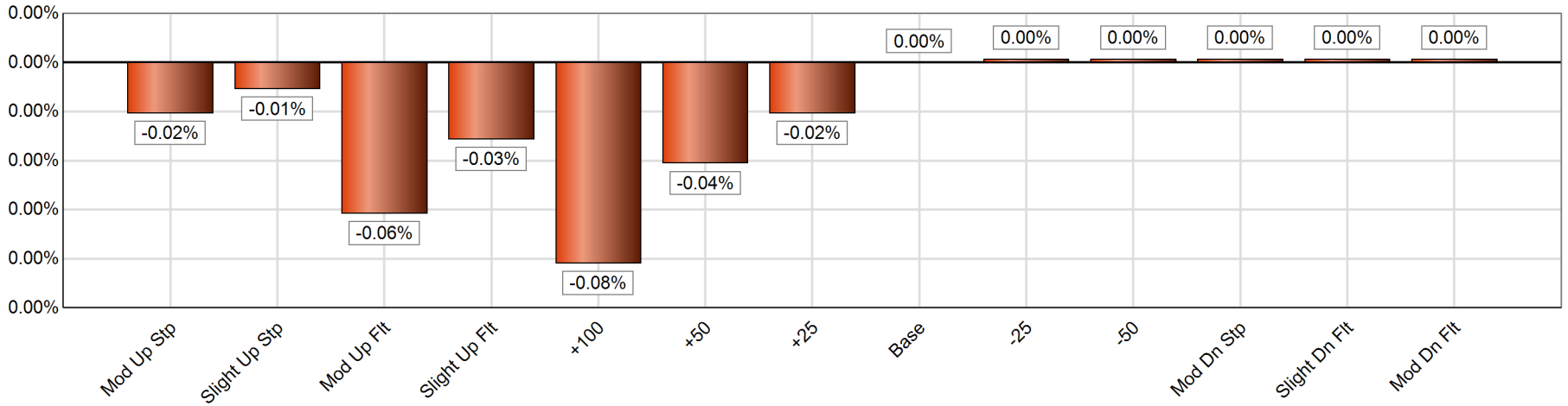
Effective Duration - Instantaneous Rate Shock



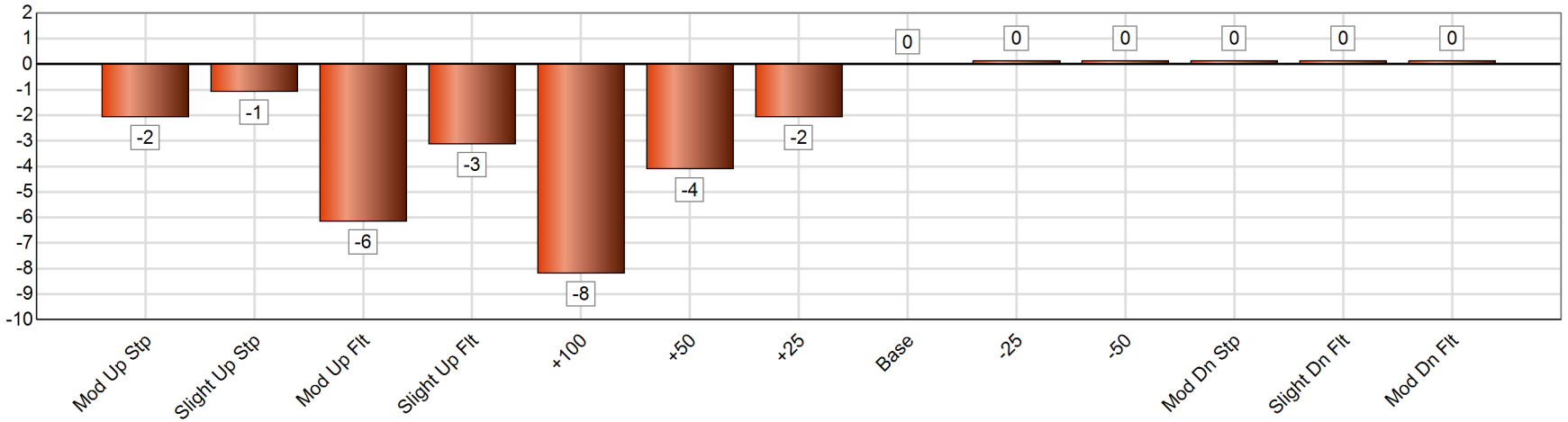
Difference from Base



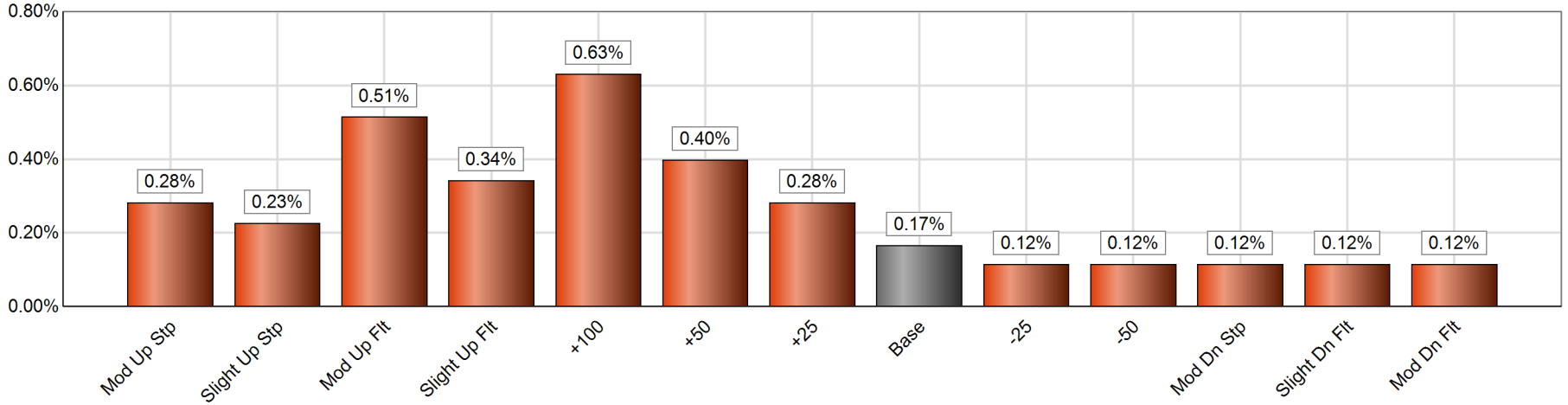
Percentage Price Change - Instantaneous Rate Shock



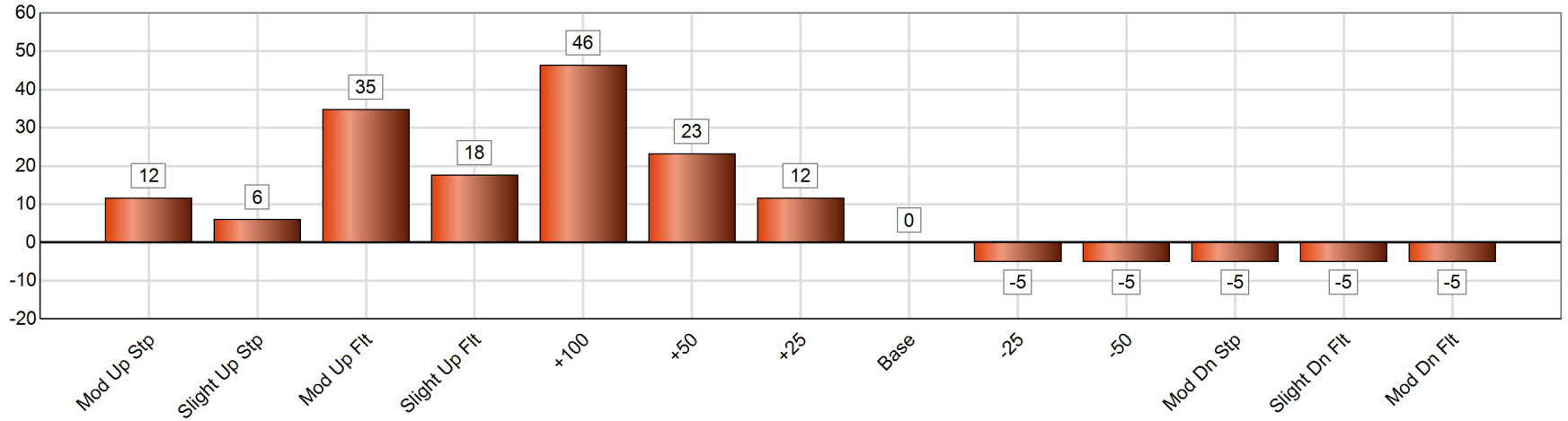
Difference from Base (bps)



Total Returns Comparison - 12 Mo. Horizon

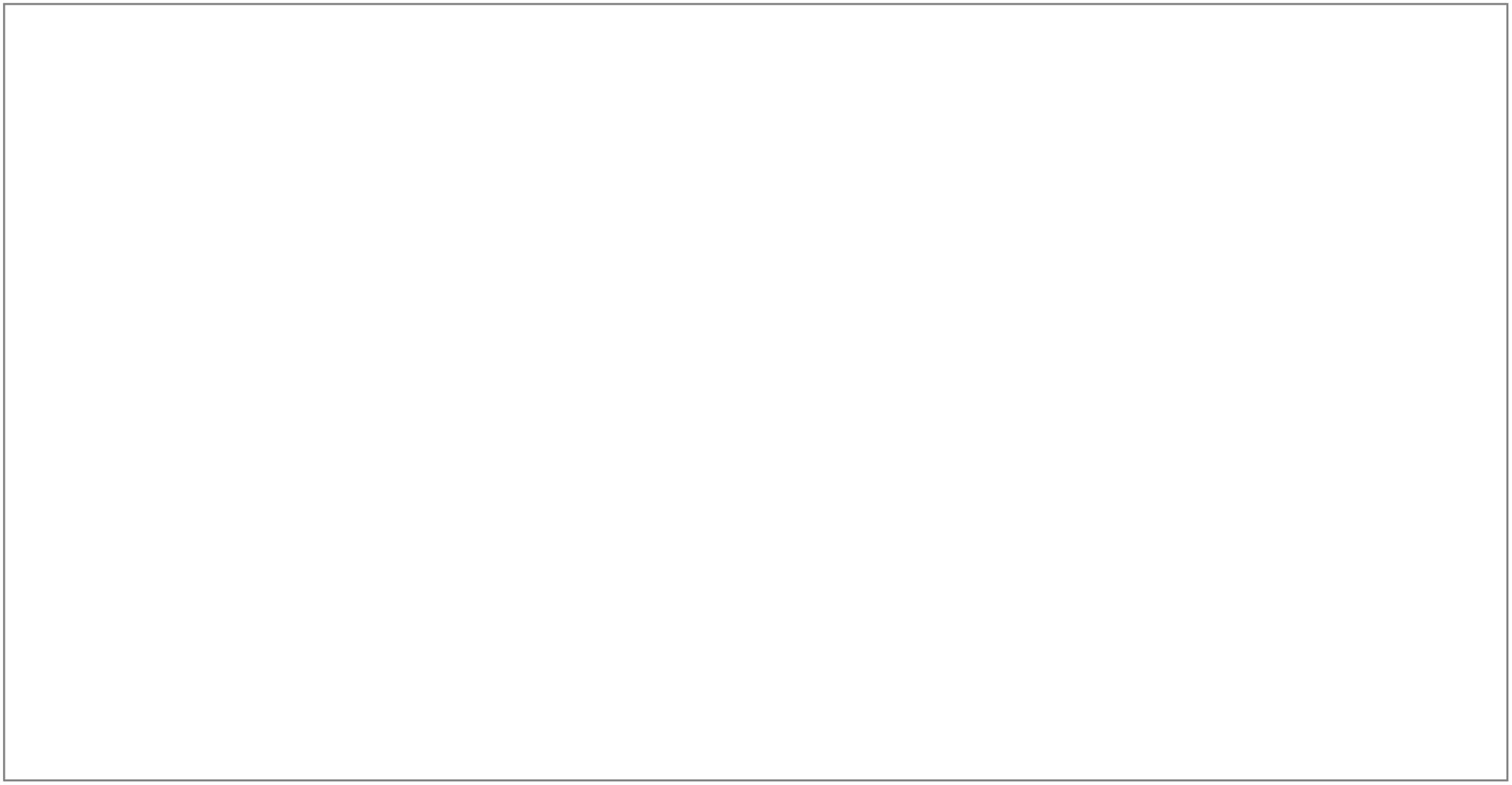


Difference from Base (bps)



Book Yield / Duration

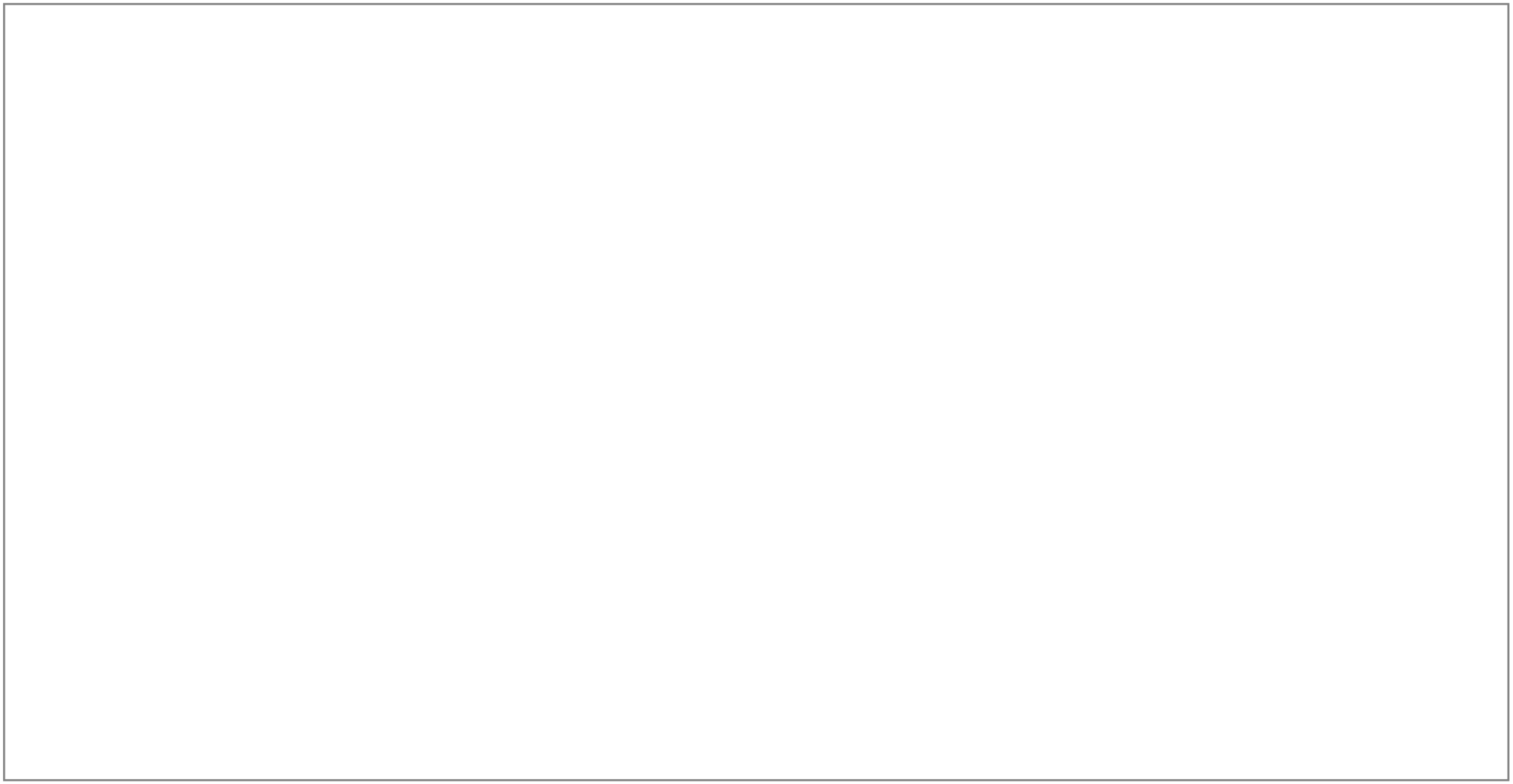
No securities with par > 1 million



*Only securities >=$1mm shown

Market Yield / Duration

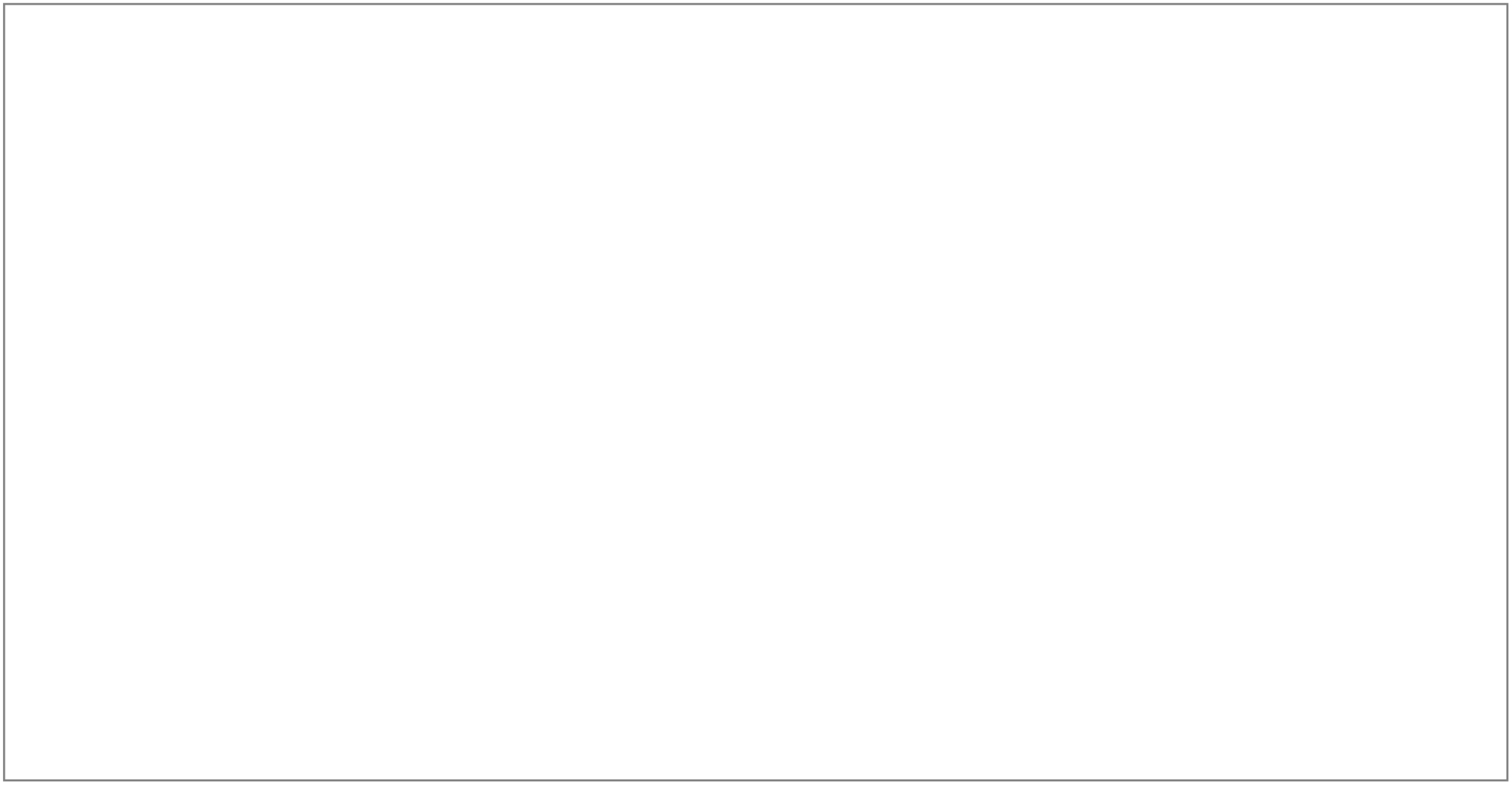
No securities with par > 1 million



*Only securities >=$1mm shown

Total Return / Duration

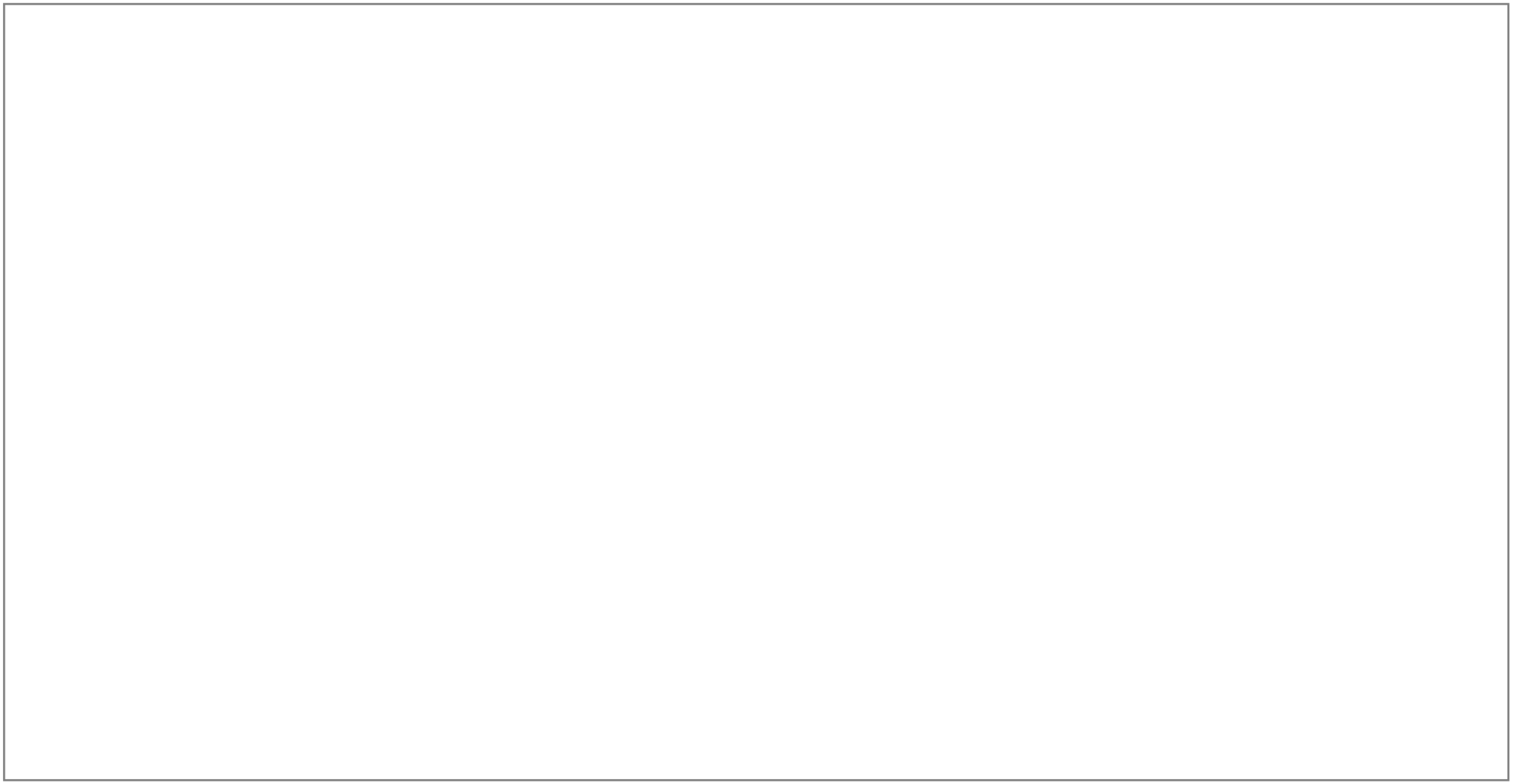
No securities with par > 1 million



*Only securities >=$1mm shown

OAS / Duration

No securities with par > 1 million



*Only securities >=$1mm shown

CD Option - Adjusted Analysis

Bond ID #	CUSIP	Security Description	Ticker	Cpn	Maturity Date	Opt Call	Cpn Type	Industry Sector	Par Value	Book Price	Mkt Price	Book Yield	Market Yield	WAL	Eff Dur	Eff Conv

Book Yield Table - Instantaneous Rate Shock

						Projected Call Date - Instantaneous Rate Shock						Book Yield Table - Instantaneous Rate Shock					
Bond ID #	CUSIP	Security Description	Original Structure	Par Value	Book Price	+100	+50	+25	Base	-25	-50	+100	+50	+25	Base	-25	-50
1	PLMDLLAIF	CITY ACCOUNT		5,182	100.00	4/30/21	4/30/21	4/30/21	4/30/21	4/30/21	4/30/21	0.78	0.78	0.78	0.78	0.78	0.78
				5,182	100.00							0.78	0.78	0.78	0.78	0.78	0.78

Market Yield Table - Instantaneous Rate Shock

						Projected Call Date - Instantaneous Rate Shock						Market Yield Table - Instantaneous Rate Shock					
Bond ID #	CUSIP	Security Description	Original Structure	Par Value	Mkt Price	+100	+50	+25	Base	-25	-50	+100	+50	+25	Base	-25	-50
1	PLMDLLAIF	CITY ACCOUNT		5,182	100.00	4/30/21	4/30/21	4/30/21	4/30/21	4/30/21	4/30/21	0.78	0.78	0.78	0.78	0.78	0.78
				5,182	100.00							0.78	0.78	0.78	0.78	0.78	0.78

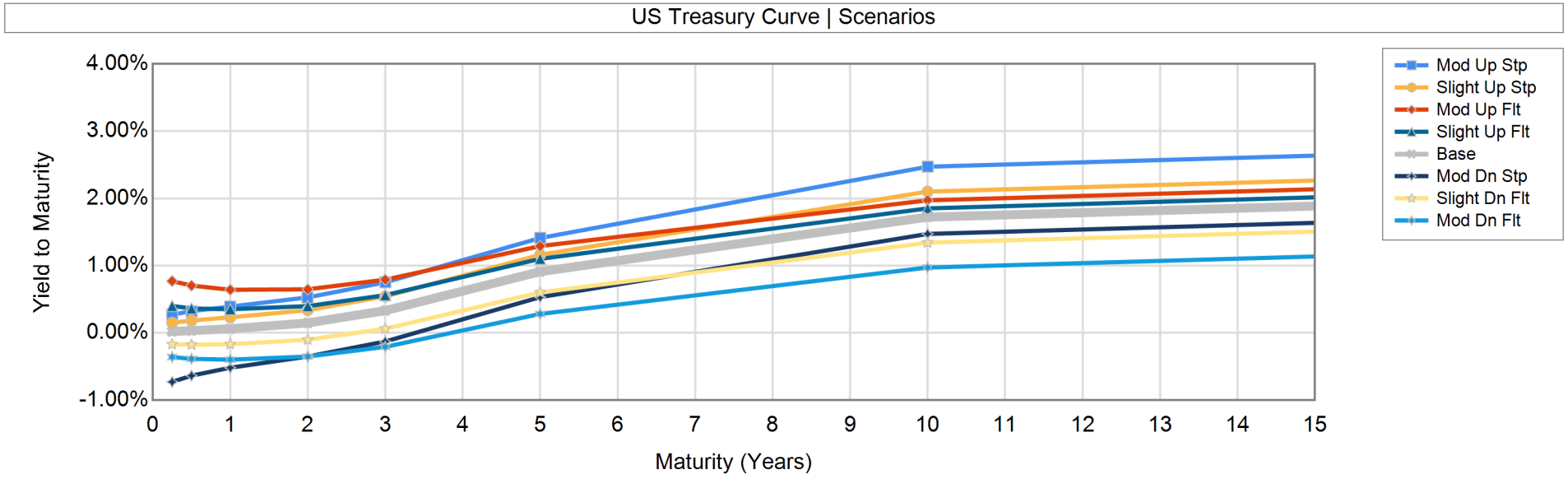
Percentage Price Change / 12 Month Total Return

						Price Change - Instantaneous Rate Shock						Projected TRR - 12mo. Horizon					
Bond ID #	CUSIP	Security Description	Original Structure	Par Value	Mkt Price	+100	+50	+25	Base	-25	-50	+100	+50	+25	Base	-25	-50
1	PLMDLLAIF	CITY ACCOUNT		5,182	100.00	-0.08	-0.04	-0.02	0.00	0.00	0.00	0.63	0.40	0.28	0.17	0.12	0.12
				5,182	100.00	-0.08	-0.04	-0.02	0.00	0.00	0.00	0.63	0.40	0.28	0.17	0.12	0.12

Shocked Assumptions

Scenarios

		Mod Up Stp	Slight Up Stp	Mod Up Flt	Slight Up Flt	+100	+50	+25	Base	-25	-50	Mod Dn Stp	Slight Dn Flt	Mod Dn Flt
Shift Amount	3mo	25	13	75	38	100	50	25	0	-25	-50	-75	-19	-38
	6mo	29	15	67	33	100	50	25	0	-25	-50	-67	-21	-42
	12mo	33	17	58	29	100	50	25	0	-25	-50	-58	-23	-46
	2yr	38	19	50	25	100	50	25	0	-25	-50	-50	-25	-50
	3yr	42	21	46	23	100	50	25	0	-25	-50	-46	-27	-54
	5yr	50	25	38	19	100	50	25	0	-25	-50	-38	-31	-63
	10yr	75	38	25	13	100	50	25	0	-25	-50	-25	-38	-75
	30yr	75	38	25	13	100	50	25	0	-25	-50	-25	-38	-75
Shock Horizon		0 Months	0 Months	0 Months	0 Months	0 Months	0 Months	0 Months	0 Months	0 Months	0 Months	0 Months	0 Months	0 Months
Total Return Horizon		12 Months	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months
Shift Timing to Horizon		Ramped	Ramped	Ramped	Ramped	Ramped	Ramped	Ramped	Ramped	Ramped	Ramped	Ramped	Ramped	Ramped
Curve Type		Static	Static	Static	Static	Static	Static	Static	Static	Static	Static	Static	Static	Static



Assumptions

• Calculation Engine	The Yield Book © and ZM Financial
• Prepayment Model	The Yield Book ©
• Data Sources	The Yield Book ©, Reuters, Intex, KDS and Stifel
• Curve Date	Same as Portfolio As Of Date
• Curve Type Used	Swap Curve
• Market Prices	Market prices are indications only, provided by Reuters unless otherwise specified
• Horizon Price Methodology	Constant OAS where possible; constant nominal spread change as a secondary method
• Horizon Period	0 month horizon for immediate rate shock scenarios; 12 month horizon for total return scenarios
• Reinvestment Rate	3 Month LIBOR
• Cost of Funds	0.00%
• Tax Rate	00.0%
• Subtotal Weightings	Overall totals and subtotals are weighted by market value

Additional Information

Adjustable Rate Securities - YTM for ARMs and floaters assumes the coupon resets based on index levels implied by the static curve.

Projected Call Methodology - The method used to determine the call assumes a small internal margin to account for the "cost to call."

Municipals - For taxable institutions, the above tax rate detailed - along with TEFRA adjustments for BQs - is used to calculate TEY unless otherwise noted.

Original Face - If original face was not supplied, original face was estimated by dividing current face by current factor.

Dollar Amounts - Unless otherwise specified, dollar amounts are displayed in thousands (000s).

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City Council Staff Report

DATE: **MAY 6, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY MANAGER'S OFFICE**
FINANCE DIVISION

DISTRICT: **ALL**

SUBJECT: **RESOLUTION NO. CC 2021-050, CONTINUING THE PROCLAMATION OF A LOCAL EMERGENCY RESULTING FROM CORONAVIRUS DISEASE (COVID-19).**

ISSUE

Adopt Resolution No. CC 2021-050, continuing the Proclamation of a Local Emergency resulting from Coronavirus Disease (COVID-19).

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. CC 2021-050, continuing the Proclamation of a Local Emergency resulting from Coronavirus Disease (COVID-19)

BACKGROUND

In December 2019, a new communicable disease, Coronavirus Disease (COVID-19), was first detected in Wuhan City, Hubei Province, China. Since that time, it has spread globally to over 122 countries, infecting more than 107 million individuals and resulting in more than 2.36 million deaths. Symptoms of the virus include fever, cough, and shortness of breath, and infected individuals have experienced a range of outcomes, from mild sickness to severe illness and death. This incident is being called the "COVID-19 outbreak."

On January 31, 2020, the United States Secretary of Health and Human Services, Alex M. Azar ll, declared a Public Health Emergency to aid the United States in responding to COVID-19. This order was renewed on April 26, 2020.

On March 4, 2020, the State of California declared a State of Emergency to aid in the prevention and mitigation of the effects of the COVID-19 outbreak. That same day, the County of Los Angeles declared a State of Emergency to prevent the further spread of COVID-19 throughout the County of Los Angeles. Since that time, the counties of Orange, Santa Clara, San Diego, Sonoma, and San Francisco, along with the cities of Los Angeles, Long Beach, and San Francisco have also declared local health emergencies.

On March 11,2020, the World Health Organization declared the COVID-19 outbreak a pandemic, which means a global epidemic. That same day, there were a total of twenty-eight (28) cases of COVID-19 in the County of Los Angeles and one (1) reported death. That number has grown to over 1.15 million cases and 17,493 deaths throughout the County of Los Angeles and over 22,000 cases and 250 deaths locally in Palmdale. The case numbers reflect cumulative cases since the pandemic was declared.

DISCUSSION

On March 11,2020, the City's Director of Emergency Services proclaimed the existence of a local emergency within the City of Palmdale, pursuant to California Government Code Section 8630 and Palmdale Municipal Code Section 2.28.060. Emergency proclamations issued by the Director of Emergency Services are valid for only seven (7) days. The City Council reviewed and ratified Resolution No. CC 2020-048 on March 17, 2020, ratifying the Director of Emergency Services' Proclamation of a Local Emergency Resulting from Coronavirus Disease 2019 (COVID-19), Resolution No. CC 2020-048 and authorizing the Director of Emergency Services to continue to take appropriate measures to protect the public health, safety, and welfare, and obtain emergency aid from other agencies.

The City Council adopted Resolution No. CC 2020-049 on April 7, 2020 and continued the state of emergency.

On June 2, 2020, the City Council adopted Resolution No. CC 2020-057 continuing the proclamation of a local emergency.

On August 4, 2020, the City Council adopted Resolution No. CC 2020-088 continuing the proclamation of a local emergency.

On October 6, 2020, the City Council adopted Resolution No. CC 2020-104 continuing the proclamation of a local emergency.

On November 17, 2020, the City Council adopted Resolution No. CC 2020-110 continuing the proclamation of a local emergency.

On January 12, 2021, the City Council adopted Resolution No. CC-2021-001 continuing the proclamation of a local emergency.

On March 2, 2021, the City Council adopted Resolution No. CC-2021-021 continuing the proclamation of a local emergency.

The local emergency will continue until terminated by the City Council. The City Council’s ratification of the local emergency is valid for sixty (60) days, unless extended by further City Council action.

Staff recommends approval of Resolution No. CC 2021-021 continuing the proclamation of a Local Emergency resulting from Coronavirus Disease 2019 (COVID-19).

FISCAL IMPACT

So long as the emergency declaration is in place, the City may submit expense claims to certain Federal and State agencies for reimbursement. Additionally, should additional funds be required, the City Council may appropriate funds from the City's emergency reserve for use.

STRATEGIC PLAN

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

B. Be prepared to protect life, property, and the environment in the event of catastrophic disasters and emergencies.

C. Use a variety of methods to communicate timely, useful, and trusted information about City programs, services, and policies.

Prepared by:	Keith Kang, Finance Manager
Certified as to availability of Funds:	Janelle Samson, Assistant Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

Resolution No. CC 2021-050

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2021 - 050

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE CONTINUING THE PROCLAMATION OF A LOCAL EMERGENCY RESULTING FROM THE CORONAVIRUS DISEASE (COVID-2019)

WHEREAS, Coronavirus Disease (COVID-19), a new communicable disease, was first detected in Wuhan City, Hubei Province, China in December 2019. COVID-19 has since spread globally to over 122 countries, infecting more than 5.4 million individuals and tragically resulting in more than 343,000 deaths worldwide. Symptoms of the virus include fever, cough, and shortness of breath, and infected individuals have experienced a range of outcomes, from mild sickness to severe illness and death.

WHEREAS*, the incident is being called the "COVID-19 outbreak."*

WHEREAS, on January 31, 2020, the United States Secretary of Health and Human Services, Alex M. Azar II, declared a Public Health Emergency to aid the United States in responding to COVID-19 and renewed this declaration on April 26, 2020.

WHEREAS, on March 4, 2020, the State of California declared a State of Emergency to aid in the prevention and mitigation of the effects of the COVID-19 outbreak. On March 19, the State Health Officer issued a stay at home order pursuant to Health and Safety Code 120125, 120140, 131080, 120130(c), 120135, 120145,120175 and 120150 which has continued with modifications.

WHEREAS, on March 4, 2020, the County of Los Angeles declared a State of Emergency to prevent the further spread of COVID-19 throughout the County of Los Angeles. On March 13, the County Health Officer issued a Stay at Home Order which is still in effect with modifications.

WHEREAS, on March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic, which means a global epidemic.

WHEREAS, On March 17, 2020, the City Council for the City of Palmdale ratified the City's Director of Emergency Services' proclamation of the existence of a local emergency within the City of Palmdale. The City Council adopted Resolution No. CC-2020-049 on April 7, 2020 further extending the state of emergency pursuant to California Government Code Section 8630 and Palmdale Municipal Code Section 2.28.060.

WHEREAS, On June 2, 2020, the City Council adopted Resolution No. CC 2020-057 continuing the proclamation of a local emergency.

WHEREAS, On August 4, 2020, the City Council adopted Resolution No. CC 2020-088 continuing the proclamation of a local emergency.

WHEREAS, On October 6, 2020, the City Council adopted Resolution No. CC 2020-104 continuing the proclamation of a local emergency.

WHEREAS, On November 17, 2020, the City Council adopted Resolution No. CC 2020-110 continuing the proclamation of a local emergency.

WHEREAS, On January 12, 2021, the City Council adopted Resolution No. CC 2021-001 continuing the proclamation of a local emergency.

WHEREAS, On March 2, 2021, the City Council adopted Resolution No. CC 2021-021 continuing the proclamation of a local emergency.

WHEREAS, as of May 26, 2020 there were a total of 47,822 cases of COVID-19 in the County of Los Angeles and 2,143 reported deaths.

WHEREAS, as of April 1, 2021 there were a total of 1,220,246 cases of COVID-19 in the County of Los Angeles and 23,189 reported deaths.

WHEREAS as a result of the COVID-19 outbreak, the City of Palmdale instituted proactive measures to mitigate risk and ensure the health and safety of persons in the City of Palmdale in accordance with the Los Angeles County Health Officer and State of California Health Officer orders.

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. Pursuant to Government Code Section 8630(c), the City Council has reviewed the need for continuing the proclamation and hereby proclaims that a state of local emergency continues to exist within the City of Palmdale.

SECTION 2. Pursuant to the orders, issued under the California Health and Safety Code by the California State Public Health Officer and the Los Angeles County Health Officer, the Director of Emergency Services shall follow their guidance and directions until those orders expire or are lifted.

SECTION 3. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED and **ADOPTED** this 6th day of May 2021.

Approved as to form:

_____
Christopher Beck
City Attorney

_____
Steven D. Hofbauer, Mayor

ATTEST:

_____
Shanae Smith, City Clerk

I, Shanae Smith, City Clerk of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 6th day of May, 2021 by the following roll call vote:

AYES: _____

NOES:_____

ABSTAIN:_____ABSENT:_____

Date: _____ _____
Shanae Smith, City Clerk

City Council Staff Report

DATE: **MAY 6, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY MANAGER'S OFFICE – FINANCE DIVISION**

DISTRICT: **ALL**

SUBJECT: **ADOPT A JOINT RESOLUTION NO. CC 2021-029, INCLUSIVE OF SA 2021-003, OF THE CITY COUNCIL OF THE CITY OF PALMDALE AND THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE, STATING THE INVESTMENT POLICY FOR THE INVESTMENTS AND FOR CONTRIBUTIONS TO THE RETIREE HEALTH PLANS FOR THE CITY AND SUCCESSOR AGENCY AND REPEALING RESOLUTIONS NO. CC 2020-002, CC 2020-003, SA 2020-001, AND SA 2020-002.**

ISSUE

Adopt a Joint Resolution No. CC 2021-029, inclusive of SA 2021-003, of the City Council of the City of Palmdale and the Successor Agency to the Community Redevelopment Agency of the City of Palmdale, stating the Investment policy for the investments and the contributions to the retiree health plans for the City and Successor Agency and repealing Resolutions No. CC 2020-002, CC 2020-003, SA 2020-001, and SA 2020-002.

RECOMMENDATION

Staff recommends that the City Council adopt the Joint Resolution No. CC 2021-029, inclusive of SA 2021-003, stating the Investment Policy for the investments and the contributions to the retiree health plans for the City and Successor Agency and repealing Resolutions No. CC 2020-002, CC 2020-003, SA 2020-001, and SA 2020-002.

BACKGROUND

The City Council adopted Resolutions No. CC 2020-002, CC 2020-003, SA 2020-001, and SA 2020-002 on January 14, 2020, stating the Investment Policy for the City and Successor Agency investments and for City and Successor Agency contributions to the Retiree Health Reimbursement Arrangement (HRA) and Retiree Health Premium Supplement (HPS) plans. On review of the four policies City staff have consolidated the information into one universal policy for the City and the Successor Agency in order to provide with a more concise, consistent, and transparent policy. The City reviews the

Investment Policy annually and makes changes where necessary. With the exception of moneys held in certain restricted and special funds, the City commingles its investable assets to maximize interest earnings and to increase efficiencies with respect to investment pricing, safekeeping, and administration. Consolidating four investment policies into one universal policy helps achieving those goals.

There are changes to the Investment Policy with regards to the Corporate Notes as follows:

- Increasing the maturity of a note from three years to five years
- Increasing the percentage of allowable purchase against the total portfolio from 10 percent to 15 percent
- Change of eligible note's rating from AA to A or better by Moody's or Standard & Poor's rating services

In addition to the Corporate notes, we are decreasing the percentage allowable purchase against Certificates of Deposit (CDs) from 30 percent to 25 percent.

City staff has reviewed the current market conditions where Corporate Notes have been providing higher yields than Federal Agency Paper and Certificates of Deposits, and City staff would like to increase the allowable purchase of Corporate Notes percentage against the total portfolio from 10 percent to 15 percent in order to take advantage of these more attractive rates.

In addition, Corporate Notes have been providing better yields at longer maturity rates than Federal Agency Paper and Certificates of Deposits and staff would like to also increase the maximum allowable maturity purchases from three years to five years. The change of note's rating would allow a greater flexibility in investment choices to maximize the interest earnings.

City staff believes, after consultation with Investment Advisor Stifel, these changes will place the City in a better position to allocate its surplus of funds and invest and grow its portfolio more efficiently while still maintaining adequate liquidity and stability of its investments.

All changes conform to California Government Codes [53600 - 53610].

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.

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

B. Establish healthy reserves for ongoing replacement and repair of capital while stabilizing the annual spending.

D. Pursue alternative financing opportunities for continued infrastructure improvements and quality community programs.

Prepared by:	Willy Galindo
Certified as to availability of Funds:	Keith Kang
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

Resolution No. CC 2021-029 and SA 2021-003, A Joint Resolution of the City Council of the City of Palmdale and the Successor Agency to the Community Redevelopment Agency of the City of Palmdale stating the Investment policy for the investments and the contributions to the retiree health plans for the City and Successor Agency and repealing Resolutions No. CC 2020-002, CC 2020-003, SA 2020-001, and SA 2020-002.

CITY COUNCIL
SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY
CITY OF PALMDALE, CALIFORNIA
JOINT RESOLUTION NO. CC 2021-029
SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE RESOLUTION NO. SA 2021-003

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE AND THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE STATING THE INVESTMENT POLICY FOR THE INVESTMENTS AND FOR CONTRIBUTIONS TO THE RETIREE HEALTH PLANS FOR THE CITY AND SUCCESSOR AGENCY AND REPEALING RESOLUTIONS NO. CC 2020-002, CC 2020-003, SA 2020-001, AND SA 2020-002

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

SECTION 1. Purpose

This Resolution states the City's and Successor Agency's investment policy which is intended to provide guidelines to the City Treasurer for the prudent investment of the City's and Successor Agency's temporary idle cash not otherwise governed by bond indentures or bond resolutions, and to outline policies for maximizing the efficiency of the City's and Successor Agency's cash management system. The ultimate goal is to enhance the economic status of the City and Successor Agency while protecting its pooled cash. These guidelines do not supersede applicable State laws and City ordinances.

This Resolution also states the City's and Successor Agency's investment policy for contributions and earnings accumulated under the Retiree HRA Plan and the Retiree HPS Plan Trusts, which have been adopted by the City Council of the City of Palmdale to assist in meeting applicable funding requirements for the future payment of other post-employment benefit obligations (generally referred to as "**OPEB Liability**"). The Investment Policy Statement is intended to provide guidelines to the City Treasurer and the authorized Investment Advisor for the prudent investment of the City's and Successor Agency's Retiree HRA and HPS Plan contributions and earnings.

This Investment Policy Statement shall be consistent with the governing law, including the Internal Revenue Code of 1986 as amended from time to time (the "Code"), applicable provisions of Governmental Accounting Standards Board Statement Nos. 43 and 45, California laws, including applicable provisions of the California Government Code and City ordinances. A Glossary of investment terms is provided at the end of the resolution for reference.

SECTION 2. Scope

This investment policy applies to the investment of all cash and various funds of the City as identified in the Comprehensive Annual Financial Report, except for employee's retirement and deferred compensation funds and those cash assets governed by bond indentures or bond resolutions. The following is a list of funds included:

2.1 General Fund

2.2 Special Revenue Funds

2.3 Capital Project Funds

2.4 Trust and Successor Agency Funds not otherwise invested with the Trustee/Fiscal Agent

2.5 Funding sources for this purpose will include the General Fund, Successor Agency to the Community Redevelopment Agency of the City of Palmdale Funds, and Special Revenue Funds through which participants are financed.

2.6 Participant GROUPS 1, 2, and 3 are defined in the Retiree HRS and Retiree HPS Plan documents.

2.7 Investment strategies for this purpose are as follows:

i. Participant directed investment portfolio choices (age-based custom portfolio or self-directed alternative) – This investment strategy for contributions and earnings applies to the Retiree HRA Plan Trust and encompasses Group 2 Employees that elect the defined contribution option and Group 3 Employees. Employees in these Groups must have met the age and years of service requirements for vesting purposes.
ii. Plan Sponsor directed portfolio using a 5-year Treasury benchmark – This investment strategy for contributions and earnings applies to the Retiree HRA Plan Trust and encompasses Group 2 Employees that elect the defined contribution option and Group 3 Employees. Employees in these Groups subject to this investment strategy have not yet met the age and years of service requirements for vesting purposes.
iii. Plan Sponsor directed long-term diversified portfolio – This investment strategy for contributions and earnings applies to the Retiree HPS Plan Trust and encompasses eligible Group 1 Retirees and eligible Group 2 Employees that elected the defined benefit option.

SECTION 3. Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

3.1 Governing bodies of local agencies, or persons authorized to make investment decisions on behalf of the agency, are trustees, and therefore fiduciaries subject to the prudent investor standard. The trustee is required to consider the general economic conditions and the anticipated needs of the agency when investing, reinvesting, purchasing, acquiring, exchanging, and selling or managing public funds.

3.2 The standard of prudence to be used by investment officials shall be the prudent person standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

SECTION 4. Objectives

The City's and Successor Agency's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City Treasurer to invest funds to the fullest extent possible. The City Treasurer and authorized Investment Advisor maintain a diversified portfolio to accomplish the primary objectives of safety, liquidity, and yield (in that order of priority).

4.1 Safety: The safety/risk associated with an investment refers to the potential loss of principal, accrued interest, or a combination of these. The City seeks to mitigate credit risk by continual monitoring of financial institutions with which it will do business and by careful scrutiny of the credit worthiness of the investment instruments as well as the institutions. Such resources as Moody's Investor, Standard & Poor's and Fitch rating services are utilized for this review. The City Treasurer seeks to mitigate rate risk through diversification of instruments as well as maturities.

4.2 Liquidity: The portfolio will be structured with sufficient liquidity to allow the City and Successor Agency to meet all anticipated cash requirements. This will be accomplished through matching maturities to expected cash needs, the State Local Agency Investment Fund (LAIF), California Asset Management Program (CAMP), and AAA/Aaa rated money market funds with immediate withdrawal provision.

4.3 Yield: A competitive market rate of return is the third objective of the investment program after the fundamental requirements of safety and liquidity have been met.

SECTION 5. Delegation of Authority

California Government Code Section 53607 provides the authority for the legislative body of the local agency to invest the funds of the local agency, or to delegate the full responsibility to the treasurer of the local agency for a one-year period. The legislative body may renew such delegation of authority to the treasurer each year.

5.1 City Council: By adoption of this policy, the City Council has authorized the City Treasurer to invest City surplus funds in accordance with California Government Code Section 53600, et. seq. and to invest Agency bond or COP proceeds in accordance with California Government Code Section 5922(d) and 53601(l). The delegation of authority to the City Treasurer shall remain in effect until it expires or is revoked, whichever occurs first. The City Treasurer shall make a monthly report to the City Council of all transactions made pursuant to this delegation of authority.

5.2 City Treasurer: The execution of investment transactions on a daily basis will be conducted by the City Treasurer or may be delegated to the Deputy City Treasurer. The City Treasurer has established a system of controls and a segregation of responsibilities of investment functions to assure maintenance of internal control over the investment function.

Notwithstanding Section 53601 or 53635, the governing body of a local agency may invest funds designated for the payment of retiree health benefits in any form or type of investment deemed prudent by the governing body pursuant to Section 53622.

5.3 City Council: By adoption of this policy, the City Council has authorized the City Treasurer and the authorized Investment Advisor to invest Retiree HRA and HPS Plan contributions and earnings in accordance with California Government Code Section 53622.

5.4 City Treasurer: The execution of investment transactions on a daily basis will be conducted by the authorized Investment Advisor under the direction of the City Treasurer. The City Treasurer has established a system of controls and a segregation of responsibilities of investment functions to assure maintenance of internal control over the investment function.

5.5 The City Treasurer retains the authority to amend the Investment Policy, Guidelines, and Procedures at any time to carry out the duties as chief investment officer for the City and Successor Agency. Notice of any such required amendment will be given to the Investment Oversight Committee and the City Council.

SECTION 6. Ethics and Conflicts of Interest

Employees involved in the investment of City funds shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair, or appear to impair, their ability to make impartial investment decisions. The City Treasurer shall comply with the reporting requirements of the

Political Reform Act of 1974 regarding disclosure of material financial interests and shall file an annual Statement of Economic Interests.

SECTION 7. Authorized Financial Dealers and Institutions

7.1 The City shall transact business only with nationally or state-chartered banks and licensed investment securities dealers. The City Treasurer shall maintain a listing of financial institutions authorized to provide investment services.

7.2 Selection of financial institutions and broker/dealers authorized to engage in transactions with the City and Successor Agency shall be at the sole discretion of the City and Successor Agency.

7.3 The Treasurer and the Investment Oversight Committee shall obtain information from qualified financial institutions to determine if the institution makes markets in securities appropriate for the City's and Successor Agency's needs, can assign qualified sales representatives and can provide written agreements to abide by the conditions set forth in the Investment Policy. Investment accounts with all financial institutions shall be standard non-discretionary accounts and may not be margin accounts.

7.4 All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply to the Treasurer the following: audited financial statements, proof of National Association of Security Dealers certification, proof of state registration, broker/dealer questionnaire, and certification of having read the California Government Code Section 53600 *et seq.* and the Investment policy and that all securities offered shall comply fully and in every instance with all provisions of the California Government Code.

7.5 The signatures of two individuals shall be required for the opening and closing of any bank account and broker account (the Treasurer or City Manager, and the Mayor or Mayor Pro Tem). The Accounting Officer, who is independent of the investment function, shall keep a record of all opened and closed accounts. On an annual basis, the Accounting Officer shall provide this list of accounts to the independent auditor.

7.6 Public deposits shall be made only in qualified public depositories within the State of California as established by State law. The Federal Deposit Insurance Corporation shall insure deposits, or, to the extent the amount exceeds the insured maximum, shall be collateralized with securities in accordance with State law.

7.7 Whenever possible, investment staff shall obtain a minimum of two quotations, preferably three, prior to entering into an investment transaction. Staff will buy or sell at the price that is most advantageous to the City and/or Successor Agency and meets investment requirements. Treasury bills, treasury notes, and federal agency securities will only require one quotation due to minimal commissions.

SECTION 8. Authorized and Suitable Investments for Surplus Funds

California Government Code Section 53601 defines eligible securities for the investment of surplus funds by local agencies. Surplus funds of the City and Successor Agency are invested in compliance with this statute and as further limited in this Investment Policy. In any event, no security may be purchased with a remaining maturity in excess of five years without specific legislative authority.

8.1 Demand deposits of up to $2,000,000 (and $2,500,000 in the aggregate) with Bank of America or Wells Fargo Bank.

8.2 Bank of America Cash Management Sweep Agreement.

8.3 U.S. Government: United States Treasury Bills, Notes, and Bonds are backed by the full faith and credit of the United States Government. There shall be no limitation as to the percentage of the portfolio invested in this category. The maturity on these investments shall not exceed five years without the prior approval of the Investment Oversight Committee.

8.4 U.S. Government: United States Federal Agency Securities are backed by the implied support of the United States Government. There shall be no limitation as to the percentage of the portfolio invested in this category. The maturity on these investments shall not exceed five years without the prior approval of the Investment Oversight Committee.

8.5 Municipal Obligations: Bonds, notes, warrants, or other evidence of indebtedness of the State of California or of any local agency within the State of California. A maximum of 10 percent may be invested in municipal obligations. The maturity on these investments shall not exceed State investment guidelines of five years without the prior approval of the Investment Oversight Committee. In addition, the issuer itself must meet the minimum State investment guidelines of having a minimum credit rating of “A” or equivalent by two of the three major rating agencies (Moody’s, Standard & Poor’s, and Fitch).

8.6 Corporate Notes: Medium Term Corporate Notes, with a maximum maturity of five years may be purchased. Securities eligible for investment shall be rated A or better by Moody's or Standard & Poor's rating services. A maximum of 15 percent of the portfolio may be invested in medium term corporate notes.

8.7 Bankers Acceptances: Bills of exchange or time drafts drawn on and accepted by commercial banks, which are eligible for purchase by the Federal Reserve System, are known as banker’s acceptances. Purchases of these instruments may not exceed 180 banker’s days maturity. A maximum of 2 percent may be invested in the banker’s acceptances of any one commercial bank except the two banks listed in Section 8.1 above, in which case the limit, when aggregated with the funds in demand deposits in any one of those two banks, will not be more than 40 percent of the City's total invested funds.

8.8 Certificates of Deposit (CDs): Certificates of deposit or “time deposits” of up to $250,000 are federally insured. Beyond that amount, these CDs must be

collateralized with the collateral held separately from the issuing institution. The value of the investment must have collateral of at least 110 percent if government securities, or collateral of at least 150 percent if mortgage-backed securities. Statute does not limit CDs, however, this Investment Policy shall limit such investments to a maximum of 25 percent of the portfolio and to a maximum of 15 percent deposited in any one institution. In addition, time deposits shall be placed in institutions meeting all capital requirements and rated ”AA” or higher by two of the three major rating agencies (Moody’s, Standard & Poor’s, and Fitch) for any deposits over $250,000.

If a local bank does not have two ratings from two of the three rating agencies that are double AA or higher (Moody’s, Standard & Poor’s, and Fitch), then the City Treasurer will use alternative methods to determine the financial strength of the local bank when depositing over $250,000. The alternative methods will include a review of the latest three-year earnings trend and a review of the ratios showing bank capital as a percentage of weighted assets and average assets. These ratios are shown in the audited annual report for each bank and will be reviewed annually. The Federal Deposit Insurance Corporation (FDIC) issues standards for the determination of well capitalized.

Investments in local banks will be limited to banks that are well capitalized as exhibited in the audited annual report. Initial investments with local banks will be no more than $250,000. Additional amounts may be invested with local banks subject to the approval of City Council. The maximum allowable investment in any local bank will be $1,000,000. The maximum allowable investment for local banks will be reviewed annually and may be adjusted up or down subject to City Council approval.

Investments in the CDARS program are permitted. CDARS, the Certificate of Deposit Account Registry Service, is an investment vehicle established to allow investing participants to have full federal insurance on deposits up to $50 million and to earn one interest rate per deposit. A deposit is placed with a network member institution that uses CDARS to place the deposit into several certificates of deposits issued by network banks. The maximum placed into each certificate of deposit by the network member institution is $250,000 to ensure full federal insurance by the FDIC.

8.9 Mutual Funds: Shares of beneficial interest (mutual funds) issued by diversified management companies investing in securities/obligations authorized by California Government Code Section 53600, et. seq., and complying with Section 53630, are permitted investments. Section 53601(k) further defines requirements. A maximum of 15 percent of the portfolio may be so invested in funds that have the highest rating (e.g. AAA) provided by two of the three major rating agencies (Moody’s, Standard & Poor’s, and Fitch).

8.10 Local Agency Investment Fund (LAIF): The Local Agency Investment Fund has been established by the State Treasurer for the benefit of local agencies. The City and Successor Agency may invest up to the maximum permitted by the LAIF.

8.11 Capital Asset Management Program (CAMP): Pooled money market investment program has been established by California public agents (board of trustees) for the benefit of local agencies. The Pool is a permitted investment for all local agencies under California Government Code Section 53601(p). The City and Successor Agency may invest up to the maximum permitted by the CAMP.

8.12 Ineligible Investments: Investments not described herein, including but not limited to common stocks and financial futures contracts and options, are prohibited in this fund. Additionally, the Treasurer shall not invest in reverse floaters, range notes, or interest only strips that are derived from a pool of mortgages, nor may the Treasurer invest in any security that could result in zero interest accrued if held to maturity.

8.13 Permitted Investments Summary:

Investment Type	Maximum Maturity	Maximum Specified % of Portfolio	Minimum Quality Requirements
Demand Deposits with Bank of America or Wells Fargo Bank	N/A	$2 million each or $2.5 million in aggregate	N/A
Overnight banks investment pools that invest solely in Investments allowable under this policy	N/A	10%	None
U.S. Treasury bonds/notes/bills	5 years	None	None
U.S. Government Agency obligations	5 years	None	None
Municipal Obligations	5 years	10%	“A” rating
Corporate Notes	5 years	15%	“A” rating
Bankers' acceptances	180 days	40%	Federal Reserve eligible
Certificates of deposit	5 years	25%	“AA” rating above $250,000 deposit
Mutual Funds	N/A	15%	“AAA” rating

Local Agency Investment Fund (LAIF) (not to exceed $65,000,000 per account)	N/A	None	None
California Asset Management Program (CAMP) (not to exceed $65,000,000 per account)	N/A	None	None

SECTION 9. Authorized and Suitable Investments for Bond or COP Proceeds

California Government Code Section 5922 authorizes "Investment Securities", "Permitted Investments", or "Qualified Investments" defined in the Bond or COP documentation for each issuance. This Code Section was enacted in recognition of the unique needs inherent in the investment of these proceeds. In addition to the investments authorized for the City's surplus funds in Section 8 above, the bond indenture can expand the investments in accordance with the documents to include such investment instruments such as Investment Agreements as defined in the documentation as per California Government Codes 53601(l) and 5922(d).

SECTION 10. Authorized and Suitable Investments for Retiree HRA and HPS Plan Contributions and Earnings

California Government Code Section 53622 defines eligible securities for the investment of retiree health benefits. Retiree HRA and HPS Plan contributions and earnings of the Trusts will be invested in compliance with this statute and as further limited by this Investment Policy.

10.1 U.S. Government: United States Treasury Bills, Notes, and Bonds are backed by the full faith and credit of the United States Government. There shall be no limitation as to the percentage of the portfolio invested in this category. The maturity on these investments shall not exceed five years without the prior approval of the Investment Oversight Committee.

10.2 U.S. Government: United States Federal Agency Securities are backed by the implied support of the United States Government. There shall be no limitation as to the percentage of the portfolio invested in this category. The maturity on these investments shall not exceed five years without the prior approval of the Investment Oversight Committee.

10.3 Bankers Acceptances: Bills of exchange or time drafts drawn on and accepted by commercial banks, which are eligible for purchase by the Federal Reserve System, are known as banker's acceptances. Purchases of these instruments may not exceed 180 banker's days maturity. A maximum of 2 percent may be invested in the banker's acceptances of any one commercial bank.

10.4 Certificates of Deposit (CDs): Certificates of deposit or "time deposits" of up to $250,000 are federally insured. Beyond that amount, these CDs must be

collateralized with the collateral held separately from the issuing institution. The value of the investment must have collateral of at least 110 percent if government securities, or collateral of at least 150 percent if mortgage-backed securities. Statute does not limit CDs, however, this Investment Policy shall limit such investments to a maximum of 30 percent of the portfolio and to a maximum of 15 percent deposited in any one institution. In addition, time deposits shall be placed in institutions meeting all capital requirements and rated "AA" or higher by two of the three major rating agencies (Moody's, Standard & Poor's, and Fitch) for any deposits over $250,000.

10.5 Mutual Funds: Shares of beneficial interest (mutual funds) issued by diversified management companies investing in securities/obligations authorized by California Government Code Section 53622. A maximum of 20 percent of the portfolio may be so invested in any individual fund.

10.6 Ineligible Investments: Investments not described herein, including but not limited to common stocks and financial futures contracts and options, are prohibited in this fund. Additionally, the City Treasurer shall not invest in reverse floaters, range notes, or interest only strips that are derived from a pool of mortgages, nor may the City Treasurer invest in any security that could result in zero interest accrued if held to maturity.

SECTION 11. Collateral

The issue of collateral requirements is addressed in California Code Section 53652. All active and inactive deposits must be secured at all times with eligible securities in securities pools pursuant to Sections 53656 and 53657. Eligible securities held as collateral shall have a market value in excess of the total amount of all deposits of a depository as follows:

i. Government securities, at least 10 percent in excess
ii. Mortgage backed securities, at least 50 percent in excess
iii. Letters of credit, at least 5 percent in excess

SECTION 12. Safekeeping and Custody

All security transactions entered into by the City and Successor Agency shall be conducted on a delivery versus payment or debit checking basis, whichever is more beneficial to the City. A third-party custodian designated by the City Treasurer and evidenced by safekeeping receipts will hold securities.

SECTION 13. Diversification

In an effort to reduce portfolio risk while attaining market average rates, type and institution will suitably diversify the City's and Successor Agency's portfolio.

13.1 Security Type and Institution: With the exception of U.S. Treasury securities, U.S. Federal Agency Securities, and authorized pools, no more than 50 percent of the total portfolio will be invested in a single security type and no more than

15 percent with a single financial institution. Investments are further limited by specific language relating to each investment type as stated in Section 8 of this Policy.

13.2 Maximum Maturities: To the extent possible, the City Treasurer will attempt to match investments with anticipated cash flow requirements. The City's and Successor Agency's surplus portfolio will not be directly invested in securities that mature more than five years from the date of purchase. Reserve funds of bond or COP issues may be invested in instruments exceeding the five years in accordance with bond documents adopted by Council (maturity of such investments should coincide as nearly as practicable with expected use of funds).

For Retiree HRA and HPS plans, in an effort to reduce portfolio risk while attaining market average rates, type and institution will suitably diversify the Trust portfolio.

13.3 Security Type and Institution: With the exception of U.S. Treasury securities and U.S. Federal Agency Securities, no more than 50 percent of the total portfolio will be invested in a single security type and no more than 15 percent with a single financial institution. Investments are further limited by specific language relating to each investment type as stated in Section 8 of this Policy.

13.4 Maximum Maturities: To the extent possible, the City Treasurer and the authorized Investment Advisor will attempt to match investments with anticipated cash flow requirements. The Trusts' portfolio will not be directly invested in securities that mature more than five years from the date of purchase.

13.5 Diversification Parameters:

Investment Strategy	Cash	Fixed income*	Domestic Equities	Foreign Equities
Participant Directed – Self Directed	Participant Driven Allocation			
Participant Directed – Age Based	Allocation determined via actuarial age-based algorithm			
Plan Sponsor Directed – 5 Yr Treasury	0%-100%	0%-100%	0%-20%	0%-10%
Plan Sponsor Directed – LT Portfolio	0%-50%	40%-60%	40%-60%	5%-20%

*See Section 8 for specific fixed income category parameters.

Domestic Equity Asset Class Parameters	Allocation
Large Cap	20%-40%
Mid Cap	10%-30%
Small Cap	5%-20%

SECTION 14. Internal Control

The City Treasurer shall provide for an annual review by an external independent auditor. This review will provide internal control by assuring compliance with the investment policies and procedures.

SECTION 15. Investment Oversight Committee

There is hereby created an Investment Oversight Committee consisting of the City Manager, City Treasurer, City Attorney, one rotating Council member, and the Mayor. Members of the Committee shall serve without additional compensation and shall meet at least quarterly to determine general strategies and to monitor results. The Committee shall include in its deliberations such topics as portfolio diversification, maturity structure, potential risks to City and Successor Agency funds, authorized depositories, brokers and dealers, the target rate of return on investments, and such other topics as it may determine or as may be directed by the City Council. Any two members of the Committee may request a special meeting. Four members shall constitute a quorum. The Committee shall establish its own rules of procedure. Minutes will be prepared for all Investment Committee meetings.

SECTION 16. Performance Standards

The City's investment portfolio shall be maintained to obtain a market average rate of return during various economic cycles. The rate of return will take into account the City's and Successor Agency's constraints on investment risk and cash flow needs. The City's investment strategy is active while Successor Agency's is passive. Given this strategy, the criteria applied by the City Treasurer to determine whether market yields are being achieved shall be the six-month United States Treasury Bill rate.

For the Retiree HRA and HPS plans, in populating its recommended Managed Portfolio(s), the Investment Consultant can make recommendations from publicly traded mutual funds, separate accounts, and bank collective trust funds subject to the following limitations:

i. Active and Passive (Index) Investment Management will be used together.
ii. Minimum Investment Option Age will be 3 Years and Minimum Management Tenure (Asset Class Experience) will be 3 Years.
iii. Minimum assets under management must be equal to or greater than $100 Million.
iv. Published Expense Ratios must be equal to or less than 125% of peer group.

16.1 Managed Portfolio Performance Metrics: The Managed Portfolio(s) point specific return benchmark will be the S&P 500 Index and the Barclays Aggregate U.S. Bond Index combined to create a portfolio of equivalent allocation to the Managed Portfolio being measured.

16.2 Fixed Income & Structured Product Performance Metrics: To the extent that they are used in this plan's portfolio, individual fixed income securities and/or structured products shall be monitored against mutual fund data related to intermediate bond peer group performance.

16.3 Mutual Fund & Separate Account Performance Metrics:

i. Investment out performance, over rolling periods of time, compared to peer group: One Year, Three Years, and Five Years – 50% of the time.
ii. Point specific investment performance relative to peer group: Percentile Rank for One Year, Three Years, and Five Years – 50% or greater.
iii. Point specific investment performance relative to specific asset class index over a five-year period.
iv. Style Consistency will be reported as "Pass" or "Fail." The allowable period of deviation will be two quarters.
v. Sharpe Ratio and Alpha will be equal to or greater than that of peer group. Standard Deviation will not be applicable.

SECTION 17. Reporting

The City Treasurer shall prepare and present a monthly report to the City Manager and the City Council. This report shall be provided for all City and Successor Agency pooled investments, as well as for Certificates of Participation, Revenue Bonds, Tax Allocation Bonds, Assessment Districts and Community Facilities District accounts that are managed by outside Fiscal Agents. The report shall contain the following information.

17.1 Cash receipts, disbursements, and balances in total.

17.2 A summary of the portfolio at month end.

17.3 Information regarding interest earnings.

17.4 Reconciliation of cash disbursements.

17.5 A statement that provides the source of the market value presented.

17.6 A statement of compliance with investment policy, including a schedule of any transactions or holdings, which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.

17.7 A statement of the City's and Successor Agency's ability to meet its expenditure requirements for the next six months.

17.8 Each quarter a supplement to the monthly report shall be prepared which details the following information for all City and Successor Agency pooled investments under the management of the City Treasurer.

i. A listing of cost and market value of the portfolio.
ii. A listing of individual investment transactions during the month as required by Government Code section 53607.
iii. A listing showing par value, cost and accurate and complete market value of each investment type of investment, issuer, interest rate, maturity date and the weighted average maturity.

For the Retiree HRA and HPS plans, the authorized Investment Advisor shall prepare on a quarterly basis reports that highlight the current portfolio allocation, time-weighted performance and any transactions that occurred during the quarter. The advisor will also prepare a quarterly fiduciary review packet that analyzes the plan's current investments to its investment policy statement. The plan's trust provider will also provide on a monthly basis trust reports that outline the plan's asset allocation and any transactions that occurred during the month.

SECTION 17. Investment Policy Review

In addition to the reports described in Section 16, the City Treasurer must submit annually to the City Council, and to the Investment Oversight Committee, a statement of investment policy. This statement must be reviewed by the Investment Oversight Committee and considered by the City Council at a public meeting. Any change in the City's investment policy must also be considered by the City Council at a public meeting.

SECTION 18. Repeal

Resolutions No. CC 2020-002, CC 2020-003, SA 2020-001, and SA 2020-002, adopted on January 14, 2020, are hereby repealed in their entirety.

SECTION 19. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED and **ADOPTED** this 6th day of May 2021.

Approved as to form:

_____
Steven D. Hofbauer, Mayor

ATTEST:

_____
Christopher Beck
City Attorney

_____
Shanae S. Smith, City Clerk

I, Shanae Smith, City Clerk of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 6th day of May 2021 by the following roll call vote:

AYES: _____

NOES:_____

ABSTAIN:_____ABSENT:_____

Date: _____

_____
Shanae S. Smith, City Clerk

GLOSSARY

AGENCIES: Federal agency securities.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BASIS POINT: A basis point equals one one-hundredth of 1% (.01%).

BID: The price offered for securities:

BOOK ENTRY SECURITIES: All U.S. Treasury and Federal Agencies are maintained on computerized records at the Federal Reserve now known as "wireable" securities.

BROKER: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

CALIFORNIA ASSET MANAGEMENT PROGRAM: Pooled money from various California public agencies that invests in obligations of the United States Government and its agencies, high-quality, short-term debt obligations of U.S. companies and financial institutions. The Pool is a permitted investment for all local agencies under California Government Code Section 53601(p).

CDARS: The Certificate of Deposit Account Registry Service is an investment vehicle established to allow investing participants to have full federal insurance on deposits up to $50 million and to earn one interest rate per deposit. A deposit is placed with a network member institution that uses CDARS to place the deposit into several certificates of deposits issued by network banks. The maximum placed into each certificate of deposit by the network member institution is $250,000 to ensure full federal insurance by the FDIC.

COLLATERAL: Securities, evidence of deposit or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

COMMERCIAL PAPER (CP): An unsecured promissory note with a fixed maturity no longer than 270 days. Public offerings are exempt from SEC registration. The largest

issuers include General Motors Acceptance Corporation (GMAC), General Electric Capital Corporation (GECC) and other major corporations.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the City of Palmdale. It includes combined statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DEBENTURE: A bond secured only by the general credit of the issuer.

DISCOUNT: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL AGENCY SECURITIES: Debt instruments issued by federal credit agencies; fully backed by the U.S. government guarantee but not by its full faith and credit.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL FUNDS: Non-interest bearing deposits held by member banks at the Federal Reserve. Also used to denote "immediately available" funds in the clearing sense. "Fed Funds" also used to refer to these funds.

FEDERAL FUNDS RATE: The rate of interest at which Federal funds are traded. The Federal Reserve through open-market operations currently pegs this rate.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to $250,000 per deposit.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks.

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC): A U.S. Corporation and instrumentality of the U.S. government. Through its purchases of conventional mortgages, it provides liquidity to the mortgage markets, much like FNMA. FHLMC's securities are highly liquid and widely accepted. FHLMC assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 Regional Banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loans associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term pass-throughs are often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if

the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL AGENCY INVESTMENT FUND (LAIF): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase--reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MEDIUM TERM CORPORATE NOTE: A corporate debt instrument that is continuously offered to investors over a period of time by an agent of the issuer. Investors can select from maturity bands of: 9 months to 1 year, more than 1 year to 18 months, more than 18 months to 2 years, etc., up to 30 years.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank, as directed by the FOMC, in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIME RATE: The rate at which banks lend to their best or "prime" customers. Also known as the "reference rate."

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state (the so-called legal list). In other states, the trustee may invest in a security if it is one which would be brought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes

under the laws of this state, which was segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Federal Reserve Bank is said to be doing RP, it is lending money that is increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the banks' vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SEC RULE 15C3-1: See uniform net capital rule.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SETTLEMENT DATE: The date on which a trade is cleared by delivery of securities against funds. This date may be the same as the trade date or later.

TRADE DATE: The date on which a transaction is initiated or entered into by the buyer and seller.

TREASURY BILL: A non-interest bearing (discount) security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term U.S. Treasury securities having initial maturities of more than ten years.

TREASURY NOTES: Intermediate term coupon bearing U.S. Treasury securities having initial maturities of from one to ten years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule

and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities. This is one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

WHEN-ISSUED TRADES: Typically, there is a delay between the time a new bond is announced and sold, and the time when it is actually issued. During this interval, the security trades "wi", "when, as, and if issued."

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

YIELD TO MATURITY: The rate of return yielded by a debt security held to maturity when both interest payments and the investor's capital gain or loss on the security are taken into account.

City Council Staff Report

DATE: **May 6, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY MANAGER'S OFFICE**
FINANCE DIVISION

DISTRICT: **ALL**

SUBJECT: **APPROVE THE AUTHORIZATION FOR THE ACCEPTANCE OF CFD 05-1 SPECIAL TAX BONDS REFINANCING PROPOSAL FROM WESTERN ALLIANCE BANK IN CONNECTION WITH THE REFINANCING OF THE CITY OF PALMDALE COMMUNITY FACILITIES DISTRICT NO, 05-1 (TRADE AND COMMERCE CENTER AREA) SPECIAL TAX BONDS AND EXECUTE PROFESSIONAL SERVICES AGREEMENTS WITH THE MUNICIPAL ADVISOR, BOND COUNSEL, SPECIAL TAX CONSULTANT, AND PLACEMENT AGENT**

ISSUE

Approve the authorization for the acceptance by the City Manager and Finance Manager/Treasurer on the proposal from Western Alliance Bank in connection with refinancing of the City of Palmdale Community Facilities District No. 05-1 (Trade and Commerce Center Area) Special Tax Bonds and to execute professional services agreements with the municipal advisor, bond counsel, special tax consultant, and placement agent.

RECOMMENDATION

Staff recommends that the City Council:

1. Approve the authorization for the acceptance by the City Manager and Finance Manager/Treasurer on the proposal and to execute the Commitment Letter from Western Alliance Bank in connection to refinance the City of Palmdale Community Facilities District No. 05-1 (Trade and Commerce Center Area) Special Tax Bonds.
2. Approve the authorization of the City Manager and Finance Manager/Treasurer to execute professional services agreements with the municipal advisor, bond counsel, special tax consultant and placement agent.

BACKGROUND

The City formed Community Facilities District No. 05-1 (Trade and Commerce Center Area) ("CFD") in 2005. The CFD encompasses 120 acres bordering Trade and

Commerce Center Drive between Avenue P-4 and Avenue Q. The CFD was formed for the purpose of issuing special tax bonds to refinance assessment districts and a community facilities district with liens on the properties within the CFD and for curing delinquent taxes.

There are 3 series of CFD Special Tax Bonds outstanding:

Series	Outstanding	Interest Rate
2005 Series A	$ 4,160,000	6.25%
Converted 2005 Series A	1,080,000	6.75%
2007 Series A	5,145,000	6.125%
	$10,385,000	

The City had issued a subordinate 2005 Series B Bond for the CFD, which was converted to a parity 2005 Series A Bond in 2011 (referred to as the Converted 2005 Series A Bond) when it achieved the ratios necessary for conversion.

All of the parcels of taxable property in the CFD are finished lots, with all off-site improvements completed (including curbs, gutters, sidewalks, streetlights and all public utilities in the streets). Not all taxable property in the CFD has been developed. Approximately 69% of the special tax applicable to the 2005 Bonds is levied on undeveloped property and approximately 94% of the special tax applicable to the 2007 Bonds is levied on undeveloped property. Six of the undeveloped parcels are currently owned by the Successor Agency.

DISCUSSION

The City has an opportunity the refinance the 2005 Series A Bonds, the Converted 2005 Series A Bonds and the 2007 Series A Bonds (collectively the “Existing Bonds”) at an average estimated interest rate of approximately 3.5%. A refinancing at this rate produces a total estimated $2.9 million reduction in debt service payments over 16 years, or approximately $188,000 per year.

These savings will reduce the special tax levy on the properties in the CFD by 17% each year. This reduction in special tax may make development of the vacant properties more cost effective – as well as assist the Successor Agency in closing escrow on the properties in the CFD that are under contract and assist in marketing the other Successor Agency-owned properties.

The City’s proposed method of refinancing the Existing Bonds is through the issuance of Special Tax Refunding Bonds (“Refunding Bonds”) to be purchased directly by an investor. Because of the percentage of undeveloped land remaining in the CFD, and some recent delinquencies by certain property owners, staff and the municipal advisor determined that a public sale of bonds would not be the most effective method of refinancing the Existing Bonds. Rather, the refinancing would be accomplished by finding

one investor to purchase the Refunding Bonds. This financing mechanism is called a "private placement." The City used this same process to refinance certain debt in 2014 secured by park assessments, acquisition and retrofit of the streetlights in 2017 and acquisition the records storage facility in 2018.

Approval of the financing requires that the City adopt a resolution authorizing the Refunding Bonds and the execution of various documents in connection with the refinancing by the City Manager and Finance Manager/City Treasurer.

The placement agent received one offer from Western Alliance Bank ("Bank") to purchase the Refunding Bonds. The terms of the Bank's offer ("Commitment Letter") include an interest rate based on spread of 3.0% to 77% of the sum of the 8-Year ICE Interest Rate Swap Rate. Based on current market conditions, the interest rate would be 3.50% as of April 8, 2021.

The rate will continue to fluctuate until an agreement can be executed and the rate locked. Staff is requesting authorization to accept the Bank's offer and execute the Commitment Letter at a date no more than 30 days prior to the expected closing date of the Refunding Bonds and lock in the interest rate. It is likely that this date will be before the City Council's June 1 meeting date. It is prudent to authorize a rate lock should current market conditions continue to improve, and rates continue to move higher. Staff is also requesting authorization for the City Manager and Finance Manager/City Treasurer to execute professional services agreements with the municipal advisor, bond counsel, special tax consultant, and placement agent.

The remaining documents approving the Refunding Bonds will be presented for City Council consideration at its June 1 meeting.

FISCAL IMPACT

There is no fiscal impact to the City. The Refunding Bonds will be payable from special taxes levied on property within the CFD. The special taxes include all the costs to administer the CFD. All financing costs associated with the Refunding Bonds are contingent on the closing of the Refunding Bonds.

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.
D. Pursue alternative financing opportunities for continued infrastructure improvements and quality community programs.

Prepared by: Willy Galindo, Senior Financial Analyst

Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

1. Commitment Letter (A-7455)
2. Agreement for Legal Services (A-7456)
3. Agreement for Municipal Advisor Services (A-7457)
4. Agreement for Placement Agent Services (A-7458)
5. Agreement for Special Tax Consultant Services (A-7461)

COMMITMENT LETTER
(A-7455)

May __, 2021

City of Palmdale, California
38300 Sierra Highway
Palmdale, California 93550
Attn: Keith Kang

Re: City of Palmdale Community Facilities District No. 05-1 (Trade and Commerce Center Area)
2021 Special Tax Refunding Bonds, Series A (the "2021 Bonds")

Dear Mr. Kang:

Western Alliance Business Trust is pleased to submit this commitment letter, which has received credit approval, pending final due diligence, document review and normal "out provisions," for the purchase of the 2021 Bonds.

Borrower:	City of Palmdale Community Facilities No. 05-1 (Trade and Commerce Center Area) (the "Borrower" or the "District")
City:	City of Palmdale, California (the "City")
Purchaser:	Western Alliance Business Trust, a Delaware statutory trust (the "Purchaser").

Monika E. Suarez
Municipal Finance Director
Western Alliance Public, Nonprofit and Affordable Housing Finance
601 W. 5th Street, Suite 100
Los Angeles, CA 90071
Ph. (213) 362-5277
msuarez@westernalliancebank.com

Joshua J. Lentz
Senior Vice President
Western Alliance Public, Nonprofit and Affordable Housing Finance
One E. Washington Street, Ste. 1400
Phoenix, AZ 85004
Ph. (602) 346-7467
jlentz@westernalliancebank.com

Tax Status:	Treatment of interest payments under the 2021 Bonds as excluded from gross income for federal income tax purposes and exempt from California personal income taxes.
Principal Amount:	$11,000,000 (Estimated)
Purpose:	Proceeds from the 2021 Bonds are to be used to: 1) refund the District's outstanding 2005 Special Tax Refunding Bonds, Series A (the "2005 Bonds") and refund the District's 2007 Special Tax Refunding Bonds, Series A (the "2007 Bonds" and together with the 2005 Bonds, the "Prior Bonds"); 2) reserve fund sized by 75% of maximum annual debt service; and 3) pay the costs associated with the 2021 Bonds.
Final Maturity:	September 1, 2037

Interest Payment Dates:	Semi-annual interest payments on March 1 and September 1 commencing on September 1, 2021. Interest on the 2021 Bonds will be computed on the basis of a year comprised of 360 days consisting of twelve (12) months of thirty (30) days each.
Principal Payment Dates:	Principal payments on September 1 commencing on September 1, 2021.
Interest Rate Pricing:	The 2021 Bonds will have a fixed interest rate based on the following formula: 77% of the sum of the 8-Year ICE Interest Rate Swap Rate plus 3.00% (tax-exempt fixed rate). The interest rate on the 2021 Bonds is _____%. The interest rate will be held through _____, June __, 2021. See Appendix A herein.
Mello-Roos Act:	Mello-Roos Community Facilities District Act of 1992, as amended (the "Act")
Security:	The 2021 Bonds are special limited obligations of the District payable from amounts pledged under the Fiscal Agent Agreement, dated as of June 1, 2021 (the "Fiscal Agent Agreement"), by and between the City and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"). Under the Fiscal Agent Agreement, the City has pledged to repay the 2021 Bonds from special tax revenues and amounts on deposit in the "Bond Fund" and the "Reserve Fund" established under the Fiscal Agent Agreement.
Reserve Requirement:	The Reserve Requirement means, as of any date of calculation, an amount equal to the 75% of the Maximum Annual Debt Service on the Series 2021 Bonds.
Additional Debt:	At any time after the issuance of the 2021 Bonds, the City may issue additional bonds on parity with the outstanding 2021 Bonds, but only for the purpose of refunding the 2021 Bonds or any other parity bonds outstanding.
Foreclosure Provisions:	The Fiscal Agent Agreement provides that, on or about June 15 of each Fiscal Year, the Director of Finance will compare the amount of Special Taxes theretofore levied in the District to the amount of Special Tax Revenues theretofore received by the City, and, if the Director of Finance determines that any single parcel subject to the Special Tax in the District is delinquent in the payment of Special Taxes in an aggregate amount in excess of $3,000, then the Director of Finance will send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such determination, and (if the delinquency remains uncured) foreclosure proceedings will be commenced by the City within 30 days of such determination. Notwithstanding the foregoing, the Director of Finance may defer such action if the amount in the Reserve Fund is at least equal to the Reserve Requirement.

Redemption Provisions:

Optional Redemption.

The 2021 Bonds maturing on or after September 1, 2027, are subject to optional redemption prior to their stated maturity on any Interest Payment Date occurring on or after September 1, 2026, as a whole or in part by lot, at a redemption price (expressed as a percentage of the principal amount of the 2021 Bonds to be redeemed) as set forth below, together with accrued interest to the date fixed for redemption:

Redemption Date	Redemption Price
September 1, 2026 and March 1, 2027	103%
September 1, 2027 and March 1, 2028	102%
September 1, 2028 and March 1, 2029	101%
September 1, 2029 and any Interest Payment Date thereafter	100%

Redemption from Special Tax Prepayments.

Special Tax Prepayments and any corresponding transfers from the Reserve Fund pursuant to the Fiscal Agent Agreement, shall be used to redeem 2021 Bonds on the next Interest Payment Date for which notice of redemption can timely be given under the Fiscal Agent Agreement in whole or in part by lot, at a redemption price (expressed as a percentage of the principal amount of the 2021 Bonds to be redeemed) as set forth below, together with accrued interest to the date fixed for redemption:

Redemption Date	Redemption Price
March 1, 2022 through March 1, 2027	103%
September 1, 2027 and March 1, 2028	102%
September 1, 2028 and March 1, 2029	101%
September 1, 2029 and any Interest Payment Date thereafter	100%

Mandatory Sinking Fund Redemption.

The 2021 Bonds maturing on September 1, 2037 are subject to mandatory sinking payment redemption in part on September 1, 2021, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments to finalized prior to closing of the 2021 Bonds.

Legal Opinion(s):	Opinions of Bond Counsel, among other things, as to 1) treatment of interest payments under the 2021 Bonds as excluded from gross income for federal income tax purpose and exempt from State of California personal income taxes; 2) validity and enforceability of the 2021 Bonds and the special taxes being duly and validly authorized by the Act; 3) the 2021 Bonds being exempt from registration pursuant to the Securities Act of 1933, as amended and the Fiscal Agent Agreement being exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; 4) opinion as to the defeasance of the Prior Bonds; and 5) such other opinions as the Purchaser's Counsel may require. An opinion of the City Attorney shall also be provided in form and substance satisfactory to the Purchaser and the Purchaser's Counsel.
Representations/Warranties/ Covenants:	The documents, all of which shall be prepared by the Bond Counsel, will contain those representations and warranties and covenants customarily found in transactions of this nature, and others appropriate to the transaction.
Conditions Precedent:	Prior to the funding of the 2021 Bonds by the Purchaser, the following conditions precedent shall have occurred, all of which shall be in form and substance satisfactory to the Purchaser and the Purchaser's Counsel: 1) satisfactory review by the Purchaser's Counsel of any outstanding agreements entered into by the District which may impact the security for the 2021 Bonds or the obligations of the District with respect to repayment the 2021 Bonds; 2) any authorizing resolution(s) of the District as required for the issuance and repayment of the 2021 Bonds; 3) opinions as required by the Purchaser and the Purchaser's Counsel; 4) properly executed documents in form and substance satisfactory to the Purchaser and the Purchaser's counsel evidencing or supporting the repayment of the 2021 Bonds; 5) if necessary, delivery of an escrow verification report with respect to the defeasance of the Prior Bonds prepared by a certified public accounting firm; and 6) additional conditions precedent that the Purchaser and the Purchaser's Counsel consider customary and reasonably appropriate for the proposed funding of the 2021 Bonds.

Loan Treatment:	The Purchaser will book the 2021 Bonds as a loan, and, therefore, the 2021 Bonds will be purchased by the Purchaser under the following conditions: 1) the 2021 Bonds shall not be registered or otherwise qualified for sale under the "Blue Sky" laws; 2) no CUSIP numbers will be obtained for the 2021 Bonds pursuant to Municipal Securities Rulemaking Board Rule G-34(a)(i)(F) (See "Assignment/Participation" herein); 3) no official statement or similar offering document has been prepared in connection with the private placement of the 2021 Bonds; 4) the 2021 Bonds will not settle through the DTC or any similar repository and will not be in book entry form; 5) the Purchaser will sign a letter of representations in a form acceptable to Purchaser's Counsel; 6) receipt of complete pdf copies of the executed closing documents along with a final Closing Index will be required and delivered to the Purchaser and the Purchaser's Counsel by 3:00 p.m. AZT on _____, June __, 2021.
Expenses:	The Borrower will pay all reasonable, out-of-pocket costs and expenses incurred by the Purchaser in connection with due diligence and the preparation of documentation, including the Purchaser's Counsel fee, which is estimated to be $10,000, and the California Debt and Investment Advisory Commission reporting fee.
Bond Counsel:	Quint & Thimmig LLP / Larkspur, California
Municipal Advisor:	Harrell & Company Advisors, LLC / Orange, California
Placement Agent:	D.A. Davidson Companies / Palm Desert, California
Purchaser's Counsel:	Stradling Yocca Carlson & Rauth, a Professional Corporation / Newport Beach, California
Estimated Pre-Closing Date:	_____, June __, 2021
Estimated Closing Date:	_____, June __, 2021

No Fiduciary Relationship:

Inasmuch as the 2021 Bonds represent a negotiated transaction, the City understands, and hereby confirms, that the Purchaser is not acting as a fiduciary of the City, but rather is acting solely in its capacity as a Purchaser, for its own account.

The City will acknowledge and agree that:

1) the transaction contemplated herein is an arm's length commercial transaction between the City and the Purchaser and its affiliates;
2) in connection with such transaction, the Purchaser and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules");
3) the Purchaser and its affiliates are relying on the bank exemption in the Municipal Advisor Rules;
4) the Purchaser and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto;
5) the Purchaser and its affiliates have financial and other interests that differ from those of the City; and
6) the City has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

Reporting Requirements:

Annual Reporting Requirements:

Within nine (9) months of the end of each fiscal year, the Purchaser shall receive from the City the following reporting requirements:

1) a copy of the City audited financial statements;
2) the balance in each fund under the Fiscal Agent Agreement as of September 2 preceding the filing of the annual report;
3) an update of a table including a list of all taxpayers within the District which owns property in the District upon which 5% or more of the total special taxes for the current fiscal year have been levied, and a statement as whether any of such taxpayers is delinquent in the payment of special taxes;
4) an update of a table based upon the most recent special tax levy preceding the date of the annual report and on the assessed values of property for the current fiscal year;
5) any changes to the rate and method approved or submitted to the qualified electors prior to the filing of the annual report;
6) the amount of special taxes levied in the preceding fiscal year, and the percentage delinquent for such fiscal year and the status of any foreclosure actions being pursued by the City with respect to the delinquent special taxes; and
7) any information not already included above that the Borrower is required to file in the annual report to the California Debt and Investment Advisory Commission pursuant to the provisions of the Act.

	Notices: The City shall furnish notice to the Purchaser of any occurrence of an event described in subsection (b)(5)(i)(C) of the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, §240.15c2-12) in a timely manner but not in excess of ten business days after the occurrence of such event.
Assignment/Participation:	The Purchaser retains the right to assign in whole the 2021 Bonds or participate out a portion of its interest in the 2021 Bonds and will provide notification to the City of such assignment or participation. The Purchaser acknowledges and agrees that the 2021 Bonds may only be transferred to a "Qualified Institutional Buyer" or an "Accredited Investor" within the meaning of the Securities Act of 1933, as amended.

On behalf of Western Alliance Business Trust, we are pleased to provide the City with this Commitment Letter for review and signature.

We look forward to assisting you with this transaction and appreciate your business. If you have any questions regarding this Commitment Letter, please do not hesitate to contact us.

Joshua J. Lentz
Senior Vice President

ACCEPTED BY:

CITY OF PALMDALE, for and on behalf of
CITY OF PALMDALE COMMUNITY FACILITIES DISTRICT NO. 05-1
(TRADE AND COMMERCE CENTER AREA)

By: _____

Name: _____

Title: _____

INTEREST RATE HOLD CALCULATION

AGREEMENT FOR LEGAL SERVICES
(A-7456)

BY AND BETWEEN THE CITY OF PALMDALE AND QUINT & THIMMIG LLP, FOR LEGAL SERVICES IN CONNECTION WITH COMMUNITY FACILITIES DISTRICT REFUNDING BOND PROCEEDINGS – TRADE AND COMMERCE CENTER AREA

THIS AGREEMENT FOR LEGAL SERVICES (A-7456) is entered into this 6th day of May, 2021, by and between the CITY OF PALMDALE, CALIFORNIA (the "City") and QUINT & THIMMIG LLP, Larkspur, California ("Attorneys").

R E C I T A L S :

WHEREAS, the City Council has formed City of Palmdale Community Facilities District No. 05-1 (Trade and Commerce Center Area) (the "District") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act") and the City has issued, for the District its City of Palmdale Community Facilities District No. 05-1 (Trade and Commerce Center Area) 2005 Special Tax Refunding Bonds, Series A, its City of Palmdale Community Facilities District No. 05-1 (Trade and Commerce Center Area) 2005 Special Tax Refunding Bonds, Subordinate Series B, and its City of Palmdale Community Facilities District No. 05-1 (Trade and Commerce Center Area) 2007 Special Tax Refunding Bonds, Series A (collectively, the "Prior Bonds"); and

WHEREAS, the City is considering the issuance of refunding bonds (the "Bonds") by the City for the District under the provisions of the Act to refund the outstanding Prior Bonds; and

WHEREAS, in connection with the issuance of the Bonds the City requires the advice and assistance of bond counsel.

A G R E E M E N T :

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto do hereby agree as follows:

Section 1. Duties of Attorneys. (a) Attorneys shall do, carry out and perform all of the following services as are necessary for the issuance of the Bonds:

(i) Provide legal advice to the City with respect to the issuance of the Bonds and the refunding of the Prior Bonds, and, in connection therewith, consult and cooperate with the City Manager and the City's Director of Finance, the City Attorney, and all other officers and employees of the City, and also cooperate with the underwriter, municipal advisor, special tax consultant and other professional firms engaged by the City in the formulation of a coordinated financial and legal refinancing from the proceeds of the Bonds;

(ii) Preparation of all legal proceedings deemed necessary or advisable by Attorneys for the authorization, issuance and delivery of the Bonds and the refunding of the Prior Bonds, including preparation of (A) documentation required for the issuance of the Bonds by the City, including a fiscal agent agreement and a resolution authorizing the issuance of the Bonds, and all documentation required to be executed by the Authority in connection with the delivery of the Bonds to the purchaser thereof; (B) documentation for the redemption of the Prior Bonds, including an Escrow Agreement and instructions to the fiscal agent for the Prior Bonds to redeem the Prior Bonds; (C) necessary California Debt and Investment Advisory Commission filings and other reports and documents required to be filed by the City in connection with the issuance of the Bonds and the refunding of the Prior Bonds; (D) certificates, requisitions and other documents required in connection with the delivery of the Bonds to the original purchaser thereof; and (E) other proceedings of the City incidental to or in connection with the issuance, sale and delivery of the Bonds and the refunding of the Prior Bonds;

(iii) Subject to the completion of proceedings to the satisfaction of Attorneys, providing a legal opinion (A) approving the legality of the proceedings of the City for the authorization, issuance and delivery of the Bonds, and (B) stating that interest on the Bonds is excludable from gross income of the owners of the Bonds for federal income tax purposes and is exempt from State of California personal income taxation;

(iv) Reasonable legal consultation requested by the City concerning the Bonds and any resolutions, certificates, agreements and other documents relating to the authorization, issuance and delivery of the Bonds at any time following issuance of the Bonds; and

(v) Attorneys shall perform such other and further services as are customarily performed by bond counsel on similar financings.

(b) *Services Not Provided.* Attorneys shall not be responsible for (i) compliance by the City with arbitrage rebate requirements under federal tax law, other than to render advice as to the legal interpretation of such requirements as set forth in the documents relating to the Bonds and the refunding of the Prior Bonds, (ii) any audit or review of past compliance by the City with continuing disclosure undertakings related to its debt obligations, or (iii) the representation of the City in connection with any litigation involving the District, the Bonds or the Prior Bonds. Without limiting the generality of the foregoing, Attorneys shall not be responsible for preparing any calculations or documentation to establish compliance with such rebate requirements or otherwise for computing the amounts required to be rebated, for preparation or review of any continuing disclosure statements concerning prior debt obligations or the 2005 Bonds, or for providing any litigation services related to the Bonds, the District, or the Prior Bonds, in each case without a separate agreement between the Authority and Attorneys.

Section 2. Compensation. For the services listed in Section 1(a), Attorneys shall be paid a fee of $52,000, inclusive of expenses. *Payment of said compensation for bond counsel services shall be*

entirely contingent upon the successful issuance of the Bonds, and shall be payable solely from the proceeds of the Bonds and from no other funds of the City.

Section 3. Responsibilities of City. The City shall cooperate with Attorneys and shall furnish Attorneys with certified copies of all proceedings taken by the Authority and deemed necessary by Attorneys to render an opinion on the validity of the Bonds. All costs and expenses incurred incidental to the actual issuance and delivery of the Bonds, including the cost and expense of preparing certified copies of proceedings required by Attorneys in connection with the issuance of the Bonds, the cost of all printing and publication costs, fees and expenses of parties other than Attorneys, costs and expenses of legal advertising and all other expenses incurred in connection with the issuance of the Bonds, shall be paid by the City from the proceeds of the Bonds and shall not be the responsibility of Attorneys.

Section 4. Non-Legal Services. In performing their services as Bond Counsel pursuant to this Agreement, it is understood and acknowledged by the Authority that Attorneys will not be providing special tax consulting, municipal advisory, placement agent, investment banking or other similar services. It is expected that the City will engage other consultants to provide any such services with respect to the Bonds.

Section 5. Termination of Agreement. This Agreement may be terminated at any time by the City with or without cause upon written notice to Attorneys. In the event of such termination, all finished and unfinished documents shall at the option of the City become its property and shall be delivered to the City by Attorneys.

Section 6. Amendment or Modification. No amendment, modification, or other alteration of this Agreement shall be valid unless in writing and signed by both of the parties hereto.

Section 7. Entire Agreement. This Agreement contains the entire agreement of the parties hereto. No other agreement, statement, or promise made on or before the effective date of this Agreement will be binding on the parties hereto.

IN WITNESS WHEREOF, the City and Attorneys have executed this Agreement as of the date first above written.

CITY OF PALMDALE, CALIFORNIA

By: _____
J. J. Murphy,
City Manager

Attest:

By: _____
Shanae Smith,
City Clerk

Approved as to Form:

By: _____
Christopher Beck,
City Attorney

QUINT & THIMMIG LLP

By: _____
Paul J. Thimmig,
Partner

16007.43:J17496

AGREEMENT NO. A-7457
CONTRACT FOR MUNICIPAL ADVISOR SERVICES BETWEEN THE CITY OF PALMDALE AND HARRELL & COMPANY ADVISORS, LLC

THIS AGREEMENT is made and entered into this 4th day of May 2021 by and between the City of Palmdale, a body corporate and politic in the State of California (hereinafter called "City") and Harrell & Company Advisors, LLC, a California limited liability company (hereinafter called "Harrell & Co.").

RECITALS

WHEREAS the City proposes to issue special tax refunding bonds (the "Transaction") for the purpose refinancing 3 outstanding series of the City of Palmdale Community Facilities District No. 05-1 (Trade and Commerce Center Area) Special Tax Bonds; and

WHEREAS the City requires assistance from a financial advisor in the development of a sound and practical financing plan to implement the Transaction; and

WHEREAS Harrell & Co. represents it is qualified to perform the services under this contract; and

WHEREAS the City Manager is authorized to enter into this Agreement on behalf of the City,

NOW, THEREFORE, AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREINAFTER CONTAINED, it is mutually agreed between the parties as follows:

APPOINTMENT OF HARRELL & COMPANY

The City hereby appoints and designates Harrell & Co. as its municipal advisor for the purpose of assisting the City in the preparation and execution of the Transaction. Harrell & Co. represents and warrants that it is duly qualified to perform the services under this contract.

MUNICIPAL ADVISOR DISCLOSURES

In connection with the services described herein, certain disclosures are required by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board regarding municipal advisors. These disclosures are attached hereto as Exhibit A.

SCOPE OF SERVICES

Harrell & Co. will be responsible for performing the following:

1. Financing Schedule. Develop and monitor the schedule of activities to assist the City in meeting agenda deadlines and public notice requirements.

2. Document Review. Review and comment on all legal documents prepared by the City's bond counsel to ensure conformance with the financing structure.

3. Staff Reports. Draft staff reports for approval of Transaction documents.

4. Fee Proposals. Request fee proposals from the City's bond counsel and placement agent for services.

5. Credit Information. Assemble or coordinate the credit information for the Transaction for use by the Placement Agent and Investor. Respond to Investor inquiries as required.

6. Pricing. Prepare cash flows for final pricing information.

7. Escrows. Coordinate with the trustee for the order of SLGS for the 3 refunding escrows.

8. Bond Closing. Review the proposed arrangements for closing of Transaction and delivery of the funds, including certificates and representations of other parties to ensure certification of information relied upon in the financing.

9. Administration. Advise the City in administration of the Transaction after closing.

10. Attendance at Meetings. Attend all meetings of the working group and the City Council as required.

COMPENSATION

For services relating to serving as municipal advisor for the Transaction with an estimated par amount of $10.5 million, Harrell & Co. shall be compensated at Bond closing:

- A fixed fee of $30,000 for all other financial advisory services as described herein.
- Out of pocket expenses, if any, not to exceed $500.

COST THE RESPONSIBILITY OF THE CITY

The City understands that there are several program costs that are required for completion of the Transaction that shall be the responsibility of the City. These may include the cost of bond counsel, trustees, and of any other experts required for completion of the Transaction.

COOPERATION BY CITY

The City agrees to make available to Harrell & Co. without cost, sufficient copies of the resolutions, and other relevant material pertaining to the Transaction or the City as reasonably may be required from time to time for the prompt and efficient performance by Harrell & Co. of its obligations hereunder.

NOTICES

Notice to Harrell & Co. shall be deemed delivered if sent by certified mail, return receipt requested, to Harrell & Company Advisors, LLC, 333 City Boulevard West, Suite 1215, Orange, CA 92868. Notices by Harrell & Co to City shall be deemed delivered if sent by certified mail, return receipt requested, to the City Manager, City of Palmdale, 38300 Sierra Highway, Palmdale, CA 93550.

TERM OF THE AGREEMENT

The term of this agreement is a two year period commencing from the date first written above. This agreement may be terminated by either party due to either party's failure to comply to the terms of this agreement, provided that notice must be given not less than 7 days prior to such unilateral termination. In addition, this agreement may be terminated by either party without cause upon 30 days prior notice. In the event of such termination, Harrell & Co. shall be compensated for all reasonable out-of-pocket expenses and for actual time expended (based upon Harrell & Co.'s hourly rate of $300) on behalf of City pursuant to this agreement.

INSURANCE

Harrell & Co. will maintain errors and omissions insurance during the term of the agreement with a combined single limit of at least $1,000,000.

INDEMNIFICATION

Neither party hereto shall be liable for any damages approximately resulting from the negligent or wrongful actions or omissions of the other party, or the other party's employees, agents or contractors performing under this agreement, and each party shall indemnify, defend and save harmless the other party from such damage or liability. It is expressly understood and agreed by City that in performing the duties and activities under this agreement Harrell & Co. is to be acting solely on Harrell & Co.'s own behalf.

ENTIRE AGREEMENT

This Agreement shall constitute the entire agreement between the parties. Any amendments to or clarification necessary to this agreement shall be in writing and acknowledged by both parties to the agreement.

In witness whereof that the parties hereto have caused this agreement to be executed by their duly authorized officials and representatives as of the day and year above written:

City of Palmdale

By:_____
City Manager

Harrell & Company Advisors, LLC

By: _____
Suzanne Q. Harrell
Managing Director

Exhibit A
Municipal Advisor Disclosures

Harrell & Company Advisors, LLC (Harrell & Co.) is registered as a "municipal advisor" pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the United States Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB"). The SEC has approved MSRB Rule G-42 which, among other matters, requires Harrell & Co. to provide the City with information regarding any conflicts of interest that Harrell & Co. may have and with information about where to find Harrell & Co.'s SEC filings on the SEC website.

As a municipal advisor in connection with the execution of the Transaction, Harrell & Co. will owe a fiduciary duty to the City and will carry out its duties in accordance with such duty. Simply put, this means that Harrell & Co. owes the City both a duty of loyalty and a duty of care and that in performing services that Harrell & Co. may undertake in connection with any bond issue, Harrell & Co. will put the needs of the City ahead of its own. This standard of care is higher than that required of other financial services providers such as underwriters.

The fees to be paid by the City to Harrell & Co. are contingent on the successful closing of the Transaction. Although this form of compensation may be customary, it presents a conflict because Harrell & Co. may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the City. In addition, if facts or circumstances arise that could cause the financing to be delayed or fail to close, Harrell & Co. may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing. Harrell & Co. manages and mitigates this conflict primarily by adherence to the fiduciary duty which Harrell & Co. owes to municipal entities such as the City which require Harrell & Co. to put the interests of the City ahead of its own.

Harrell & Co. has determined, after exercising reasonable diligence, that other than described above, it has no known material conflicts of interest that would impair its ability to provide advice to the City in accordance with its fiduciary duty to municipal entity clients such as the City. To the extent any such material conflicts of interest arise after the date of our engagement Harrell & Co. will inform the City of such conflicts as described below.

The City may terminate Harrell & Co.'s services at any time upon written notice as described in this Agreement. Harrell & Co. may withdraw from its representation as Municipal Advisor upon written notice to the City subject to the fiduciary duty described above which may require it to continue to represent the City until an appropriate replacement is identified which will depend on the status of the transaction.

As part of its registration Harrell & Co. is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving us. Pursuant to MSRB Rule G-42, Harrell & Co. is required to disclose any legal or disciplinary event that is material to the City's evaluation of Harrell & Co. or the integrity of its management or advisory personnel. As reflected in Harrell & Co.'s filings with the SEC, Harrell & Co. has determined that no such event exists. Copies of our registration filings with the SEC can currently be found by accessing the SEC's EDGAR system Company Search Page which is currently available at https://www.sec.gov/edgar/searchedgar/companysearch.html and searching for either "Harrell & Co Advisors" or for our CIK number which is 0001610917.

The MSRB has made available on its website (www.msrb.org) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority.

D|A DAVIDSON
FIXED INCOME CAPITAL MARKETS

74-710 Highway 111, Suite 102
Palm Desert, CA 92260
213-244-9380
www.dadavidson.com/ficm
D.A. Davidson & Co. member SIPC

AGREEMENT FOR PLACEMENT AGENT SERVICES
(A-7458)

April 1, 2021

City of Palmdale, California
38300 Sierra Highway
Palmdale, CA 93550
Attn: Keith Kang

Re: Placement Agent Engagement Letter

Dear Mr. Kang,

On behalf of D.A. Davidson & Co. ("we" or "Davidson"), thank you for the opportunity to serve as placement agent for City of Palmdale (the "City") on the proposed CFD No. 05-01 Special Tax Refunding Bonds, Series 2021 (the "Placement"). This letter will confirm the terms of our engagement.

1. Services to be Provided by Davidson. The City, on behalf of the CFD as its legislative body, hereby engages Davidson to serve as the placement agent for the Placement, and in such capacity Davidson agrees to provide the following services:

- Review and evaluate the proposed terms of the Placement
- Contact potential purchasers (the "Purchasers"), provide them with related financial information, respond to their inquiries and, if requested, coordinate their due diligence sessions
- Consult with counsel and the municipal advisor and other service providers with respect to the terms of the Placement

- Negotiate the terms, including the interest rate, of the Placement
- Plan and arrange for the closing and settlement of the issuance and the delivery of the Placement
- Perform such other usual and customary placement agent services as may be requested by the City

As placement agent, Davidson will not purchase the Placement.

2. No Advisory or Fiduciary Role. The City acknowledges and agrees: (i) the primary role of Davidson, as a placement agent, is to find Purchasers for the Placement, in an arm's-length commercial transaction between the City and the Purchasers, and that Davidson may have financial and other interests that may differ from those of the City; (ii) Davidson is not acting as a municipal advisor, financial advisor, or fiduciary to the City and Davidson has not assumed any advisory or fiduciary responsibility to the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether Davidson has provided other services or is currently providing other services to the City on other matters or transactions); (iii) the only obligations Davidson has to the City with respect to the transaction contemplated hereby expressly are set forth in this agreement; and (iv) the City has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate. If the City desires to consult with and hire a municipal advisor for this transaction that has legal fiduciary duties to the City, the City should separately engage a municipal advisor to serve in that capacity.

In addition, the City acknowledges receipt of a letter outlining certain regulatory disclosures as required by the Municipal Securities Rulemaking Board and attached to this agreement as Exhibit A. The City further acknowledges Davidson may be required to supplement or make additional disclosures as may be necessary as the specific terms of the transaction progress.

3. Fees and Expenses. Davidson proposes a placement agent fee not to exceed $25,000. The City shall be responsible for paying all other costs of issuance, including without limitation, bond counsel, rating agency fees and expenses, and all other expenses incident to the performance of the City's obligations under the proposed Placement.

4. Term and Termination. The fee is contingent on the closing of the transaction. The term of this engagement shall extend from the date of this letter to the closing of the offering of the Placement. Either party may terminate Davidson's engagement at any time without liability of penalty upon at least 30 days' prior written notice to the other party. If Davidson's engagement is terminated by the City, the City agrees to compensate Davidson for the services provided and to reimburse Davidson for its out-of-pocket fees and expenses incurred to the date of termination.

5. Limitation of Liability. The City agrees neither Davidson nor its employees, officers, agents or affiliates shall have any liability to the City for the services provided hereunder.

6. Miscellaneous. This letter shall be governed and construed in accordance with the laws of the State of California. This Agreement may not be amended or modified except by means of a written instrument executed by both parties hereto. This Agreement may not be assigned by either party without the prior written consent of the other party.

If there is any aspect of this Agreement that you believe requires further clarification, please do not hesitate to contact us. If the foregoing is consistent with your understanding of our engagement, please sign and return the enclosed copy of this letter.

Again, we thank you for the opportunity to assist you with your proposed financing and the confidence you have placed in Davidson.

Very truly yours,

D.A. DAVIDSON & CO.



By: Katie Koster

Title: Managing Director | Southwest Region

Accepted this ___ day of _____, 2021

City of Palmdale

By: _____

Title: _____

EXHIBIT A

March 30, 2021

City of Palmdale
38300 Sierra Highway
Palmdale, CA 93550

Re: Disclosures by D.A. Davidson & Co., as Placement Agent
Pursuant to MSRB Rule G-17 and G-23
CFD No. 05-01 Special tax Refunding Bonds, Series 2021

Mr. Kang:

We are writing to provide the City with certain disclosures required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 that relate to the above-referenced refinancing (the "Placement").

The City, on behalf of the CFD as its legislative body, has engaged D.A. Davidson & Co. ("Davidson") to serve as a private placement agent (the "Placement Agent"), and not as a Municipal Advisor, in connection with the Placement. As part of our services as Placement Agent, D.A. Davidson may provide advice concerning the structure, timing, terms, and other similar matters concerning the Placement. The specific terms of our engagement will be as set forth in a placement agent agreement or similar document to be entered into by the parties if and when the issue is placed. As Placement Agent, Davidson will not be required to purchase the securities.

1. Disclosures Concerning the Placement Agent's Role, Compensation, Regulation and Educational Materials.

(i) MSRB Rule G-17 requires Davidson, as private placement agent, to deal fairly at all times with both municipal issuers and investors.

(ii) The Placement Agent has financial and other interests that differ from those of the City.

(iii) Unlike a municipal advisor, the Placement Agent does not have a fiduciary duty to the City under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the City without regard to its own financial or other interests.

(iv) The City may choose to engage the services of a municipal advisor with a fiduciary obligation to represent the City's interest in this transaction.

(v) The Placement Agent has a duty to place the bonds at a fair and reasonable price, but must balance that duty with its duty to place the bonds with investors at prices

that are fair and reasonable.

(vi) The Placement Agent will review the placement memorandum or term sheet or offering document for the Placement in accordance with, and as part of, its respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.[1]

(vii) The Placement Agent will be compensated by a fee that will be set forth in the placement agreement or otherwise documented with the City. Payment or receipt of the fee will be contingent on the closing of the transaction and the amount of the fee may be based, in whole or in part, on a percentage of the principal amount of the Placement. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the Placement Agent may have an incentive to recommend to the City a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

(viii) Davidson is registered as a broker-dealer with the U.S. Securities and Exchange Commission ("SEC") and the MSRB, and is subject to the regulations and rules on municipal securities activities established by the SEC and MSRB. The website address for the MSRB is www.msrb.org. The MSRB website includes educational material about the municipal securities market, as well as an investor brochure that describes the protections that may be provided by the MSRB rules and how to file a complaint with an appropriate regulatory authority.

2. Deal-Specific Conflicts of Interest Disclosures

Davidson has not identified any additional potential or actual material conflicts that require disclosure.

3. Disclosures Concerning Complex Municipal Securities Financing

Since Davidson has not recommended a "complex municipal securities financing" to the City, additional disclosures regarding the financing structure for the Placement are not required under MSRB Rule G-17. In accordance with the requirements of MSRB Rule G-17, if Davidson recommends a "complex municipal securities financing" to the City, this letter will be supplemented to provide disclosure of the material financial characteristics of that financing structure as well as the material financial risks of the financing that are known to us and reasonably foreseeable at that time.

4. Questions and Acknowledgment.

If you or any other City officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should

[1] Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the Placement Agent is solely for purposes of satisfying its obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

consult with the City's own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

It is our understanding that you have the authority to bind the City by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately.

We are required to seek your acknowledgement that you have received this letter. Accordingly, please send me an email to that effect, or sign and return the enclosed copy of this letter to me at the address set forth below. Otherwise, an email read receipt from you or automatic response confirming that our email was opened by you will serve as an acknowledgement that you received these disclosures.

Depending on the structure of the transaction that the City decides to pursue, or if additional potential or actual material conflicts are identified, we may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction and/or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.

Again, we thank you for the opportunity to assist you with your financing and the confidence you have placed in us.

32605 Temecula Parkway, Suite 100
Temecula, CA 92592
Toll free: 800.676.7516

www.nbsgov.com

April 13, 2021 AGREEMENT (A-7461)

Mr. Keith Kang
Treasurer & Finance Manager
City of Palmdale
38300 North Sierra Highway, Ste. D
Palmdale, CA 93550

Subject: Agreement to Provide Community Facilities District 05-1 Bond Refunding Issuance Disclosure

Dear Mr. Kang,

NBS would like to thank you for the opportunity to provide Bond Issuance Disclosure services for the City of Palmdale ("City") as referenced above. We look forward to continuing our professional relationship.

Please review and upon signing, email one copy to contracts@nbsgov.com.

Scope of Services

Community Facilities District (CFD) Bond Refunding Issuance Disclosure

KICK-OFF MEETING, PROJECT SCHEDULE

NBS will meet with City staff, legal counsel, any financial advisor and other interested parties to:

- Establish lines of communication
- Clarify the specific project goals and criteria that will meet the City's preference
- Identify and resolve any special circumstances regarding the bond issuance
- Develop project schedules to meet legal requirements and provide for effective interaction of all involved parties
- Establish meeting dates consistent with schedule to achieve project milestones

DATA COLLECTION

NBS will gather and review data relevant to the bond issuance. Data will be obtained from various sources, including City records, Assessor's parcel maps, and County Assessor information.

PROPERTY DATA

NBS will provide certain disclosure data for the bond offering documents. Such data shall include parcel data, assessed value data, land use, development status and special tax classification information. NBS will also coordinate with the financing team to order overlapping debt data and sample tax bills, as requested.

REVIEW BOND DOCUMENTS

NBS will review all bond documents prepared and provided by bond or other legal counsel and the financial advisor including the Official Statement, the Bond Indenture and the Continuing Disclosure Agreement.

DATA PROCESSING

NBS will process the property data and provide the following as requested:

- Current and prior years' special tax delinquencies.
- Assessed Valuation History
- Top CFD Property Owners
- Value to Lien Calculations

Municipal Advisor Disclosure

Disclosure of Conflicts of Interest and Legal or Disciplinary Events

Pursuant to Municipal Securities Rulemaking Board ("MSRB") Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients and potential clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of NBS and its associated persons.

CONFLICTS OF INTEREST

Compensation

NBS represents that in connection with the issuance of municipal securities, NBS may receive compensation from an Issuer or Obligated Person for services rendered. Any such compensation may be contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, NBS hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding NBS' ability to provide unbiased advice to enter into such transaction. This conflict of interest does not impair NBS' ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

It should be noted that other forms of compensation (i.e., hourly or fixed-fee based) may also present a potential conflict of interest regarding NBS' ability to provide advice regarding a municipal security transaction. These other potential conflicts of interest will not impair NBS' ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

Other Municipal Advisor Relationships

NBS serves a wide variety of other clients who may have interests that could have a direct or indirect impact on the interests of another NBS client. For example, NBS serves as Municipal Advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to your agency. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, NBS could potentially face a conflict of interest arising from these competing client interests. NBS fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with your agency.

If NBS becomes aware of any additional potential or actual conflict of interest after this disclosure, NBS will disclose the detailed information in writing to the issuer or obligated person in a timely manner.

LEGAL OR DISCIPLINARY EVENTS

NBS does not have any legal events or disciplinary history on NBS' Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The Issuer may electronically access NBS' most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: www.sec.gov/edgar/searchedgar/companysearch.html.

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC. If any material legal or regulatory action is brought against NBS, NBS will provide complete disclosure to the Issuer in detail allowing the Issuer to evaluate NBS, its management and personnel.

Fees

CFD Bond Refunding Issuance Disclosure

Consulting Fee $14,500
Estimated Expenses (1)..... $2,500
Total Not to Exceed $17,000

(1) See description of expenses below

EXPENSES

Customary out-of-pocket expenses will be billed to the City at actual cost to NBS. These expenses may include, but not be limited to, mailing fulfillment, postage, reproduction, telephone, travel, meals and various third-party charges for data, maps, and recording fees.

ADDITIONAL SERVICES

The following table shows our current hourly rates. Additional services authorized by the City but not included in the scope of services will be billed at this rate or the then applicable hourly rate.

Title	Hourly Rate
Director	$225
Associate Director	$210
Senior Consultant / Engineer / Manager	$175
Consultant	$155
Analyst	$130
Clerical/Support	$105

TERM

The term of this agreement shall commence when agreement is fully executed until completion of project.

COMPENSATION

Consulting services will be invoiced monthly. Expenses will be itemized and included in the next regular invoice. Fees for all other services will be invoiced upon completion of the task. If the project is prematurely terminated by either party, NBS shall receive payment for work completed. Payment shall be made within 30 days of submittal of an invoice. If payment is not received within 90 days simple interest will begin to accrue at the rate of 1.5% per month. Either party can cancel Consulting contracts with 30 days written notice.

CITY'S RESPONSIBILITIES

The City shall furnish NBS with any pertinent information that is available to City and applicable to the Services. The City shall designate a person to act with authority on its behalf in respect to the Services. The City shall promptly respond to NBS' requests for reviews and approvals of its work, and to its requests for decisions related to the Services. City understands and agrees that NBS is entitled to rely on all information, data and documents (collectively, "Information") supplied to NBS by City or any of its agents, contractors or proxies or obtained by NBS from other usual and customary sources including other government sources or proxies as being accurate and correct and NBS will have no obligation to confirm that such Information is correct and that NBS will have no liability to City or any third party if such Information is not correct.

INDEMNIFICATION

NBS shall defend, indemnify and hold harmless City, its officers, employees, officials and agents from and against all claims, demands, losses, liabilities, costs and expenses, including reasonable attorneys' fees, (collectively "Liabilities") arising out of or resulting from the negligence or willful misconduct of NBS or a breach by NBS of its obligations under this Agreement, except to the extent such Liabilities are caused by the negligence or willful misconduct of City. NBS will not be liable to the City or anyone who may claim any right due to a relationship with City, for any acts or omissions in the performance of Services under this Agreement, unless those acts or omissions are due to the negligence or willful misconduct of NBS. Except in the case of NBS' negligence, willful misconduct or breach of its obligations under this Agreement, City shall defend, indemnify and hold harmless NBS, its officers, directors, shareholders, employees and agents from and against all Liabilities to the extent that such Liabilities arise out of NBS performing Services pursuant to the terms of this Agreement, including, without limitation, any Liabilities arising as a result of City or any of its agents or contractors supplying incorrect Information or documentation to NBS. The provisions of this Section shall survive termination of this Agreement.

Please feel free to contact me if you have any questions or need further information.

Best regards,

NBS Government Finance Group, DBA NBS	City of Palmdale
Michael Rentner	Name
President and CEO April 13, 2021	
Title Date	Title Date

City Council Staff Report

DATE: **MAY 6, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PARKS AND RECREATION DEPARTMENT: LIBRARY DIVISION**

DISTRICT: **ALL**

SUBJECT: **APPROVE THE BOARD OF LIBRARY TRUSTEES RECOMMENDATION TO ELIMINATE THE POLICY AND PRACTICE OF CHARGING FINES ON OVERDUE LIBRARY MATERIALS AND DETERMINE AN EFFECTIVE DATE.**

ISSUE

Approve the Board of Library Trustees recommendation to eliminate the policy and practice of charging fines for overdue library materials and determine an effective date for policy implementation.

RECOMMENDATION

Staff recommends that the City Council:

1. Approving the Board of Library Trustees recommendation to eliminate the policy and practice of charging fines on overdue library materials; and
2. Authorize the City Manager or his designee to implement this new policy effective July 1, 2021.

BACKGROUND

During the Board of Library Trustees meeting dated January 14, 2020, a discussion item on charging for overdue materials was requested for the next meeting agenda. The item was first discussed on February 11, 2020 and over the next year, staff presented the Board with reports, studies and information related to charging fines for overdue library materials. On March 10, 2021, the Board of Library Trustees approved Resolution No. LB 2021-02 (attached) 5-0 recommending the City Council eliminate charging fines for overdue materials.

DISCUSSION

Libraries across the country, including southern California have been eliminating overdue fines for years and the trend continues today. Studies have determined the following:

- Overdue materials fines do not encourage patrons to return materials.
- Overdue materials fines discourage use of the Library and tend to fall on the most vulnerable populations.

- The threat of a fine or fee will dissuade a low-income family from using the Library.

On January 28, 2019, The American Library Association (ALA) passed the *Resolution on Monetary Library Fines as a Form of Social Inequity* (attached). The resolution states "The American Library Association asserts that imposition of monetary library fines creates a barrier to the provision of library and information services and urges libraries to scrutinize their practices of imposing fines on library patrons and actively move towards eliminating them".

Palmdale City Library staff recently conducted a survey of local libraries on the topic of charging fines for overdue items and found:

- Of the nine responding libraries, five (Altadena, Glendale, Sierra Madre, Simi Valley, and South Pasadena) have eliminated overdue fines within the last 3 years and none of them would change this decision.
- Three of the four remaining libraries (Burbank, Calabasas, and Monterey Park) are still considering eliminating overdue fines.
- The final responding library (Redondo Beach) indicated they chose not to eliminate overdue fines.

Additionally, the following library systems have also eliminated fines for overdue materials according to www.urbanlibraries.org/member-resources/fine-free-map
Los Angeles, Los Angeles County (teen and children materials only), Santa Barbara, Santa Monica, Rancho Mirage, and Victorville.

FISCAL IMPACT

The estimated fiscal impact is a revenue loss of approximately $25,000 (based on fines for overdue materials collected in FY 2019)

STRATEGIC PLAN

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

B. Provide inclusive access to a variety of supportive services that build a resilient and healthy community.

Prepared by:	Eric Dombrowski, Recreation Manager
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

Board of Library Trustees Resolution No. LB 2021-02
American Library Association (ALA) Resolution on Monetary Library Fines as a Form of Social Inequity

BOARD OF LIBRARY TRUSTEES

CITY OF PALMDALE

LOS ANGELES COUNTY, CALIFORNIA

RESOLUTION NO. LB 2021- 02

A RESOLUTION OF THE BOARD OF LIBRARY TRUSTEES OF THE CITY OF PALMDALE, CALIFORNIA PROVIDING THE PALMDALE CITY COUNCIL A RECOMMENDATION REGARDING FINES FROM OVERDUE LIBRARY MATERIALS.

WHEREAS studies have shown that the charging fines for overdue library materials does not significantly increase the likelihood of materials being returned on time; and

WHEREAS studies have also shown that the charging of fines for overdue library materials deters many persons from applying for a library card; and

WHEREAS many of the community members who could benefit the most from accessing library materials could be deterred from applying for a library card because of an inability to pay overdue fines; and

WHEREAS the American Library Association Council has resolved "that imposition of monetary library fines creates a barrier to the provisions of library and information services and urges libraries to scrutinize their practices of imposing fines on library patrons and actively move towards eliminating them"; and

WHEREAS the Board of Library Trustees has discussed the policy of charging fines on overdue library materials, reviewed reports provided by staff, and investigated studies on the effects of charging overdue fines on library users; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Library Trustees of the City of Palmdale recommending:

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SECTION 1. That the City Council eliminate the policy and practice of charging fines on overdue library materials.

SECTION 2. Should the City Council approve the Board recommendation, an effective date will be determined by the City Council.

PASSED, APPROVED, AND ADOPTED this 10th day of March, 2021, by the following vote:

AYES: Trustees David, Manning, Morris, Rutkowski-Hines, & President Henkin

NOES: Ø

ABSTAIN: Ø ABSENT: Ø

ALAN HENKIN, President
Board of Library Trustees
City of Palmdale, California

ATTEST:

ERIN AUBREY, Assistant Secretary
Board of Library Trustees
City of Palmdale, California

Resolution on Monetary Library Fines as a Form of Social Inequity

Whereas monetary fines present an economic barrier to access of library materials and services;

Whereas there is mounting evidence that indicates eliminating fines increases library card adoption and library usage;

Whereas monetary fines create a barrier in public relations, and absorb valuable staff time applying, collecting, and managing dues;

Whereas the first policy objective listed in ALA Policy B.8.10 (Library Services to the Poor) as approved by ALA Council on January 28, 2019, states that the American Library Association shall implement these objectives by "Promoting the removal of barriers to library and information services, particularly fees, and overdue charges";

Whereas ALA Policy B.4.2 (Free Access to Information) "asserts that the charging of fees and levies for information services, including those services utilizing the latest information technology, is discriminatory in publicly supported institutions providing library and information services";

Whereas in Economic Barriers to Information Access, An Interpretation of the Library Bill of Rights, ALA states "All library policies and procedures, particularly those involving fines, fees, or other user charges, should be scrutinized for potential barriers to access;

Whereas libraries will need to take determined and pragmatic action to dismantle practices of collecting monetary fines

Whereas libraries of all types are responsive to bodies, be they school districts, boards of trustees, college and university administration, or government entities and therefore need to be able to make the case to those bodies about eliminating fines; and

Whereas monetary fines ultimately do not serve the core mission of the modern library; now, therefore, be it

Resolved, that the American Library Association (ALA), on behalf of its members

1. adds a statement to the Policy Manual that establishes that "The American Library Association asserts that imposition of monetary library fines creates a barrier to the provision of library and information services.";

2. urges libraries to scrutinize their practices of imposing fines on library patrons and actively move towards eliminating them; and

3. urges governing bodies of libraries to strengthen funding support for libraries so they are not dependent on monetary fines as a necessary source of revenue.

4. establish a working group to develop information resources, including strategies and tips, for libraries interested in abolishing fines, with a report due to Council at the 2019 Annual Conference

Adopted by the Council of the American Library Association
Monday, January 28, 2019, in Seattle, WA



Mary W. Ghikas, Executive Director
and Secretary of the ALA Council

City Council Staff Report

DATE: **MAY 6, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS**
ENGINEERING DIVISION

DISTRICT: **1 and 2**

SUBJECT: **ADOPTION OF RESOLUTION NO. CC 2021-025, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DIRECTING THE PREPARATION OF THE ANNUAL ENGINEER'S REPORT FOR THE CONTINUATION OF THE ANNUAL LEVY OF ASSESSMENTS AND DESIGNATING THE ENGINEER OF WORK FOR FISCAL YEAR 2021/2022 FOR THE CITY OF PALMDALE DRAINAGE BENEFIT ASSESSMENT DISTRICTS NO. 1, AND NO. 2006-02.**

ISSUE

Adopt Resolution No. CC 2021-025 directing the preparation of the annual Engineer's Report for the continuation of the annual levy of assessments and designating the Engineer of Work for the City of Palmdale Drainage Benefit Assessment Districts No. 1, and No. 2006-02.

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. CC 2021-025 directing the preparation of the annual Engineer's Report for the continuation of the annual levy of assessments and designating the Engineer of Work for the City of Palmdale Drainage Benefit Assessment Districts No. 1, and No. 2006-02.

BACKGROUND

The Anaverde (Drainage Benefit Assessment District No. 1, formed in 2004), and Ritter Ranch (Drainage Benefit Assessment District No. 2006-02, formed in 2007) developments required the formation of a drainage benefit assessment district as a condition of approval in order to provide the funds to maintain the drainage facilities for the developments. As a result, the formation of the Drainage Benefit Assessment Districts No. 1, and No. 2006-02 were approved by the property owners on May 12, 2004 and January 3, 2007, respectively, pursuant to mailed ballot elections conducted in accordance with Article XIIID of the California Constitution.

The purpose of the Drainage Benefit Assessment Districts is to fund the installation, construction or maintenance of any authorized improvements under the Benefit Assessment Act of 1982 (California Government Code Section 54703 et seq.), including, but not limited to, drainage improvements and any facilities which are appurtenant to

any of the aforementioned or which are necessary or convenient for the maintenance or servicing thereof.

DISCUSSION

Resolution No. CC 2021-025 designates NBS as the Engineer of Work and directs the preparation of the annual Engineer's Report for Fiscal Year 2021/2022 for the City of Palmdale Drainage Benefit Assessment Districts No. 1, and No. 2006-02.

Each year, in order for the City to continue to levy annual assessments within the Drainage Benefit Assessment Districts No. 1, and No. 2006-02, the City must have a detailed Engineer's Report approved by the City Council. The attached resolution, ordering the preparation of the combined annual Engineer's Report, initiates the proceedings for the annual levy of assessments for the Drainage Benefit Assessment Districts No. 1, and No. 2006-02 for Fiscal Year 2021/2022.

The annual Engineer's Report will be presented to the City Council at the June 1, 2021 meeting. A public hearing will be held at the July 13, 2021 City Council meeting in order to accept public testimony regarding the annual report and authorize the levy of assessments for Fiscal Year 2021/2022.

FISCAL IMPACT

Levy amounts will be included with the Engineer's Report that will be presented at the June 1, 2021 City Council meeting.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community viability.

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

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

Prepared by:	Chuck Heffernan P. E., Director of Public Works
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

1. Resolution No. CC 2021-025

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2021-025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DIRECTING PREPARATION OF THE ANNUAL ENGINEER'S REPORT FOR THE CONTINUATION OF THE DRAINAGE BENEFIT ASSESSMENT DISTRICTS NO. 1, AND NO. 2006-02 FOR FISCAL YEAR 2021/2022

WHEREAS, the City of Palmdale Drainage Benefit Assessment Districts No. 1 and No. 2006-02 (the "Assessment Districts" or “Districts”) were approved by property owners pursuant to mailed ballot elections conducted in accordance with Article XIIID of the California Constitution, and the "Benefit Assessment Act of 1982" (the "Act"), being Chapter 6.4 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (commencing with Section 54703 thereof).

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The City Council hereby proposes to continue to levy and collect annual assessments against the lots and parcels of land within the City of Palmdale Drainage Benefit Assessment Districts No. 1, and No. 2006-02, to pay for the costs and expenses of the improvements described in Section 3 below, for the fiscal year commencing July 1, 2021 and ending June 30, 2022, pursuant to the Act, and as provided by Article XIIID of the California Constitution.

SECTION 2. The purpose of the Assessment Districts is for the installation, maintenance, and servicing of public improvements, as described in Section 3 below.

SECTION 3. Within the Assessment Districts, the existing and proposed improvements to be undertaken may be briefly described as follows: the installation, construction or maintenance of any authorized improvements under the Act, including, but not limited to, drainage improvements and any facilities which are appurtenant to any of the aforementioned or which are necessary or convenient for the maintenance or servicing thereof.

SECTION 4. NBS is hereby designated as Engineer of Work for purposes of these proceedings and is hereby ordered to prepare an Engineer's Report in accordance with Article 4 of Chapter 6.4 of the Act and Article XIIID of the California Constitution. Upon completion, the Engineer of Work shall file the Engineer's Report with the City Clerk for submission to the City Council.

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

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

PASSED, APPROVED and **ADOPTED** this 6th day of May, 2021.

Approved as to form:

_____
Christopher L. Beck
City Attorney

_____
Steven D. Hofbauer, Mayor

ATTEST:

_____
Shanae S. Smith, City Clerk

I, Shanae S. Smith, City Clerk of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 6th day of May, 2021 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ABSENT:_____

Date: _____ _____
Shanae S. Smith, City Clerk

City Council Staff Report

DATE: **MAY 6, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS**
ENGINEERING DIVISION

DISTRICT: **ALL**

SUBJECT: **ADOPTION OF RESOLUTION NO. CC 2021-026, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DIRECTING THE PREPARATION OF THE COMBINED ANNUAL ENGINEER'S REPORT FOR THE CONTINUATION OF THE ANNUAL LEVY OF ASSESSMENTS AND DESIGNATING THE ENGINEER OF WORK FOR FISCAL YEAR 2021/2022 FOR THE CITY OF PALMDALE LANDSCAPE MAINTENANCE ASSESSMENT DISTRICTS AND ANNEXATIONS.**

ISSUE

Adopt Resolution No. CC 2021-026 directing the preparation of the combined annual Engineer's Report for the continuation of the annual levy of assessments and designating the Engineer of Work for the City of Palmdale Landscape Maintenance Districts and Annexations.

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. CC 2021-026 directing the preparation of the annual Engineer's Report for the continuation of the annual levy of assessments and designating the Engineer of Work for the City of Palmdale Landscape Maintenance Districts and Annexations.

BACKGROUND

The City of Palmdale Landscape Maintenance Assessment Districts and Annexations were approved by property owners pursuant to several mailed ballot elections conducted in accordance with Article XIIID of the California Constitution.

The purpose of the Landscape Maintenance Assessment Districts and Annexations is to fund the installation, maintenance, and servicing of ornamental structures, landscaping, including trees, shrubs, grass and other ornamental vegetation, and appurtenant facilities, including irrigation systems, drainage devices and drywells located in public places within the boundaries of the Landscape Maintenance Assessment Districts and Annexations.

DISCUSSION

Resolution No. CC 2021-026 designates NBS as the Engineer of Work and directs the preparation of the combined annual Engineer's Report for Fiscal Year 2021/2022 for the City of Palmdale Landscape Maintenance Assessment Districts and Annexations.

Each year, the Landscaping and Lighting Act of 1972 requires that, in order to continue the annual levy of assessments, the Landscape Maintenance Assessment Districts and Annexations have a detailed Engineer's Report approved by the City Council. The attached resolution, ordering the preparation of the combined annual Engineer's Report, initiates the proceedings for the annual levy of assessments for the Landscape Maintenance Assessment Districts and Annexations for Fiscal Year 2021/2022.

The combined annual Engineer's Report will be presented to the City Council at the June 1, 2021 meeting. A public hearing will be held at the July 13, 2021 Council meeting in order to accept public testimony regarding the combined annual Engineer's Report and levy of assessments for Fiscal Year 2021/2022.

FISCAL IMPACT

Levy amounts will be included with the combined annual Engineer's Report that will be presented at the June 1, 2021 City Council meeting.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community viability.

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

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

Prepared by:	Chuck Heffernan P.E., Director of Public Works
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

1. Resolution No. CC 2021-026

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2021-026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DIRECTING PREPARATION OF THE COMBINED ANNUAL ENGINEER'S REPORT FOR THE CONTINUATION OF THE LANDSCAPE MAINTENANCE ASSESSMENT DISTRICTS AND ANNEXATIONS FOR FISCAL YEAR 2021/2022

WHEREAS, the City of Palmdale Landscape Maintenance Assessment Districts and Annexations (the "Assessment Districts" or “Districts”) were approved by property owners pursuant to several mailed ballot elections conducted in accordance with Article XIIID of the California Constitution, and the Landscaping and Lighting Act of 1972 (the "Act"), Part 2 of Division 15 of the California Streets and Highways Code (commencing with Section 22500 thereof).

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The City Council hereby proposes to continue to levy annual assessments for existing City of Palmdale Landscape Maintenance Assessment Districts and Annexations and to levy and collect assessments against the lots and parcels of land within such Assessment Districts to pay for the costs and expenses of the improvements described in Section 3 below, for the fiscal year commencing July 1, 2021 and ending June 30, 2022, pursuant to the Act, and as provided by Article XIIID of the California Constitution.

SECTION 2. The purpose of the Assessment Districts is for the installation, maintenance and servicing of public improvements, as described in Section 3 below.

SECTION 3. Within the Assessment Districts, the existing and proposed improvements to be undertaken may be briefly described as follows: the installation, maintenance and servicing of ornamental structures, landscaping, including trees, shrubs, grass and other ornamental vegetation, and appurtenant facilities, including irrigation systems, drainage devices and drywells located in public places within the boundaries of the Assessment Districts. Maintenance means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of the ornamental structures, landscaping and appurtenant facilities, including repair, removal or replacement of all or part of any of the ornamental structures, landscaping or appurtenant facilities; providing for the life, growth, health and beauty of the landscaping, including cultivation, irrigation, trimming, spraying, fertilizing and treating for disease or injury; the removal of trimmings, rubbish, debris and other solid waste; and the cleaning, sandblasting and painting of walls and other improvements to remove

or cover graffiti. Servicing means the furnishing of electricity for the lighting and operation of the ornamental structures, landscaping, and appurtenant facilities, and water for the irrigation and control of the landscaping and the maintenance of any of the ornamental structures, landscaping, and appurtenant facilities.

SECTION 4. NBS is hereby designated as Engineer of Work for purposes of these proceedings and is hereby ordered to prepare an Engineer's Report in accordance with Article 4 of Chapter 1 of the Act and Article XIIID of the California Constitution. Upon completion, the Engineer of Work shall file the Engineer's Report with the City Clerk for submission to the City Council.

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

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

PASSED, APPROVED and **ADOPTED** this 6th day of May, 2021.

Approved as to form:

_____
Christopher L. Beck
City Attorney

_____
Steven D. Hofbauer, Mayor

ATTEST:

_____
Shanae S. Smith, City Clerk

I, Shanae S. Smith, City Clerk of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 6th day of May, 2021 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ABSENT:_____

Date: _____ _____
Shanae S. Smith, City Clerk

City Council Staff Report

DATE: **MAY 6, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS**
ENGINEERING DIVISION

DISTRICT: **ALL**

SUBJECT: **ADOPTION OF RESOLUTION NO. CC 2021-027, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DIRECTING THE PREPARATION OF THE ANNUAL ENGINEER'S REPORT FOR THE CONTINUATION OF THE ANNUAL LEVY OF ASSESSMENTS AND DESIGNATING THE ENGINEER OF WORK FOR FISCAL YEAR 2021/2022 FOR THE CITY OF PALMDALE PARK MAINTENANCE AND RECREATION IMPROVEMENT DISTRICT.**

ISSUE

Adopt Resolution No. CC 2021-027 directing the preparation of the combined annual Engineer's Report for the continuation of the annual levy of assessments and designating the Engineer of Work for the City of Palmdale Park Maintenance and Recreation Improvement District.

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. CC 2021-027 directing the preparation of the annual Engineer's Report for the continuation of the annual levy of assessments and designating the Engineer of Work for the City of Palmdale Park Maintenance and Recreation Improvement District.

BACKGROUND

The City of Palmdale Park Maintenance and Recreation Improvement District was formed in 2002. The purpose of the Park Maintenance and Recreation Improvement District is to fund the installation, maintenance and servicing of public parks and recreational facilities throughout the City.

DISCUSSION

Resolution No. CC 2021-027 designates NBS as the Engineer of Work and directs the preparation of the annual Engineer's Report for Fiscal Year 2021/2022 for the City of Palmdale Park Maintenance and Recreation Improvement District.

Each year, the Landscaping and Lighting Act of 1972 requires that, in order to continue the annual levy of assessments, the Park Maintenance and Recreation Improvement

District has a detailed Engineer's Report approved by the City Council. The attached resolution, ordering the preparation of the annual Engineer's Report, initiates the proceedings for the continuation of the annual levy of assessments for the Park Maintenance and Recreation Improvement District for Fiscal Year 2021/2022.

The annual Engineer's Report will be presented to the City Council at the June 1, 2021 meeting. A public hearing will be held at the July 13, 2021 City Council meeting in order to accept public testimony regarding the annual report and levy of assessments for Fiscal Year 2021/2022.

FISCAL IMPACT

Levy amounts will be included with the annual Engineer's Report that will be presented at the June 1, 2021 City Council meeting.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community viability.

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

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

Prepared by:	Chuck Heffernan P.E., Director of Public Works
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

1. Resolution No. CC 2021-027

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2021-027

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DIRECTING PREPARATION OF THE ANNUAL ENGINEER'S REPORT FOR THE CONTINUATION OF THE PARK MAINTENANCE AND RECREATION IMPROVEMENT DISTRICT FOR FISCAL YEAR 2021/2022

WHEREAS, on July 31, 2002, by its Resolution No. CC 2002-162, after receiving a weighted majority of 56% of ballots in support of the proposed assessment, this City Council ordered the formation of the City of Palmdale Park Maintenance and Recreation Improvement District (the "District") and levied assessments pursuant to the provisions of Article XIIID of the California Constitution, and the Landscaping and Lighting Act of 1972 (the "Act"), Part 2 of Division 15 of the California Streets and Highways Code (commencing with Section 22500 thereof).

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The City Council hereby proposes to continue to levy annual assessments for the Park Maintenance and Recreation Improvement District, and to levy and collect assessments against the lots and parcels of land within such District to pay for the costs and expenses of the improvements described in Section 3 below, for the fiscal year commencing July 1, 2021 and ending June 30, 2022, pursuant to the Act, and as provided by Article XIIID of the California Constitution.

SECTION 2. The purpose of the District is for the installation, maintenance, and servicing of public facilities, as described in Section 3 below.

SECTION 3. Within the District, the existing and proposed improvements to be undertaken by the District are generally described as: installation, maintenance and servicing of public facilities, including but not limited to, landscaping, sprinkler systems, park grounds, park facilities, amphitheaters, landscape corridors, ground cover, shrubs and trees, street frontages, multi-use trails, camp sites and picnic areas, equestrian facilities, playground equipment and hardcourt areas, senior and community centers, drainage systems, lighting, fencing, entry monuments, sport and recreation fields, concession stands, basketball courts, tennis courts, running tracks, aquatic parks, swimming pools and pool enclosures, other recreational facilities, security guards, graffiti removal and repainting, and labor, materials, supplies, utilities and equipment, as applicable, for property owned, operated or maintained by the City of Palmdale. Whereas, installation means the construction of recreational improvements, including,

but not limited to, land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks and drainage, lights, playground equipment, play courts, recreational facilities, and public restrooms. Whereas, maintenance means the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of said improvements, including repair, removal, or replacement of all or part of any improvement; providing for the life, growth, health and beauty of landscaping; and cleaning, sandblasting and painting of walls and other improvements to remove or cover graffiti. Whereas, servicing means the furnishing of electric current or energy for the operation or lighting of any improvements, and water for irrigation of any landscaping or the maintenance of any other improvements.

SECTION 4. NBS is hereby designated as Engineer of Work for purposes of these proceedings and is hereby ordered to prepare an Engineer's Report in accordance with Article 4 of Chapter 1 of the Act and Article XIIID of the California Constitution. Upon completion, the Engineer of Work shall file the Engineer's Report with the City Clerk for submission to the City Council.

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

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

PASSED, APPROVED and **ADOPTED** this 6th day of May, 2021.

Approved as to form:

_____
Christopher L. Beck
City Attorney

_____
Steven D. Hofbauer, Mayor

ATTEST:

_____
Shanae S. Smith, City Clerk

I, Shanae S. Smith, City Clerk of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 6th day of May, 2021 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ABSENT:_____

Date: _____ _____
Shanae S. Smith, City Clerk

City Council Staff Report

DATE: **MAY 6, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS**
ENGINEERING DIVISION

DISTRICT: **ALL**

SUBJECT: **ADOPT RESOLUTION NO. CC 2021-028 DIRECTING THE PREPARATION OF THE COMBINED ANNUAL ENGINEER'S REPORT FOR THE CONTINUATION OF THE ANNUAL LEVY OF ASSESSMENTS AND DESIGNATING THE ENGINEER OF WORK FOR FISCAL YEAR 2021/2022 STREETLIGHT MAINTENANCE ASSESSMENT DISTRICTS AND ANNEXATIONS.**

ISSUE

Adopt Resolution No. CC 2021-028 directing the preparation of the combined annual Engineer's Report for the continuation of the annual levy of assessments and designating the Engineer of Work for the City of Palmdale Streetlight Maintenance Assessment Districts and Annexations.

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. CC 2021-028 directing the preparation of the annual Engineer's Report for the continuation of the annual levy of assessments and designating the Engineer of Work for the City of Palmdale Streetlight Maintenance Assessment District and Annexations.

BACKGROUND

The purpose of the Streetlight Maintenance Assessment Districts and Annexations is to fund the installation, maintenance, and servicing of any authorized improvements under the Landscaping and Lighting Act of 1972, including, but not limited to streetlight, traffic signal, and highway safety light improvements, and any facilities which are appurtenant to any of the aforementioned or which are necessary or convenient for the maintenance or servicing thereof.

The City of Palmdale Streetlight Maintenance Assessment Districts and Annexations were approved by property owners pursuant to several mailed ballot elections conducted in accordance with Article XIIID of the California Constitution.

DISCUSSION

Resolution No. CC 2021-028 designates NBS as the Engineer of Work and directs the preparation of the combined annual Engineer's Report for Fiscal Year 2021/2022 for the City of Palmdale Streetlight Maintenance Assessment Districts and Annexations.

Each year, the Landscaping and Lighting Act of 1972 requires that, in order to continue the annual levy of assessments, the Streetlight Maintenance Assessment Districts and Annexations have a detailed Engineer's Report approved by the City Council. The attached resolution, ordering the preparation of the combined annual Engineer's Report, initiates the proceedings for the annual levy of assessments for the Streetlight Maintenance Assessment Districts and Annexations for Fiscal Year 2021/2022.

The combined annual Engineer's Report will be presented to the City Council at the June 1, 2021 meeting. A public hearing will be held at the July 13, 2021 City Council meeting in order to accept public testimony regarding the annual report and levy of assessments for Fiscal Year 2021/2022.

FISCAL IMPACT

Levy amounts will be included with the combined annual Engineer's Report that will be presented at the June 1, 2021 City Council meeting.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community viability.

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

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

Prepared by:	Chuck Heffernan P.E., Director of Public Works
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

1. Resolution No. CC 2021-028

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2021-028

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DIRECTING PREPARATION OF THE COMBINED ANNUAL ENGINEER'S REPORT FOR THE CONTINUATION OF THE STREETLIGHT MAINTENANCE ASSESSMENT DISTRICTS AND ANNEXATIONS FOR FISCAL YEAR 2021/2022

WHEREAS, the City of Palmdale Streetlight Maintenance Assessment Districts and Annexations (the "Assessment Districts" or “Districts”) were approved by property owners pursuant to several mailed ballot elections conducted in accordance with Article XIIID of the California Constitution, and the Landscaping and Lighting Act of 1972 (the "Act"), Part 2 of Division 15 of the California Streets and Highways Code (commencing with Section 22500 thereof).

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The City Council hereby proposes to continue to levy annual assessments for the City of Palmdale Streetlight Maintenance Assessment Districts and Annexations, and to levy and collect assessments against the lots and parcels of land within such Assessment Districts to pay for the costs and expenses of the improvements described in Section 3 below, for the fiscal year commencing July 1, 2021 and ending June 30, 2022, pursuant to the Act, and as provided by Article XIIID of the California Constitution.

SECTION 2. The purpose of the Assessment Districts is for the installation, maintenance, and servicing of public improvements, as described in Section 3 below.

SECTION 3. Within the Assessment Districts, the existing and proposed improvements to be undertaken may be briefly described as follows: the installation, maintenance, and servicing of any authorized improvements under the Act, including, but not limited to streetlight, traffic signal, and highway safety light improvements, and any facilities which are appurtenant to any of the aforementioned or which are necessary or convenient for the maintenance or servicing thereof.

SECTION 4. NBS is hereby designated as Engineer of Work for purposes of these proceedings and is hereby ordered to prepare an Engineer's Report in accordance with Article 4 of Chapter 1 of the Act and Article XIIID of the California Constitution. Upon completion, the Engineer of Work shall file the Engineer's Report with the City Clerk for submission to the City Council.

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

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

PASSED, APPROVED and **ADOPTED** this 6th day of May, 2021.

Approved as to form:

_____
Christopher L. Beck
City Attorney

_____
Steven D. Hofbauer, Mayor

ATTEST:

_____
Shanae S. Smith, City Clerk

I, Shanae S. Smith, City Clerk of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 6th day of May, 2021 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ABSENT:_____

Date: _____ _____
Shanae S. Smith, City Clerk

City Council Staff Report

DATE: **MAY 6, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

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

DISTRICT: **1**

SUBJECT: **REJECT ALL BIDS FOR PROJECT NO. 804, SAVES GENERATOR AND ENCLOSURE PROJECT.**

ISSUE

Reject all bids for Project No. 804, SAVES Generator & Enclosure Project,

RECOMMENDATION

Staff recommends that the City Council:

1. Reject all bids for Project No. 804, SAVES Generator & Enclosure Project, and
2. Direct staff to re-evaluate the project scope and budget.

BACKGROUND

This project is intended to provide backup and emergency power to the South Antelope Valley Emergency Services (SAVES) building through the installation of a 150kW diesel generator and associated gated enclosure. The building does not currently have any backup or emergency power and is subject to loss or service during a power-loss event or declared emergency.

DISCUSSION

Three (3) bids for this project were received on April 7th, 2021 and are summarized as follows:

Bidder	Location	Amount
1. Corner Keystone Construction Corp.	Walnut, CA	$247,700
2. Village Electrical Contractors Inc.	La Crescenta, CA	$338,374
3. Delta Electric, LLC.	Santa Clarita, CA	$375,570

The bids received exceed the available budget for this project, which is required to cover the costs of not only construction, but also labor compliance and any contingencies in the contract price. The performance period for this grant funding ends on October 31, 2022.

FISCAL IMPACT

The City has received a State grant to fund this project from the California Office of Emergency Services (CalOES) through the Public Safety Power Shutoff (PSPS) Program in the amount of $192,870, which includes $52,895 already allocated to Project design. Staff requested an additional $75,000 in Account No. F0062229-724525 for this project during FY 2020-21 mid-year review. The table below provides a ledger of the project balance to date.

	Adopted Budget	Year to Date Actuals	Remaining Balance
State Grant Funding	$192,870	-	$192,870
City Public Facility Funding	$75,000		$267,870
Project Design		$52,895	**$214,975**

This project will be re-evaluated and additional funding may be proposed in the upcoming fiscal year budget for the City Council's consideration.

STRATEGIC PLAN

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

C. Be prepared to protect life, property, and the environment in the event of catastrophic disasters and emergencies.

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

D. Pursue alternative financing opportunities for continued infrastructure improvements and quality community programs.

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

B. Provide inclusive access to a variety of supportive services that build a resilient and healthy community.

Prepared by:	Chuck Heffernan P.E., Director of Public Works
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

City Council Staff Report

DATE: **MAY 6, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

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

DISTRICT: **2**

SUBJECT: **NOTICE OF COMPLETION - ACCEPT COMPLETED CAPITAL PROJECT NO. 709, RANCHO VISTA BLVD WIDENING GAP CLOSURE PROJECT.**

ISSUE

Notice of Completion - Accept completed Capital Project No. 709, Rancho Vista Boulevard Widening Gap Closure Project.

RECOMMENDATION

Staff recommends that the City Council:

1. Accept the completion of Capital Project No. 709, Rancho Vista Boulevard Widening Gap Closure Project; and
2. Authorize the City Manager or his designee to file a Notice of Completion.

BACKGROUND

This Public Works project widened two separate segments of Rancho Vista Boulevard, 1) a 5,280 feet (1 mile) long east-west alignment located between 15th Street West and 30th Street West; and 2) a 2,640 feet (0.5 mile) long north-south alignment located between Avenue N-8 and Avenue N (this ½ mile segment becomes 50th Street West).

The Rancho Vista Boulevard Widening Gap Closure project provided 3 lanes in each direction from 10th Street West to 30th Street West and constructed raised landscaped medians. The project also included the construction of new curb, gutter and sidewalk, Class II bike lane (1/2 mile) and Class III bicycle route (1.5 miles) in each direction, landscaped raised medians, minor drainage improvements, curb ramp modifications to meet current ADA standards, installation of new LED street lights, modification of traffic signals, relocation of fiber optic conduits, signing & striping, and other miscellaneous improvements.

DISCUSSION

All construction work for this project has been completed. To release retention for Project No. 709 (five percent of each progress payment), it is necessary for the City Council to accept the project and for a Notice of Completion to be filed.

FISCAL IMPACT

Funds for this project are budgeted in Account No. S0060204 and S0060208. The original total budget in 2015 was $7,498,844 which included costs for design, construction, and administration. The total project cost is $8.12 million, a 7.6% increase from the expected project. Thirty-five (35) days after the Notice of Completion is filed, the retention for the project will be released

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:	Chuck Heffernan, P.E., Director of Public Works
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

Notice of Completion

RECORDING REQUESTED BY:

CITY OF PALMDALE

WHEN RECORDED MAIL TO:

CITY OF PALMDALE
OFFICE OF THE CITY CLERK
38300 Sierra Highway, Suite C
Palmdale, CA 93550

Space Above This Line for Recorder's Use

NOTICE OF COMPLETION

Notice pursuant to Civil Code Section 3093, is hereby given that:

1. The undersigned is owner or corporate officer of the interest or estate stated below in the property hereinafter described.
2. The full name of the owner is City of Palmdale, a Municipal Corporation.
3. The full address of the owner is 38300 Sierra Highway, Palmdale, CA 93550.
4. The nature of interest or estate of the owner is: Fee (Rancho Vista Blvd. and 50th Street West)
5. A work of improvement on the property hereinafter described was completed on March 15, 2021
6. The work done was: "Rancho Vista Boulevard Widening Gap Closure Project, PN. 709".
7. The name of the Contractor for such work of improvement: R.C. Becker & Son
8. The property on which said work of improvement was completed is in the City of Palmdale, State of California, and is described Rancho Vista Boulevard and 50th Street West
9. The address of said property is: Rancho Vista Blvd. from 15th Street West to 30th Street West and 50th Street West from Avenue N to Avenue N-8

Dated: May 6, 2021

City of Palmdale

Chuck Heffernan, Director of Public Works

VERIFICATION

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

Executed on May 6, 2021 in the City of Palmdale, California.

Chuck Heffernan, Director of Public Works

City Council Staff Report

DATE: **MAY 6, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

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

DISTRICT: **1**

SUBJECT: **NOTICE OF COMPLETION - ACCEPT COMPLETED CAPITAL PROJECT NO. 783, CHIMBOLE CULTURAL CENTER LIGHTING IMPROVEMENTS.**

ISSUE

Notice of Completion - Accept completed Capital Project No. 783, Chimbole Cultural Center Lighting Improvements.

RECOMMENDATION

Staff recommends that the City Council:

1. Accept the completion of Capital Project No. 783, Chimbole Cultural Center Lighting Improvements; and
2. Authorize the City Manager or his designee to file a Notice of Completion.

BACKGROUND

The Manzanita Ballroom Lighting at the Chimbole Cultural Center required an upgrade as it was outdated and inefficient. A new lighting system, inlcuding energy efficient and LED fixtures where applicable, were installed in the ballroom, including egress and emergency lighting. The existing lighting board was replaced to meet current standards. Lighting equipment controls, including dimmer switches, were relocated to the A/V cabinet in the back of the ballroom, with an emphasis on user friendliness. A general lighting wash was required for the front of the stage ballroom floor area and on the stage and lastly on-stage lighting fixtures were upgraded and replaced.

DISCUSSION

All construction work for this project has been completed. In order to release retention for Project No. 783 (five percent of each progress payment), it is necessary for the City Council to accept the project and for a Notice of Completion to be filed.

FISCAL IMPACT

Funding for this project is budgeted in Account No. F0057101-724525. The original budget was $180,808, which included costs for design, construction and administration. The total project cost is $161,974, approximately a 10% savings from the expected project. Thirty-Five days after the Notice of Completion is filed, the retention for the project will be released.

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:	Chuck Heffernan, P.E., Director of Public Works
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

Notice of Completion

RECORDING REQUESTED BY:

CITY OF PALMDALE

WHEN RECORDED MAIL TO:

CITY OF PALMDALE
OFFICE OF THE CITY CLERK
38300 Sierra Highway, Suite C
Palmdale, CA 93550

Space Above This Line for Recorder's Use

NOTICE OF COMPLETION

Notice pursuant to Civil Code Section 3093, is hereby given that:

1. The undersigned is owner or corporate officer of the interest or estate stated below in the property hereinafter described.
2. The full name of the owner is City of Palmdale, a Municipal Corporation.
3. The full address of the owner is 38300 Sierra Highway, Palmdale, CA 93550.
4. The nature of interest or estate of the owner is: Fee (Chimbole Lighting Upgrade)
5. A work of improvement on the property hereinafter described was completed on April 7, 2021
6. The work done was: "Chimbole Center Lighting Upgrade, PN 783".
7. The name of the Contractor for such work of improvement: New Art Construction
8. The property on which said work of improvement was completed is in the City of Palmdale, State of California, and is described as Public Facility improvement.
9. The address of said property is: 38350 Sierra Highway, Palmdale, CA 93550

Dated: May 6, 2021

City of Palmdale

Chuck Heffernan, Director of Public Works

VERIFICATION

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

Executed on May 6, 2021 in the City of Palmdale, California.

Chuck Heffernan, Director of Public Works

City Council Staff Report

DATE: **MAY 6, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

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

DISTRICT: **2**

SUBJECT: **APPROVE FUNDING AGREEMENT IN THE AMOUNT OF $3,730,860. WITH CALTRANS TO PROVIDE CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC) FUNDS FOR PROJECT STPLR-7500(285), RANCHO VISTA BOULEVARD AND SIERRA HIGHWAY RAILROAD GRADE CROSSING PROGRAM IN THE AMOUNT OF $3,730,860**

ISSUE

Approve Agreement No. A-7444 with Caltrans to provide California Public Utilities Commissions, CPUC, funds for Project STPLR-7500(285), Rancho Vista Boulevard and Sierra Highway Railroad Grade Crossing Program in the amount of $3,730,860.

RECOMMENDATION

Staff recommends that the City Council:

1. Approve Agreement No. A-7444 with Caltrans to provide California Public Utilities Commissions, CPUC, funds for Project STPLR-7500(285), Rancho Vista Boulevard and Sierra Highway Railroad Grade Crossing Program in the amount of $3,730,860.
2. Authorize the City Manager, or his designee to execute Agreement No. A-7444 with Caltrans for the referenced project, including minimal and/or non-substantive amendments.

BACKGROUND

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. 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.

The work involved for the City of Palmdale will include:

- Install pre-signal for westbound Avenue P, and replace existing traffic signal heads to program visibility heads on the existing traffic signal mast for westbound traffic
- Install train activated R3-1 No Right Turn blank-out signs on Sierra Hwy northbound signal masts
- Reconstruct the median islands:
    - The east median island for approximately 100 feet.
    - The west median island for approximately 35 feet.
    - Islands must be a minimum of ten feet wide and eight-inch high at the location of the railroad warning devices.
- Widen westbound Avenue P for approximately 6 feet and reconstruct the westbound curb and gutter for approximately 150 feet
- Install concrete sidewalk:
    - In the northwest quadrant for approximately 40 feet.
    - In the southeast quadrant for approximately 90 feet.
    - In the southwest quadrant for approximately 35 feet.
- Install two pedestrian curb ramps.
- Install Caltrans Type I barricade at the northwest quadrant of the crossing.
- Install detectable warning (tactile strips) on all sidewalk approaches.
- Install road striping and CAMUTCD compliant signage
- Install street lighting.
- Install emergency egress swing gates and channelization in the southwest and southeast quadrants of the crossing.
- Install approximately 250 feet right-of-way-fencing and private access gate for railroad maintenance use on the southeast quadrant of the crossing

DISCUSSION

Based on the information contained herein, the City will be receiving funds for our portion of railway improvements at Rancho Vista Boulevard and Sierra Highway. The City will contract out for the design and construction necessary for the required improvements. Caltrans will manage the funding portion of the City's work with the CPUC funds for Project STPLR-7500(285), Rancho Vista Boulevard and Sierra Highway Railroad Grade Crossing Program.

FISCAL IMPACT

Caltrans is the agency responsible for programming CPUC funds for the above referenced project. Under the terms and condition contained in the Funding Agreement, Caltrans has authorized the programming of CPUC funds in the amount of $3,730,860 for the total project. Under this agreement, funding is authorized for work in phases, beginning with the Preliminary Engineering (PE) phase. Additional funding to complete the contract will only be provided through the execution of amendments for the subsequent phases(s) of work needed; Right of Way (RW), Utility Relocation (R/W-UTIL), and Construction (CON). The Preliminary Engineering (PE) phase is budgeted at $1,888,008.68. This project agreement will be shown in Account No. S0075240, RV Blvd. & Sierra Highway RR Safety Crossing.

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:	Chuck Heffernan, P.E.,Director of Public Works
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENT

Agreement No. A-7444

Unit	Project ID		Phase	Sub	Object	Amount	FFY	Encumbrance Doc No
3328	0721000025		S		049	$1,888,008.68	2019/2020	50LP285
Item	**Chapter**	**Statutes**	**Fiscal Year**	**CONTRACT – AVENUE P (RANCHO VISTA)**				
2660-102-0890	23	2019	2019/2020					

The funds as listed above are available for the period and purpose of the expenditure stated herein.	**PROJECT NUMBER (FED ID) STPLR-7500(285)** **CALTRANS ACCOUNTING ID: 0721000025** **SERVICE CONTRACT: 50LP285**
Caltrans Division of Local Assistance **Office of Federal Programs – Section** **P.O. Box 942874, MS 1** **Sacramento, CA 94274-0001**	The numbers above shall be included with all invoices submitted to Caltrans **Highway Railroad Grade Crossing Safety Program** **(Section 130)**
LOCAL AGENCY: CITY OF PALMDALE ADDRESS: 38250 SIERRA HWY PALMDALE, CA 93550 Phone: (661) 267-5337	Effective Date of Contract: **November 1, 2020** **Or upon signature, whichever is later.** Expiration Date of Contract: **December 31, 2025**

The City of Palmdale (hereinafter referred to as **Local Agency**) hereby agrees to do the work set forth herein for the State of California, Department of Transportation (hereinafter referred to as **Caltrans**) in accordance with all applicable laws including but not limited to, California Streets and Highways Code section 114(b) and California Government Code 14038 and regulations and the provisions of this form including the attached sheets and Exhibits A-E. This Agreement shall be effective the date defined herein or when executed by all parties, whichever is later and is subject to all the terms and conditions thereof. This agreement authorizes reimbursement of eligible costs incurred during the term of this agreement.

The work is located in the County of Los Angeles at the grade crossings and intersection of Avenue P (Rancho Vista) and both the Union Pacific Railroad and the Southern California Regional Rail Authority (collectively hereinafter referred to as **Railroad**) tracks identified as; California Public Utilities Commission (**CPUC**) No. 001B-412.20, 101VY-69.95 / LA-1217, Federal DOT No 750643P. All work to be completed by **Local Agency** under the terms of this Contract is described in Exhibits A & B (hereinafter referred to as **Project**).

Under this agreement, funding is authorized for work in phases, beginning with the Preliminary Engineering (**PE**) phase. Additional funding to complete this contract will only be provided through the execution of amendments for the subsequent phase(s) of work needed; Right of Way (**RW**), Utility Relocation (**R/W-UTIL**), and Construction (**CON**).

Estimated Total Project Cost (**Local Agency**): $3,730,860.00

TOTAL AMOUNT OF CONTRACT **$1,888,008.68**
(Preliminary Engineering)

*It is expressly agreed that all persons engaged on this work are employees of the **Local Agency** and/or contractors hired by the **Local Agency** pursuant to its own policies and procedures and that none are employees of **Caltrans**.*

*Further, **Caltrans** hereby agrees to the terms as above set forth, and hereby agrees to pay the actual allowable costs incurred up to the limit set forth herein; provided, that by mutual consent of the **Local Agency** and **Caltrans**, this contract may be modified or terminated at any time, noting that a contract amendment is necessary prior to undertaking any construction activities.*

***IN WITNESS WHEREOF**, the parties have duly executed this contract as of the dates shown below with the effective date shown above.*

CALIFORNIA DEPARTMENT OF TRANSPORTATION		**CITY OF PALMDALE**	
Signature		**Signature**	
Name	**Bruce Roberts**	**Name**	**JJ Murphy**
Title	**Caltrans Section 130 Program Manager**	**Title**	**City Manager**
Date		**Date**	

ATTEST BY

By_____
Shanae S. Smith, City Clerk

APPROVED AS TO FORM:

By_____
Christopher L. Beck, City Attorney

1. It is mutually understood between the parties that this contract may have been written before ascertaining the availability of congressional or legislative appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays that might occur if the contract were executed after appropriations are actually made.

2. This contract is valid and enforceable only if sufficient funds are made available to **Caltrans** by the United States Government or the California State Legislature for the purpose of this program. In addition, this contract is subject to any additional restrictions, limitations, conditions or any statute enacted by the Congress or the State Legislature that may affect the provisions, terms or funding of this contract in any manner. It is mutually agreed that if the Congress or the State Legislature does not appropriate sufficient funds for the program, this contract shall be amended to reflect any reduction of funds.

3. This service contract is for the elimination of hazards at Railroad-Highway intersections (crossings) with funds provided to **Caltrans** under Section 130, Title 23 USC. Said elimination of hazards is a cooperative effort between **Caltrans**, **Local Agency, CPUC** and **Railroad**. The **CPUC** has evaluated the railroad highway intersection and determined what improvements are necessary; **Caltrans** acts as a conduit for the federal funds to the **Local Agency** and the **Railroad.** The **Local Agency** and **Railroad** are responsible for building and maintaining the improvements as approved by the **CPUC**.

4. The work to be performed by the **Local Agency** is attached hereto as a part of **Exhibit A** and made a part hereof (hereinafter referred to as **Scope of Work**). The Scope of work is based on; an analysis of existing conditions, accident history, field diagnostic review to define initial mutually agreed upon recommendations of improvements best suited for railroad-highways grade crossing hazards eliminations for the specific location and is subject to revisions based on the completion of design, traffic engineering, signal pre-emption, or changed conditions, but only if approved by Caltrans and CPUC..

5. The planned work items and an estimate of total project cost is attached hereto as **Exhibit B** and made a part hereof.

6. The existing conditions of the Project are documented in photographs and attached hereto as **Exhibit C**.

7. The total allowable costs reimbursable by **Caltrans** under this phase of the Service Contract, shall not exceed **$1,888,008.68, for Preliminary Engineering (PE).**

8. Each phase of work; Preliminary Engineering (PE), Right of Way (R/W), Utility Relocation (R/W-UTIL), and Construction (CON), will require an additional federal authorization through the issuance of an updated E-76 with a new funding sequence for the phase of work. Any unexpended prior obligations from the completed phase(s), will be used in conjunction with the required additional federal funds for the next phase of work. Authorization of federal funds will be performed by Caltrans, aligned with the project schedule and provided the state has sufficient Obligation Authority (OA) and available federal funds to undertake this action.

9. The reimbursement of federal funds is limited to the amounts approved on E-76 for either the **Local Agency** or Railroad. All Project costs must also comply with the **E-76,** attached hereto as Exhibit **D**. Only work performed after the date of federal authorization is eligible for federal reimbursement, the **Local Agency** reimbursement rate is equal to; **100%** of eligible costs.

10. When federal funds are not available for obligation, a local agency may request in writing authorization to proceed with the project (or project phase) under the Local Assistance advance construction procedures. Under local advance construction procedures, the local agency will use its own funds to perform work eligible for future federal reimbursement. The local agency must have sufficient local funds to pay for all project costs until such time as federal funds become available.

11. **Local Agency** will not proceed with any work on the **Project**, nor will **Local Agency** purchase any materials, until authorized through the execution of this contract and Caltrans' issuance of a Notice to Proceed (hereinafter referred to as **NTP**). Authorization and issuance of the NTP shall not be issued by **Caltrans** until sufficient State or Federal funds have been obligated for the projects. State liability pursuant to this contract is limited to the amount set forth in this contract

12. The **Local Agency** agrees to perform the **Project** work and to provide and furnish all necessary labor, materials, tools, and equipment required therefore, and to prosecute **Project** diligently to completion. **Caltrans** and **Local Agency** agree that the **Project** work as provided herein is pursuant to Federal rules and regulations and should adhere to all guidance and requirements for local federal-aid projects from the **Caltrans Local Assistance Procedures Manual (LAPM). Local Agency** agrees to perform its work in accordance with Federal Highway Administration (FHWA) **FHWA-1273,** a true and correct copy of which is attached hereto as **Exhibit E** as may be amended or updated, as if those provisions were set forth fully herein. **Caltrans** is acting as a conduit for disbursement of Federal Surface Transportation Program funds for hazard elimination at railroad intersections on city streets, county roads and State Highways.

13. The **Local Agency** shall comply with the Buy America provisions set forth in 23 CFR 635.410 for the Project, for steel, iron and manufactured goods produced in the United States, subject to the conditions therein set forth.

14. Any person, company or corporation who performs construction work authorized under terms of this contract must have a valid and current California contractor's license. All authorized work performed by employees of **Local Agency** and any **CPUC** regulated public utility, City, County or Public Service District is not subject to the above contractor's license requirement.

15. **Local Agency** must coordinate **Project** work with the **Railroad** that owns or operates the tracks where the intersection is located.

16. **Local Agency** will secure all legally required and necessary permits and approvals before commencing **Project** construction.

17. Where **Project** work is in conjunction with work done by **Railroad, Railroad** will construct railroad track and signal work to its own standard specifications, **Local Agency** will not perform any work on the **Railroad** tracks or within railroad right of way without securing written permission from the railroad. **Project** work done within twenty-five feet of the centerline of the **Railroad** track may

require a **Railroad** employee to protect the workers of **Local Agency** or its contractors. This provision is pursuant to federal law regulation and must be clearly agreed to in writing between **Local Agency** and **Railroad** before commencement of **Project** work at the railroad-highway intersection. A copy of this agreement between **Railroad** and **Local Agency** shall be provided to **Caltrans** by **Local Agency** as soon as it is executed.

18. **Caltrans** will reimburse the **Local Agency** on the basis of actual cost, not to exceed the **Project** costs set forth herein. Any cost of the work determined by **Caltrans** to be not reimbursable, shall be borne and paid for solely and exclusively by **Local Agency**. Indirect overhead charges will not be allowed unless **Local Agency** has an Indirect Cost Rate Proposal approved by **Caltrans'** Audits and Investigations.

19. Any warning devices, medians, signs, pavement markings, structures or other improvements, which may be installed in conjunction with **Project** must be agreed upon between **Railroad** and the **California Public Utilities Commission** and the **Local Agency** must receive approval of a CPUC General Order 88-B, prior to commencing any construction activities and is responsible as the lead applicant from initiation through close-out.

20. Guidance, regulatory, warning and temporary traffic control signs, curb and pavement, or other markings and traffic signals installed or placed on any project constructed with federal funds shall conform to the Manual of Uniform Traffic Control Devices (MUTCD) and its California Supplement (CAMUTCD). Deviations from the Mandatory Standards for signs, markings, and traffic signals as defined and shown in the MUTCD and CAMUTCD are not permitted.

21. **Local Agency** invoice procedures shall conform to the California Prompt Payment Act (Gov. Code § 927 et seq.,). Correspondence and/or invoices are to be mailed to:

Caltrans Division of Local Assistance
Office of Federal Programs Section 130, MS-1
P.O. Box 942874
Sacramento, CA 94274

Physical Address:
California Department of Transportation
Division of Local Assistance,
1200 N Street, Room 2400
Sacramento, California 95814.

22. Not more frequently than once a month, but at least quarterly, **Local Agency** will prepare and submit to **Caltrans** invoices for actual allowable costs incurred. **Caltrans** will review the invoice for compliance with this contract. Payment will be made by **Caltrans** to **Local Agency** within forty-five (45) days of the date of receipt of an invoice by **Caltrans,** unless disputed. Invoices which are determined not in compliance, or include unallowable costs, will be returned to **Local Agency** for correction of deficiencies, after which Local Agency will resubmit the invoice to **Caltrans** as prescribed above.

23. The **Local Agency** shall prepare and submit to Caltrans, not less than quarterly, a project status report that includes, at a minimum; a comprehensive summary of the overall project status, accomplishments to date, activities under way, risks, issues, planned activities and schedule updates.

24. The **Local Agency**, upon completion of the **Project** work, will provide to **Caltrans** a written declaration/notification that the **Project** has been final billed and ready to be closed. This declaration shall be based upon actual allowable **Project** cost, **Project** Scope and **Project** cost limits set forth herein. Upon receipt of this declaration, **Caltrans** will pay all outstanding allowable invoiced **Project** costs. If upon final accounting, it is determined that **Caltrans** previously paid more than its share of said project, **Local Agency** shall refund the difference between **Caltrans'** share and the amount paid by **Caltrans**. All records of the **Local Agency**, its contractors and subcontractors are subject to audit by representatives of the **State of California** and Federal Highway Administration. Such records will be retained and made immediately available for inspection by **Caltrans'** Auditors for a period of three years from **Caltrans'** date of final payment of aforementioned final invoice. Further, **Local Agency** agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Contract. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).

25 **Local Agency** agrees to pay prevailing wages for the work performed, pursuant to the California Labor Code §1720, or any other applicable law.

26. All work to be done hereunder by **Local Agency** shall be done only by its employees on a force account basis, or by contractors, the cost thereof to be paid to **Local Agency** by **Caltrans** in the manner hereinafter set forth.

27. The **Local Agency** agrees that the 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards shall be used to determine the allowable individual items of indirect cost. **Local Agency** agrees to comply with the applicable Federal procedures in accordance with Office of Management and Budget Circular 2 CFR 200.

28. All applicable portions of 23 CFR Part 140, Subpart I are by reference incorporated herein and made a part hereof.

29. **Caltrans** agrees to reimburse **Local Agency** for qualified insurance expenses as authorized by 23 CFR 646 et seq., and as set forth in the cost estimates or approved through amendment.

30. The **Local Agency** has 180 days after the expiration date of this contract to submit the final invoice to **Caltrans** for verification and payment. No compensation or reimbursement is payable for any cost or expense that is submitted on an invoice following 180 days after the expiration date of the contract.

31. In accordance with the **California Public Utilities Commission** General Orders, and in cooperation with the **Railroad**, the **Local Agency** shall maintain the **Project** improvements located in its right of way.

32. Subject to the availability of labor and material and securing the required and necessary permits and approvals of phase authorizations, it is the intent of the parties hereto that all construction work

under this service contract shall be completed within the effective date of this contract, unless a time extension is requested by **Local Agency** and approved in writing by **Caltrans**. The expiration date of this contract is shown on the face sheet. Costs incurred after the expiration date of contract are unallowable and shall not be billed by the **Local Agency** to **Caltrans.**

33. **AMENDMENT:** No amendment or variation of the terms of this Contract shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in this Contract is binding on any of the parties.

34. **ASSIGNMENT:** This Contract is not assignable, in whole or in part, without the consent of **Caltrans** in the form of a formal written amendment.

35. **AUDIT: Local Agency** agrees that **Caltrans** or its designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Contract. **Local Agency** agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. **Local Agency** agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records.

36. **INDEMNIFICATION: Local Agency** agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Contract, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be killed, injured or damaged except to the extent that such death injury or damage results from the sole or active negligence of **Caltrans**.

37. **DISPUTES: Local Agency** shall continue to perform under this Contract during any dispute.

38. **TERMINATION FOR CAUSE: Caltrans** may terminate this Contract and be relieved of any payments should the **Local Agency** fail to perform the requirements of this Contract at the time and in the manner herein provided. In the event of such termination **Caltrans** may proceed with the work in any manner deemed proper by **Caltrans**. All costs to **Caltrans** shall be deducted from any sum due the **Local Agency** under this Contract and the balance, if any, shall be paid to the **Local Agency** upon demand.

39. **INDEPENDENT CONTRACTOR*:* Local Agency**, and the agents and employees of **Local Agency**, in the performance of this Contract, shall act in an independent capacity and not as officers or employees or agents of **Caltrans** or State.

40. **NON-DISCRIMINATION CLAUSE:** During the performance of this Contract, **Local Agency** and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40*)*, marital status, and denial of family care leave. Contractor and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions

of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Contract by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement. **Local Agency** shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Contract.

41. **GOVERNING LAW:** This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

42. **FORUM SELECTION CLAUSE:** Sacramento County shall be used as the primary venue for any action arising from this contract, or an alternative location of competent jurisdiction within the State of California may be used, only if mutually agreed upon in writing.

43. **ORDER OF PRECEDENCE**; This **Contract**; **Exhibit A**, Scope of Work; **Exhibit B**, Cost Estimate; **Exhibit C**, Existing Conditions; **Exhibit D**, E-76, **Exhibit E**, FHWA-1273; are incorporated by reference and constitute the entire agreement between **Caltrans** and **Local Agency**. The documents listed in this paragraph shall be hereinafter referred to as the "**Contract**". In the event of a conflict between the contract documents, the controlling document shall be this **Contract**, then **Exhibit D**, **Exhibit E**, **Exhibit A**, **Exhibit B**, **Exhibit C**. In the event and to the extent any provisions contained in multiple documents address the same or substantially the same subject matter but do not actually conflict, the more recent provisions shall be deemed to have superseded provisions over any conflicting provisions defined in the body of the contract or its exhibits.

44. **ANTITRUST CLAIMS:** The **Local Agency** by signing this Contract hereby certifies that if these services or goods are obtained by means of a competitive bid, the **Local Agency** shall comply with the requirements of the Government Code Sections set out below:

a. The Government Code Chapter on Antitrust claims contains the following definitions:
    1. "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
    2. "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.
b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.

c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.

d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

45. **CHILD SUPPORT COMPLIANCE ACT:** "For any Contract in excess of $100,000, the **Local Agency** acknowledges in accordance with Public Contract Code 7110, that:

a. The **Local Agency** recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b. The **Local Agency**, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department."

46. **UNENFORCEABLE PROVISION:** In the event that any provision of this Contract is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Contract have force and effect and shall not be affected thereby.

47. **PRIORITY HIRING CONSIDERATIONS:** If this Contract includes services in excess of $200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Public Contract Code Section 10353.

Expiration of this Contract does not release any party hereto from any ongoing performance requirements agreed to herein.

Exhibit A
CPUC #: 001B-412.20, 101VY-69.95 / LA-1217
DOT Number: 750643P
Scope of Work

Current Conditions:

• Two curb-mounted and two median-mounted CPUC Standard 9 (flashing light signal assembly with automatic gate arm) warning devices
• Two main tracks, UPRR owns and maintains the east track and railroad warning devices on the easterly approach, SCRRA owns and maintains the west track and the railroad warning devices on the westerly approach.
• Sierra Highway forms a four-leg signalized intersection at approximately 40 feet west of the crossing
• A Class I bike path runs north-south between Sierra Highway and the railroad right-of-way

Recommendations:

- Install pre-signal for westbound Avenue P, and replace existing traffic signal heads to program visibility heads on the existing traffic signal mast for westbound traffic
- Install train activated R3-1 No Right Tum blank-out signs on Sierra Hwy northbound signal masts
- Reconstruct the median islands:
    - The east median island for approximately 100 feet.
    - The west median island for approximately 35 feet.
    - Islands must be a minimum of ten feet wide and eight-inch high at the location of the railroad warning devices.
- Widen westbound Avenue P for approximately 6 feet and reconstruct the westbound curb and gutter for approximately 150 feet
- Install concrete sidewalk:
    - In the northwest quadrant for approximately 40 feet.
    - In the southeast quadrant for approximately 90 feet.
    - In the southwest quadrant for approximately 35 feet.
- Install two pedestrian curb ramps.
- Install Caltrans Type I barricade at the northwest quadrant of the crossing.
- Install detectable warning (tactile strips) on all sidewalk approaches.
- Install road striping and CAMUTCD compliant signage
- Install street lighting.
- Install emergency egress swing gates and channelization in the southwest and southeast quadrants of the crossing.
- Install approximately 250 feet right-of-way-fencing and private access gate for railroad maintenance use on the southeast quadrant of the crossing.

Crossing improvements will need to meet SCRRA Engineering standard - ES 4011
All modifications shall be in accordance with the CAMUTCD, and CPUC General Orders.

Exhibit B
CPUC #: 001B-412.20, 101VY-69.95 / LA-1217
DOT Number: 750643P
Cost Estimate

Work Item	Quantity	Unit	Unit Cost	Total
Pre-signal	1	LS	500000	50,000
Minor Concrete	100	CY	500	50,000
Asphalt Mill & Overlay	2100	CY	250	525,000
Detectable Warning	2	EA	7500	15,000
Pedestrian Curb Ramp	2	EA	5000	10,000
Swing Gate	2	EA	50000	100,000
Street Lighting	1	LS	50000	50,000
Striping & Signage	1	LS	15000	15,000
Permits	1	LS	25000	25,000
UPRR Flaggers	1440	HRS	220	316,800
SCRRA Flaggers	1440	HRS	220	316,800
Mobilization	1	LS	420000	420,000
Traffic Control	1	LS	420000	420,000
Subtotal				2,763,600
Construction Engineering	15%			414,540
Contingency	20%			552,720
Local Agency Estimate				$3,730,860

Exhibit C
CPUC #: 001B-412.20, 101VY-69.95 / LA-1217
DOT Number: 750643P
Existing Conditions



Looking east



Looking west

Exhibit D
CPUC #: 001B-412.20, 101VY-69.95 / LA-1217
DOT Number: 750643P
E-76

AUTHORIZATION / AGREEMENT SUMMARY - (E-76)

FEDERAL AID PROGRAM — **CALIFORNIA DEPARTMENT OF TRANSPORTATION**

DLA LOCATOR: 07-LA-0-PMDL
PREFIX: STPLR
PROJECT NO: 7500(285)
SEQ NO: 1
STATE PROJ NO: 0721000025L-N
AGENCY: PALMDALE
ROUTE:
DISASTER NO:
TIP DATA
MPO: SCAG
FSTIP YR: 16/19
STIP REF:
FSTIP ID NO: LARC04
BRIDGE NO:

PROJECT LOCATION:
IN THE CITY OF PALMDALE, LOCATED IN THE COUNTY OF LOS ANGELES, AT RANCHO VISTA BLVD (AVENUE P), AND THE CROSSINGS OF THE
TYPE OF WORK:
RAILROAD GRADE CROSSING ENHANCEMENTS, TRAFFIC SIGNAL,
FED RR NO'S: 75064
PUC CODES: 001B.
PROJ OVERSIGHT: ASSUMED/LOCAL ADMIN
ENV STATUS / DT:
RW STATUS / DT:
INV RTE:
BEG MP:
END MP:

PREV AUTH / AGREE DATES:
PE:
R/W:
CON:
SPR:
MCS:
OTH:

PROG CODE	LINE NO	IMPV TYPE	FUNC SYS	URBAN AREA	URB/RURAL	DEMO ID
LS50	10	15				
ZS50	11	15				

FUNDING SUMMARY

PHASE		PROJECT COST	FEDERAL COST	AC COST
PE	PE PREV. OBLIGATION	$0.00	$0.00	$0.00
	PE THIS REQUEST	$4,720,008.68	$4,720,008.68	$0.00
	PE SUBTOTAL	$4,720,008.68	$4,720,008.68	$0.00
R/W	RW PREV. OBLIGATION	$0.00	$0.00	$0.00
	RW THIS REQUEST	$0.00	$0.00	$0.00
	RW SUBTOTAL	$0.00	$0.00	$0.00
CON	CON PREV. OBLIGATION	$0.00	$0.00	$0.00
	CON THIS REQUEST	$0.00	$0.00	$0.00
	CON SUBTOTAL	$0.00	$0.00	$0.00
OTH	OTH PREV. OBLIGATION	$0.00	$0.00	$0.00
	OTH THIS REQUEST	$0.00	$0.00	$0.00
	OTH SUBTOTAL	$0.00	$0.00	$0.00
	TOTAL:	$4,720,008.68	$4,720,008.68	$0.00

STATE REMARKS

08/25/2020 Sequence 1 utilizes expiring FFY20 funds from LS50

FEDERAL REMARKS

AUTHORIZATION

AUTHORIZATION TO PROCEED WITH REQUEST: PRE
FOR:
DOCUMENT TYPE: AAGR

PREPARED IN FADS BY: ROBERTS, BRUCE ON 2020-08-25 651-1252
REVIEWED IN FADS BY: ROBERTS, BRUCE ON 2020-08-25 651-1252
SUBMITTED IN FADS BY: ROBERTS, BRUCE ON 2020-09-03 FOR CALTRANS
PROCESSED IN FADS BY: SIGNATURE, NOT_REQUIRED ON 2020-09-03 FOR FHWA
E-76 AUTHORIZED DATE IN FMIS BY: JIYOUNG AHN ON 2020-09-14 16:11:38.0

Note: Local Agency funding is a portion of the total obligation

Exhibit E
CPUC #: 001B-412.20, 101VY-69.95 / LA-1217
DOT Number: 750643P
FHWA-1273 (12 pages)

FHWA-1273 -- Revised May 1, 2012

REQUIRED CONTRACT PROVISIONS
FEDERAL-AID CONSTRUCTION CONTRACTS

I. General
II. Nondiscrimination
III. Nonsegregated Facilities
IV. Davis-Bacon and Related Act Provisions
V. Contract Work Hours and Safety Standards Act Provisions
VI. Subletting or Assigning the Contract
VII. Safety: Accident Prevention
VIII. False Statements Concerning Highway Projects
IX. Implementation of Clean Air Act and Federal Water Pollution Control Act
X. Compliance with Governmentwide Suspension and Debarment Requirements
XI. Certification Regarding Use of Contract Funds for Lobbying

ATTACHMENTS

A. Employment and Materials Preference for Appalachian Development Highway System or Appalachian Local Access Road Contracts (included in Appalachian contracts only)

I. GENERAL

1. Form FHWA-1273 must be physically incorporated in each construction contract funded under Title 23 (excluding emergency contracts solely intended for debris removal). The contractor (or subcontractor) must insert this form in each subcontract and further require its inclusion in all lower tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services).

The applicable requirements of Form FHWA-1273 are incorporated by reference for work done under any purchase order, rental agreement or agreement for other services. The prime contractor shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Form FHWA-1273 must be included in all Federal-aid design-build contracts, in all subcontracts and in lower tier subcontracts (excluding subcontracts for design services, purchase orders, rental agreements and other agreements for supplies or services). The design-builder shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Contracting agencies may reference Form FHWA-1273 in bid proposal or request for proposal documents, however, the Form FHWA-1273 must be physically incorporated (not referenced) in all contracts, subcontracts and lower-tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services related to a construction contract).

2. Subject to the applicability criteria noted in the following sections, these contract provisions shall apply to all work performed on the contract by the contractor's own organization and with the assistance of workers under the contractor's immediate superintendence and to all work performed on the contract by piecework, station work, or by subcontract.

3. A breach of any of the stipulations contained in these Required Contract Provisions may be sufficient grounds for withholding of progress payments, withholding of final payment, termination of the contract, suspension / debarment or any other action determined to be appropriate by the contracting agency and FHWA.

4. Selection of Labor: During the performance of this contract, the contractor shall not use convict labor for any purpose within the limits of a construction project on a Federal-aid highway unless it is labor performed by convicts who are on parole, supervised release, or probation. The term Federal-aid highway does not include roadways functionally classified as local roads or rural minor collectors.

II. NONDISCRIMINATION

The provisions of this section related to 23 CFR Part 230 are applicable to all Federal-aid construction contracts and to all related construction subcontracts of $10,000 or more. The provisions of 23 CFR Part 230 are not applicable to material supply, engineering, or architectural service contracts.

In addition, the contractor and all subcontractors must comply with the following policies: Executive Order 11246, 41 CFR 60, 29 CFR 1625-1627, Title 23 USC Section 140, the Rehabilitation Act of 1973, as amended (29 USC 794), Title VI of the Civil Rights Act of 1964, as amended, and related regulations including 49 CFR Parts 21, 26 and 27; and 23 CFR Parts 200, 230, and 633.

The contractor and all subcontractors must comply with: the requirements of the Equal Opportunity Clause in 41 CFR 60-1.4(b) and, for all construction contracts exceeding $10,000, the Standard Federal Equal Employment Opportunity Construction Contract Specifications in 41 CFR 60-4.3.

Note: The U.S. Department of Labor has exclusive authority to determine compliance with Executive Order 11246 and the policies of the Secretary of Labor including 41 CFR 60, and 29 CFR 1625-1627. The contracting agency and the FHWA have the authority and the responsibility to ensure compliance with Title 23 USC Section 140, the Rehabilitation Act of 1973, as amended (29 USC 794), and Title VI of the Civil Rights Act of 1964, as amended, and related regulations including 49 CFR Parts 21, 26 and 27; and 23 CFR Parts 200, 230, and 633.

The following provision is adopted from 23 CFR 230, Appendix A, with appropriate revisions to conform to the U.S. Department of Labor (US DOL) and FHWA requirements.

1. Equal Employment Opportunity: Equal employment opportunity (EEO) requirements not to discriminate and to take affirmative action to assure equal opportunity as set forth under laws, executive orders, rules, regulations (28 CFR 35, 29 CFR 1630, 29 CFR 1625-1627, 41 CFR 60 and 49 CFR 27) and orders of the Secretary of Labor as modified by the provisions prescribed herein, and imposed pursuant to 23 U.S.C. 140 shall constitute the EEO and specific affirmative action standards for the contractor's project activities under

this contract. The provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) set forth under 28 CFR 35 and 29 CFR 1630 are incorporated by reference in this contract. In the execution of this contract, the contractor agrees to comply with the following minimum specific requirement activities of EEO:

a. The contractor will work with the contracting agency and the Federal Government to ensure that it has made every good faith effort to provide equal opportunity with respect to all of its terms and conditions of employment and in their review of activities under the contract.

b. The contractor will accept as its operating policy the following statement:

"It is the policy of this Company to assure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, color, national origin, age or disability. Such action shall include: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship, pre-apprenticeship, and/or on-the-job training."

2. EEO Officer: The contractor will designate and make known to the contracting officers an EEO Officer who will have the responsibility for and must be capable of effectively administering and promoting an active EEO program and who must be assigned adequate authority and responsibility to do so.

3. Dissemination of Policy: All members of the contractor's staff who are authorized to hire, supervise, promote, and discharge employees, or who recommend such action, or who are substantially involved in such action, will be made fully cognizant of, and will implement, the contractor's EEO policy and contractual responsibilities to provide EEO in each grade and classification of employment. To ensure that the above agreement will be met, the following actions will be taken as a minimum:

a. Periodic meetings of supervisory and personnel office employees will be conducted before the start of work and then not less often than once every six months, at which time the contractor's EEO policy and its implementation will be reviewed and explained. The meetings will be conducted by the EEO Officer.

b. All new supervisory or personnel office employees will be given a thorough indoctrination by the EEO Officer, covering all major aspects of the contractor's EEO obligations within thirty days following their reporting for duty with the contractor.

c. All personnel who are engaged in direct recruitment for the project will be instructed by the EEO Officer in the contractor's procedures for locating and hiring minorities and women.

d. Notices and posters setting forth the contractor's EEO policy will be placed in areas readily accessible to employees, applicants for employment and potential employees.

e. The contractor's EEO policy and the procedures to implement such policy will be brought to the attention of employees by means of meetings, employee handbooks, or other appropriate means.

4. Recruitment: When advertising for employees, the contractor will include in all advertisements for employees the notation: "An Equal Opportunity Employer." All such advertisements will be placed in publications having a large circulation among minorities and women in the area from which the project work force would normally be derived.

a. The contractor will, unless precluded by a valid bargaining agreement, conduct systematic and direct recruitment through public and private employee referral sources likely to yield qualified minorities and women. To meet this requirement, the contractor will identify sources of potential minority group employees, and establish with such identified sources procedures whereby minority and women applicants may be referred to the contractor for employment consideration.

b. In the event the contractor has a valid bargaining agreement providing for exclusive hiring hall referrals, the contractor is expected to observe the provisions of that agreement to the extent that the system meets the contractor's compliance with EEO contract provisions. Where implementation of such an agreement has the effect of discriminating against minorities or women, or obligates the contractor to do the same, such implementation violates Federal nondiscrimination provisions.

c. The contractor will encourage its present employees to refer minorities and women as applicants for employment. Information and procedures with regard to referring such applicants will be discussed with employees.

5. Personnel Actions: Wages, working conditions, and employee benefits shall be established and administered, and personnel actions of every type, including hiring, upgrading, promotion, transfer, demotion, layoff, and termination, shall be taken without regard to race, color, religion, sex, national origin, age or disability. The following procedures shall be followed:

a. The contractor will conduct periodic inspections of project sites to insure that working conditions and employee facilities do not indicate discriminatory treatment of project site personnel.

b. The contractor will periodically evaluate the spread of wages paid within each classification to determine any evidence of discriminatory wage practices.

c. The contractor will periodically review selected personnel actions in depth to determine whether there is evidence of discrimination. Where evidence is found, the contractor will promptly take corrective action. If the review indicates that the discrimination may extend beyond the actions reviewed, such corrective action shall include all affected persons.

d. The contractor will promptly investigate all complaints of alleged discrimination made to the contractor in connection with its obligations under this contract, will attempt to resolve such complaints, and will take appropriate corrective action within a reasonable time. If the investigation indicates that the discrimination may affect persons other than the complainant, such corrective action shall include such other persons. Upon completion of each investigation, the contractor will inform every complainant of all of their avenues of appeal.

6. Training and Promotion:

a. The contractor will assist in locating, qualifying, and increasing the skills of minorities and women who are

applicants for employment or current employees. Such efforts should be aimed at developing full journey level status employees in the type of trade or job classification involved.

b. Consistent with the contractor's work force requirements and as permissible under Federal and State regulations, the contractor shall make full use of training programs, i.e., apprenticeship, and on-the-job training programs for the geographical area of contract performance. In the event a special provision for training is provided under this contract, this subparagraph will be superseded as indicated in the special provision. The contracting agency may reserve training positions for persons who receive welfare assistance in accordance with 23 U.S.C. 140(a).

c. The contractor will advise employees and applicants for employment of available training programs and entrance requirements for each.

d. The contractor will periodically review the training and promotion potential of employees who are minorities and women and will encourage eligible employees to apply for such training and promotion.

7. Unions: If the contractor relies in whole or in part upon unions as a source of employees, the contractor will use good faith efforts to obtain the cooperation of such unions to increase opportunities for minorities and women. Actions by the contractor, either directly or through a contractor's association acting as agent, will include the procedures set forth below:

a. The contractor will use good faith efforts to develop, in cooperation with the unions, joint training programs aimed toward qualifying more minorities and women for membership in the unions and increasing the skills of minorities and women so that they may qualify for higher paying employment.

b. The contractor will use good faith efforts to incorporate an EEO clause into each union agreement to the end that such union will be contractually bound to refer applicants without regard to their race, color, religion, sex, national origin, age or disability.

c. The contractor is to obtain information as to the referral practices and policies of the labor union except that to the extent such information is within the exclusive possession of the labor union and such labor union refuses to furnish such information to the contractor, the contractor shall so certify to the contracting agency and shall set forth what efforts have been made to obtain such information.

d. In the event the union is unable to provide the contractor with a reasonable flow of referrals within the time limit set forth in the collective bargaining agreement, the contractor will, through independent recruitment efforts, fill the employment vacancies without regard to race, color, religion, sex, national origin, age or disability; making full efforts to obtain qualified and/or qualifiable minorities and women. The failure of a union to provide sufficient referrals (even though it is obligated to provide exclusive referrals under the terms of a collective bargaining agreement) does not relieve the contractor from the requirements of this paragraph. In the event the union referral practice prevents the contractor from meeting the obligations pursuant to Executive Order 11246, as amended, and these special provisions, such contractor shall immediately notify the contracting agency.

8. Reasonable Accommodation for Applicants / Employees with Disabilities: The contractor must be familiar with the requirements for and comply with the Americans with Disabilities Act and all rules and regulations established there under. Employers must provide reasonable accommodation in all employment activities unless to do so would cause an undue hardship.

9. Selection of Subcontractors, Procurement of Materials and Leasing of Equipment: The contractor shall not discriminate on the grounds of race, color, religion, sex, national origin, age or disability in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor shall take all necessary and reasonable steps to ensure nondiscrimination in the administration of this contract.

a. The contractor shall notify all potential subcontractors and suppliers and lessors of their EEO obligations under this contract.

b. The contractor will use good faith efforts to ensure subcontractor compliance with their EEO obligations.

10. Assurance Required by 49 CFR 26.13(b):

a. The requirements of 49 CFR Part 26 and the State DOT's U.S. DOT-approved DBE program are incorporated by reference.

b. The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the contracting agency deems appropriate.

11. Records and Reports: The contractor shall keep such records as necessary to document compliance with the EEO requirements. Such records shall be retained for a period of three years following the date of the final payment to the contractor for all contract work and shall be available at reasonable times and places for inspection by authorized representatives of the contracting agency and the FHWA.

a. The records kept by the contractor shall document the following:

(1) The number and work hours of minority and non-minority group members and women employed in each work classification on the project;

(2) The progress and efforts being made in cooperation with unions, when applicable, to increase employment opportunities for minorities and women; and

(3) The progress and efforts being made in locating, hiring, training, qualifying, and upgrading minorities and women;

b. The contractors and subcontractors will submit an annual report to the contracting agency each July for the duration of the project, indicating the number of minority, women, and non-minority group employees currently engaged in each work classification required by the contract work. This information is to be reported on Form FHWA-1391. The staffing data should represent the project work force on board in all or any part of the last payroll period preceding the end of July. If on-the-job training is being required by special provision, the contractor

will be required to collect and report training data. The employment data should reflect the work force on board during all or any part of the last payroll period preceding the end of July.

III. NONSEGREGATED FACILITIES

This provision is applicable to all Federal-aid construction contracts and to all related construction subcontracts of $10,000 or more.

The contractor must ensure that facilities provided for employees are provided in such a manner that segregation on the basis of race, color, religion, sex, or national origin cannot result. The contractor may neither require such segregated use by written or oral policies nor tolerate such use by employee custom. The contractor's obligation extends further to ensure that its employees are not assigned to perform their services at any location, under the contractor's control, where the facilities are segregated. The term "facilities" includes waiting rooms, work areas, restaurants and other eating areas, time clocks, restrooms, washrooms, locker rooms, and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees. The contractor shall provide separate or single-user restrooms and necessary dressing or sleeping areas to assure privacy between sexes.

IV. DAVIS-BACON AND RELATED ACT PROVISIONS

This section is applicable to all Federal-aid construction projects exceeding $2,000 and to all related subcontracts and lower-tier subcontracts (regardless of subcontract size). The requirements apply to all projects located within the right-of-way of a roadway that is functionally classified as Federal-aid highway. This excludes roadways functionally classified as local roads or rural minor collectors, which are exempt. Contracting agencies may elect to apply these requirements to other projects.

The following provisions are from the U.S. Department of Labor regulations in 29 CFR 5.5 “Contract provisions and related matters” with minor revisions to conform to the FHWA-1273 format and FHWA program requirements.

1. Minimum wages

a. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph 1.d. of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph 1.b. of this section) and the Davis-Bacon poster (WH–1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

b.(1) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(i) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(ii) The classification is utilized in the area by the construction industry; and

(iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(2) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(3) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Wage and Hour Administrator for determination. The Wage and Hour Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or

will notify the contracting officer within the 30-day period that additional time is necessary.

(4) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs 1.b.(2) or 1.b.(3) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

c. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

d. If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

2. Withholding

The contracting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract, or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the contracting agency may, after written notice to the contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

3. Payrolls and basic records

a. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

b.(1) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the contracting agency. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g. , the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH–347 is available for this purpose from the Wage and Hour Division Web site at http://www.dol.gov/esa/whd/forms/wh347instr.htm or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the contracting agency for transmission to the State DOT, the FHWA or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the contracting agency..

(2) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(i) That the payroll for the payroll period contains the information required to be provided under §5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under §5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(ii) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(3) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH–347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph 3.b.(2) of this section.

(4) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

c. The contractor or subcontractor shall make the records required under paragraph 3.a. of this section available for inspection, copying, or transcription by authorized representatives of the contracting agency, the State DOT, the FHWA, or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the FHWA may, after written notice to the contractor, the contracting agency or the State DOT, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and trainees

a. Apprentices (programs of the USDOL).

Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice.

The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed.

Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination.

In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

b. Trainees (programs of the USDOL).

Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration.

The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration.

Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed.

In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

c. Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

d. Apprentices and Trainees (programs of the U.S. DOT).

Apprentices and trainees working under apprenticeship and skill training programs which have been certified by the Secretary of Transportation as promoting EEO in connection with Federal-aid highway construction programs are not subject to the requirements of paragraph 4 of this Section IV. The straight time hourly wage rates for apprentices and trainees under such programs will be established by the particular programs. The ratio of apprentices and trainees to journeymen shall not be greater than permitted by the terms of the particular program.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

6. Subcontracts. The contractor or subcontractor shall insert Form FHWA-1273 in any subcontracts and also require the subcontractors to include Form FHWA-1273 in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

7. Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of eligibility.

a. By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

b. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

c. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

V. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

The following clauses apply to any Federal-aid construction contract in an amount in excess of $100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by 29 CFR 5.5(a) or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

1. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1.) of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1.) of this section, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1.) of this section.

3. Withholding for unpaid wages and liquidated damages. The FHWA or the contacting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2.) of this section.

4. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1.) through (4.) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1.) through (4.) of this section.

VI. SUBLETTING OR ASSIGNING THE CONTRACT

This provision is applicable to all Federal-aid construction contracts on the National Highway System.

1. The contractor shall perform with its own organization contract work amounting to not less than 30 percent (or a greater percentage if specified elsewhere in the contract) of the total original contract price, excluding any specialty items designated by the contracting agency. Specialty items may be performed by subcontract and the amount of any such specialty items performed may be deducted from the total original contract price before computing the amount of work required to be performed by the contractor's own organization (23 CFR 635.116).

a. The term "perform work with its own organization" refers to workers employed or leased by the prime contractor, and equipment owned or rented by the prime contractor, with or without operators. Such term does not include employees or equipment of a subcontractor or lower tier subcontractor, agents of the prime contractor, or any other assignees. The term may include payments for the costs of hiring leased employees from an employee leasing firm meeting all relevant Federal and State regulatory requirements. Leased employees may only be included in this term if the prime contractor meets all of the following conditions:

(1) the prime contractor maintains control over the supervision of the day-to-day activities of the leased employees;
(2) the prime contractor remains responsible for the quality of the work of the leased employees;
(3) the prime contractor retains all power to accept or exclude individual employees from work on the project; and
(4) the prime contractor remains ultimately responsible for the payment of predetermined minimum wages, the submission of payrolls, statements of compliance and all other Federal regulatory requirements.

b. "Specialty Items" shall be construed to be limited to work that requires highly specialized knowledge, abilities, or equipment not ordinarily available in the type of contracting organizations qualified and expected to bid or propose on the contract as a whole and in general are to be limited to minor components of the overall contract.

2. The contract amount upon which the requirements set forth in paragraph (1) of Section VI is computed includes the cost of material and manufactured products which are to be purchased or produced by the contractor under the contract provisions.

3. The contractor shall furnish (a) a competent superintendent or supervisor who is employed by the firm, has full authority to direct performance of the work in accordance with the contract requirements, and is in charge of all construction operations (regardless of who performs the work) and (b) such other of its own organizational resources (supervision, management, and engineering services) as the contracting officer determines is necessary to assure the performance of the contract.

4. No portion of the contract shall be sublet, assigned or otherwise disposed of except with the written consent of the contracting officer, or authorized representative, and such consent when given shall not be construed to relieve the contractor of any responsibility for the fulfillment of the contract. Written consent will be given only after the contracting agency has assured that each subcontract is evidenced in writing and that it contains all pertinent provisions and requirements of the prime contract.

5. The 30% self-performance requirement of paragraph (1) is not applicable to design-build contracts; however, contracting agencies may establish their own self-performance requirements.

VII. SAFETY: ACCIDENT PREVENTION

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

1. In the performance of this contract the contractor shall comply with all applicable Federal, State, and local laws governing safety, health, and sanitation (23 CFR 635). The contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions as it determines, or as the contracting officer may determine, to be reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of the work covered by the contract.

2. It is a condition of this contract, and shall be made a condition of each subcontract, which the contractor enters into pursuant to this contract, that the contractor and any subcontractor shall not permit any employee, in performance of the contract, to work in surroundings or under conditions which are unsanitary, hazardous or dangerous to his/her health or safety, as determined under construction safety and health standards (29 CFR 1926) promulgated by the Secretary of Labor, in accordance with Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704).

3. Pursuant to 29 CFR 1926.3, it is a condition of this contract that the Secretary of Labor or authorized representative thereof, shall have right of entry to any site of contract performance to inspect or investigate the matter of compliance with the construction safety and health standards and to carry out the duties of the Secretary under Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C.3704).

VIII. FALSE STATEMENTS CONCERNING HIGHWAY PROJECTS

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

In order to assure high quality and durable construction in conformity with approved plans and specifications and a high degree of reliability on statements and representations made by engineers, contractors, suppliers, and workers on Federal-aid highway projects, it is essential that all persons concerned with the project perform their functions as carefully, thoroughly, and honestly as possible. Willful falsification, distortion, or misrepresentation with respect to any facts related to the project is a violation of Federal law. To prevent any misunderstanding regarding the seriousness of these and similar acts, Form FHWA-1022 shall be posted on each Federal-aid highway project (23 CFR 635) in one or more places where it is readily available to all persons concerned with the project:

18 U.S.C. 1020 reads as follows:

"Whoever, being an officer, agent, or employee of the United States, or of any State or Territory, or whoever, whether a person, association, firm, or corporation, knowingly makes any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the cost thereof in connection with the submission of plans, maps, specifications, contracts, or costs of construction on any highway or related project submitted for approval to the Secretary of Transportation; or

Whoever knowingly makes any false statement, false representation, false report or false claim with respect to the character, quality, quantity, or cost of any work performed or to be performed, or materials furnished or to be furnished, in connection with the construction of any highway or related project approved by the Secretary of Transportation; or

Whoever knowingly makes any false statement or false representation as to material fact in any statement, certificate, or report submitted pursuant to provisions of the Federal-aid Roads Act approved July 1, 1916, (39 Stat. 355), as amended and supplemented;

Shall be fined under this title or imprisoned not more than 5 years or both."

IX. IMPLEMENTATION OF CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

By submission of this bid/proposal or the execution of this contract, or subcontract, as appropriate, the bidder, proposer, Federal-aid construction contractor, or subcontractor, as appropriate, will be deemed to have stipulated as follows:

1. That any person who is or will be utilized in the performance of this contract is not prohibited from receiving an award due to a violation of Section 508 of the Clean Water Act or Section 306 of the Clean Air Act.
2. That the contractor agrees to include or cause to be included the requirements of paragraph (1) of this Section X in every subcontract, and further agrees to take such action as the contracting agency may direct as a means of enforcing such requirements.

X. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring FHWA approval or that is estimated to cost $25,000 or more – as defined in 2 CFR Parts 180 and 1200.

1. **Instructions for Certification – First Tier Participants:**

a. By signing and submitting this proposal, the prospective first tier participant is providing the certification set out below.

b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction.

c. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default.

d. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

e. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

f. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

g. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," provided by the department or contracting agency, entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the $25,000 threshold.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the Excluded Parties List System website (https://www.epls.gov/), which is compiled by the General Services Administration.

i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

* * * * *

2. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:

a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;

(2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification; and

(4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

b. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

2. **Instructions for Certification - Lower Tier Participants:**

(Applicable to all subcontracts, purchase orders and other lower tier transactions requiring prior FHWA approval or estimated to cost $25,000 or more - 2 CFR Parts 180 and 1200)

a. By signing and submitting this proposal, the prospective lower tier is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances.

d. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the $25,000 threshold.

g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the Excluded Parties List System website (https://www.epls.gov/), which is compiled by the General Services Administration.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the

department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

* * * * *

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Participants:

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

* * * * *

XI. CERTIFICATION REGARDING USE OF CONTRACT FUNDS FOR LOBBYING

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts which exceed $100,000 (49 CFR 20).

1. The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

2. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

3. The prospective participant also agrees by submitting its bid or proposal that the participant shall require that the language of this certification be included in all lower tier subcontracts, which exceed $100,000 and that all such recipients shall certify and disclose accordingly.

ATTACHMENT A - EMPLOYMENT AND MATERIALS PREFERENCE FOR APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM OR APPALACHIAN LOCAL ACCESS ROAD CONTRACTS

This provision is applicable to all Federal-aid projects funded under the Appalachian Regional Development Act of 1965.

1. During the performance of this contract, the contractor undertaking to do work which is, or reasonably may be, done as on-site work, shall give preference to qualified persons who regularly reside in the labor area as designated by the DOL wherein the contract work is situated, or the subregion, or the Appalachian counties of the State wherein the contract work is situated, except:

a. To the extent that qualified persons regularly residing in the area are not available.

b. For the reasonable needs of the contractor to employ supervisory or specially experienced personnel necessary to assure an efficient execution of the contract work.

c. For the obligation of the contractor to offer employment to present or former employees as the result of a lawful collective bargaining contract, provided that the number of nonresident persons employed under this subparagraph (1c) shall not exceed 20 percent of the total number of employees employed by the contractor on the contract work, except as provided in subparagraph (4) below.

2. The contractor shall place a job order with the State Employment Service indicating (a) the classifications of the laborers, mechanics and other employees required to perform the contract work, (b) the number of employees required in each classification, (c) the date on which the participant estimates such employees will be required, and (d) any other pertinent information required by the State Employment Service to complete the job order form. The job order may be placed with the State Employment Service in writing or by telephone. If during the course of the contract work, the information submitted by the contractor in the original job order is substantially modified, the participant shall promptly notify the State Employment Service.

3. The contractor shall give full consideration to all qualified job applicants referred to him by the State Employment Service. The contractor is not required to grant employment to any job applicants who, in his opinion, are not qualified to perform the classification of work required.

4. If, within one week following the placing of a job order by the contractor with the State Employment Service, the State Employment Service is unable to refer any qualified job applicants to the contractor, or less than the number requested, the State Employment Service will forward a certificate to the contractor indicating the unavailability of applicants. Such certificate shall be made a part of the contractor's permanent project records. Upon receipt of this certificate, the contractor may employ persons who do not normally reside in the labor area to fill positions covered by the certificate, notwithstanding the provisions of subparagraph (1c) above.

5. The provisions of 23 CFR 633.207(e) allow the contracting agency to provide a contractual preference for the use of mineral resource materials native to the Appalachian region.

6. The contractor shall include the provisions of Sections 1 through 4 of this Attachment A in every subcontract for work which is, or reasonably may be, done as on-site work.

City Council Staff Report

DATE: **MAY 6, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY MANAGER'S OFFICE**
CITY CLERK

DISTRICT: **ALL**

SUBJECT: **ADOPT RESOLUTION NO. CC 2021-053, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE APPROVING CITY COUNCIL TO TAKE ACTION OUTSIDE OF ITS JURISDICTION**

ISSUE

Adopt Resolution No. CC 2021-053, a resolution of the City Council of the City of Palmdale, approving City Council of the City of Palmdale, approving City Council to take action outside of its jurisdiction.

RECOMMENDATION

Adopt Resolution No. CC 2021-053, a resolution of the City Council of the City of Palmdale, approving City Council of the City of Palmdale, approving City Council to take action outside of its jurisdiction.

BACKGROUND

The City of Palmdale and Lancaster are making efforts to work together more often to combine resources in the best interest of the Antelope Valley. In order to demonstrate the united fronts, a joint City Council Meeting is the first step in more collaboration efforts.

DISCUSSION

On May 10, 2021, the Cities of Palmdale and Lancaster intend to conduct a joint meeting of both elected bodies at the Antelope Valley College Performing Arts Center in the City of Lancaster. A Resolution of Necessity would authorize City Council to act within the jurisdiction of the City of Lancaster. The Ralph M. Brown Act (Gov. Code. §54950 et seq.) also allows for this provision.

FISCAL IMPACT

There is no fiscal impact associated with this item.

STRATEGIC PLAN

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

B. Provide inclusive access to a variety of supportive services that build a resilient and healthy community.

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

Prepared by:	Shanae Smith, City Clerk
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

Resolution

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2021-053

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE AUTHORIZING A JOINT MEETING WITH THE CITY OF LANCASTER, WITHIN THE JURISDICTION OF THE CITY OF LANCASTER

WHEREAS, The City of Palmdale and City of Lancaster are intricately intertwined and related given their geographic proximity, and shared goals and visions for the region;

WHEREAS, The City of Palmdale believes that the national era of healing and reducing divisions thrives in the Antelope Valley;

WHEREAS, In fostering inclusivity and unity amongst the citizenry, the City of Palmdale seeks to be a leader for such by reaching out to our community neighbor, the City of Lancaster;

WHEREAS, A joint meeting of the City of Palmdale and City of Lancaster would serve as an expression of shared goals and interests,

WHEREAS, It is the intention of the City of Palmdale to hold a joint meeting with the City of Lancaster, within the jurisdiction of the City of Lancaster, as provided for and allowed within the Ralph M. Brown Act (Gov. Code. §54950 et seq.);

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The City Council declares its intent to hold a joint City Council meeting with the City of Lancaster, where both cities shall meet simultaneously, on May 10, 2021.

SECTION 2. Said joint meeting shall be held within the jurisdictional limits of the City of Lancaster, as allowed by the Ralph M. Brown Act (Gov. Code. §54950 et seq.).

SECTION 3. This Resolution shall take effect immediately upon its adoption.

SECTION 4. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED and **ADOPTED** this 6th day of May, 2021.

Approved as to form:

_____
Christopher Beck
City Attorney

_____
Steven D. Hofbauer, Mayor

ATTEST:

_____
Shanae Smith, City Clerk

I, Shanae Smith, City Clerk of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 6th day of May, 2021 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ABSENT:_____

Date: _____ _____
Shanae Smith, City Clerk

MINUTES
CITY COUNCIL/SUCCESSOR AGENCY - 5:00 PM & 7:00 PM
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
APRIL 6, 2021

www.cityofpalmdale.org

1) CALL TO ORDER 5:00 P.M. CLOSED SESSION SPECIAL MEETING.

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

2) ROLL CALL: MAYOR HOFBAUER, MAYOR PRO TEM BETTENCOURT, COUNCILMEMBERS CARRILLO, LOA AND BISHOP

PRESENT: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

ABSENT: None.

3) CLOSED SESSION PUBLIC COMMENTS.

Public Comments: None.

4) PRESENTATION BY CITY ATTORNEY OF THE FOLLOWING ITEM(S) TO BE DISCUSSED IN CLOSED SESSION:

City Attorney Beck confirmed the items would be heard as listed on the agenda.

4.1) CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

CV Communities, et al. v. Antelope Valley-East Kern Water Agency, et al.Los Angeles County Superior Court Case No. 20STCV10953

This closed session is being held pursuant to the authority of CaliforniaGovernment Code Sections 54956.9(a) and 54956.9(d)(1).

4.2) PUBLIC EMPLOYEE PERFORMANCE EVALUATION (SIX MONTH EVALUATION)

Title: City Attorney
Name: Christopher Beck

This closed session is being held pursuant to the authority of California Government Code Section 54957.

4.3) CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATIONInitiation of litigation pursuant to paragraph (4) of subdivision(d) of Section 54956.9: Number of cases – One.

4.4) CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATIONSignificant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: One case.

A point has been reached where, in the opinion of the City on the advice of the City Attorney, based on existing facts and circumstances, there is a significant exposure to litigation against the City. The City believes that the facts and circumstances that might result in litigation against the City are not yet known to a potential plaintiff or plaintiffs.

4.5) CONFERENCE WITH REAL PROPERTY NEGOTIATORS

The reason for holding a closed session is for the purpose of obtaining authorization and direction from the City Council regarding the possible acquisition of property interests in the following property, generally located near 40th Street East and Avenue S-8:

Property Owner: TK Properties, LLC
Property: APNs 3052-006-001 and -002
City Negotiator: Chuck Heffernan, Director of Public Works

This closed session is being held pursuant to the authority of California Government Code Section 54956.8. Closed session is recommended because the City Council will be instructing the negotiator regarding terms and conditions, including price, for the possible purchase of the real property identified above.

5) ANNOUNCEMENT BY CITY ATTORNEY OF ITEM(S) DISCUSSED IN CLOSED SESSION.

All members of the City Council were present and able to participate in all matters.

Item 4.1 – Existing Litigation, CV Communities v. AVEK: The City Council was provided an update on this matter and provided unanimous direction to staff. There was no further reportable action.

Item 4.2 – Public Employee Evaluation: The City Council was provided an opportunity to conduct a six month evaluation of the City Attorney. The Council requested this matter return at a later date.

Item 4.3 – Anticipated Litigation: The City Council was provided an update on this matter and provided unanimous direction to staff. There was no further reportable action.

Item 4.4 – Anticipated Litigation: The City Council was provided an update on this matter. There was no further reportable action.

Item 4.5 – Conference with Real Property Negotiators: The City Council received an update on this item and provided direction to staff, with Councilmember Carrillo dissenting. There was no further reportable action.

6) ADJOURN CLOSED SESSION MEETING.

Mayor Hofbauer adjourned the meeting at 6:59 p.m.

7) CALL TO ORDER 7:00 P.M. City Council/Successor Agency.

Mayor Hofbauer called the meeting to order at 7:00 p.m.

8) PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE IN HONOR OF OUR TROOPS.

10) ROLL CALL:
MAYOR/CHAIR HOFBAUER, MAYOR PRO TEM/VICE CHAIR BETTENCOURT, COUNCILMEMBERS/DIRECTORS CARRILLO, LOA AND BISHOP

PRESENT: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

ABSENT: None.

9) PRESENTATIONS:

9.1) City Manager Murphy presented the City of Palmdale's Warrior Award to Maintenance Services Manager Bruce Roadhouse.

9.2) Mayor Hofbauer read the proclamation declaring March 2021 as International Women's Month in the City of Palmdale.

9.3) City Manager Murphy read the proclamation declaring April 2021 as Child Abuse Prevention month in the City of Palmdale and stated it would be forwarded to Rosie Mainella of the Child Abuse Council.

9.4) Mayor Hofbauer presented the April 2021 Fair Housing proclamation to Chancela Al-Mansour of the Housing Rights Center. Ms. Al-Mansour stated they are partnering with the County stayhousedla.org program and the state providing eviction defense and prevention, and rental assistance.

9.5) Public Safety Supervisor German presented pictures of the cute critters that were available for adoption from the Palmdale Animal Care Center. Ms. German announced for the month of April that all cat adoptions are only sixteen dollars which includes spaying, shots, and microchipping. Beginning April 15, there will be a license amnesty.

11) WAIVER OF FULL READING OF RESOLUTION(S) and ORDINANCE (S):

Motion: Move to waive full reading of the of the Resolution(s) and/or Ordinance(s) to be considered and voted on at this meeting.
Moved by Richard J. Loa, seconded by Juan Carrillo.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

12) PUBLIC COMMENTS ON CONSENT CALENDAR ITEMS AND NON-AGENDA ITEMS.

Resident Dave Bowan suggested a very brief reading of all items under consideration on the agenda.

Tiffany Buffb, Booster Parents of Littlerock High School marching band and color guard, spoke regarding the denial of fireworks booth permits. Mayor Hofbauer directed Ms. Buffb to contact City Manager Murphy regarding this item.

Cal Soto spoke in support of Resolution No. CC 2021-014 and the SALVA organization.

Marcos Alvarez spoke in support of Resolution No. CC 2021-014 and the SALVA organization.

13) CONSENT CALENDAR:

13.1) Receive and file the monthly investment activity reports for February 2021. (Staff Reference: Finance Manager Kang)

13.2) Receive and file the Annual Report on Development Impact Fees for fiscal year ended June 30, 2020 and adopt findings to commit funds held in the Littlerock Drainage Fee fund, Fire Facilities fund, and the Sewer Upgrade fund. (Staff Reference: Finance Manger Kang - Presented by Assistant Finance Manager Samson)

13.3) Approve the Second Amendment to Engagement Agreement with Michelman & Robinson, LLP for legal services in the amount of $100,000 for a total contract amount of $250,000. (Staff Reference: City Attorney Beck)

13.4) Adopt Resolution CC 2021-023, a Resolution of the City Council of the City of Palmdale declaring certain parcels of land owned by the City of Palmdale as surplus (APN 3126-022-926; APN 3126-022-927; APN 3126-022-928; and, APN 3126-022-929). (Staff

Reference: Director of Economic and Community Development Saxton - Presented by Economic Development Manager Garibay)

13.5) Approve Agreement with Southern California Regional Rail Authority (SCRRA) to provide Railroad Design and Review Services associated with PN 797, Rancho Vista Boulevard Widening from 3rd Street East to 8th Street East, in the amount of $299,100. (Staff Reference: Director of Public Works Heffernan - Presented by Deputy Director of Public Works Glidden)

13.6) Adopt Resolution No. CC 2021-032, a Resolution of the City Council of the City of Palmdale, authorizing the City Manager and City Attorney to negotiate the terms and conditions of Agreement No. A-7432 with PFMG Solar, A Land Lease Option Agreement for a potential solar project to supply power for EPIC. (Staff Reference: Director of Public Works Heffernan - Presented by Environmental & Technology Manager Lucha)

13.7) Approve Agreement for PN 653, The SR-138 (Palmdale Boulevard) Widening Project with Paragon Partners, LTD in the amount of $178,850. (Staff Reference: Director of Public Works Heffernan - Presented by Senior Civil Engineer Godin)

This item was pulled for Council discussion.

Councilmember Loa recused himself from this item.

Motion: Approve Agreement for PN 653, The SR-138 (Palmdale Boulevard) Widening Project with Paragon Partners, LTD in the amount of $178,850.
Moved by Juan Carrillo, seconded by Richard J. Loa.

Vote: Motion carried (4-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Austin Bishop.

13.8) Approve Agreement with Parsons for engineering design services on PN 653, The SR-138 (Palmdale Boulevard) Widening Project in the amount of $1,168,092. (Staff Reference: Director of Public Works Heffernan - Presented by Senior Civil Engineer Godin)

This item was pulled for Council discussion.

Councilmember Loa recused himself from this item.

Motion: Approve Agreement with Parsons for engineering design services on PN 653, The SR-138 (Palmdale Boulevard) Widening Project in the amount of $1,168,092.
Moved by Juan Carrillo, seconded by Laura Bettencourt.

Vote: Motion carried (4-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Austin Bishop.

13.9) Notice of Completion - Accept Completed Capital Project No. 778, Palmdale Transportation Center ADA Upgrade. (Staff Reference: Director of Public Works Heffernan - Presented by Deputy Director of Public Works Glidden)

13.10) Notice of Completion - Accept Completed Capital Project No. 809, City Hall, City of Palmdale Network Refresh Phase 2. (Staff Reference: Director of Public Works Heffernan - Presented by Deputy Director of Public Works Glidden)

13.11) Approve the Antelope Valley Watermaster Storage and Recovery Agreement between the City of Palmdale, Antelope Valley-East Kern Water Agency, Palmdale Water District and Los Angeles County Waterworks District No. 40, in association with the Upper Amargosa Creek Flood Control, Recharge and Habitat Restoration Project. (Staff Reference: Director of Public Works Heffernan - Presented by Deputy Director of Public Works Glidden)

13.12) Approve Agreement with Psomas for construction management services for PN 672, SR 14/Palmdale Boulevard Improvement Project in the amount of $2,430,149. (Staff Reference: Director of Public Works Heffernan - Presented by Deputy Director of Public Works Glidden)

Councilmember Carrillo requested this item be pulled for Council to discuss. The project costs and potential for the City to hire individuals with specialized training for this type of project. Council directed Mr. Heffernan to provide a memo indicating the costs associated with hiring subject matter experts for this type of project.

Motion: Approve Agreement with Psomas for construction management services for PN 672, SR 14/Palmdale Boulevard Improvement Project in the amount of $2,430,149.
Moved by Juan Carrillo, seconded by Richard J. Loa.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

13.13) Adopt Resolution No. CC 2021-033, a Resolution of the City Council of the City of Palmdale in support of Women's Rights. (Staff Reference: City Attorney Beck)

13.14) Adopt Resolution No. CC 2021-034, a Resolution of the City Council of the City of Palmdale pleading to lead City Personnel, Law Enforcement and other resources to support Local Day

Laborers and Field Workers affected by the pandemic and protect them from exploitation and retaliation at work. (Staff Reference: City Attorney Beck)

13.15) CC/SA - Approve the minutes from the previous meetings. (Staff Reference: City Clerk/Agency Secretary Smith)
CC – February 16, 2021 (6:30 p.m. & 7:00 p.m.)
CC - February 18, 2021 (2:30 p.m.)
CC - March 2, 2021 (5:00 p.m. & 7:00 p.m.)
CC - March 16, 2021 (6:00 p.m. & 7:00 p.m.)
SA - March 2, 2021 (7:00 p.m.)

Motion: Approve the items listed on the Consent Calendar with the exception of items 13.7, 13.8, and 13.12.
Moved by Richard J. Loa, seconded by Juan Carrillo.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Richard J. Loa, Laura Bettencourt, Juan Carrillo, Austin Bishop.

14) NEW BUSINESS:

14.1) Adopt Resolution No. CC 2021-031, a Resolution of the City Council of the City of Palmdale Establishing a Redistricting Committee Pursuant to Elections Code Section 23000. (Staff Reference: Director of Administrative Services Ambrose)

Director of Administrative Services Ambrose read the title of Resolution No. CC 2021-031 and provided an overview on the City's redistricting requirements. Discussion ensued regarding the commission options available for charter cities based on guidelines set forth in Elections Code 21620. Following discussion, Council took the following actions:

Motion: Adopt Resolution No. CC 2021-031 with minor edits.
Moved by Richard J. Loa, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

Motion: Approve the creation of the Palmdale Advisory Redistricting Commission.
Moved by Richard J. Loa, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

Motion: Approve eleven (11) members to serve on the Palmdale Advisory Redistricting Commission.
Moved by Richard J. Loa, seconded by Steven Hofbauer.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

Motion: Approved the establishment of the selection process including each Councilmember shall appoint two Commission members, and the remaining three Commission members shall be appointed by the Mayor, with all proposed appointees subject to confirmation by a majority of the Council.
Moved by Richard J. Loa, seconded by Steven Hofbauer.

Approved the establishment of the selection process including each Councilmember shall appoint two Commission members, and the remaining three Commission members shall be appointed by the Mayor, with all proposed appointees subject to confirmation by a majority of the Council.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

Motion: Approved the establishment of the requirements on the Palmdale Advisory Redistricting Commission including the following:

Must be a resident of Palmdale and resided in Palmdale for at least the past three years.

Must be a registered voter. Those residents not eligible to vote due to age or citizenship but have a Permanent Resident Card (Green Card) are exempt from this requirement
Moved by Steven Hofbauer, seconded by Richard J. Loa.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

Public Comments:

Resident Ruth Sanchez spoke regarding educating the Latino community on redistricting and green card requirements.

Resident Maribel spoke regarding community involvement.

Resident Garlena Davis spoke regarding the citizenship process.

15) APPOINTMENT(S):

15.1) Approve the Palmdale Recycled Water Authority's nomination for Appointment of the Fifth Public Member. (Staff Reference: City Clerk Smith)

Motion: Approve the appointment of Zakeya Anson as the Fifth Public Member to the Palmdale Recycled Water Authority.
Moved by Juan Carrillo, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

15.2) Approve Nominations for Appointments to the Measure AV Oversight Committee. (Staff Reference: City Manager Murphy)

City Manager Murphy presented a brief overview of the staff report. Councilmember Bishop recused himself from the vote of Rick Carr, Eric Ohlsen, and Judy Fry due to a conflict of interest.

Motion: Approve the Appointments of: 1. Steven Angebrandt, 2. Cynthia Garcia, 4. Chuck Murphy, 5. John Manning, and Alternates: 1. Colby Estes, 2. Marsha Furman, 3. Stacia Nemeth, 4. Marina Penrose, 5. Donald Ryan, and 6. Barbara Smart
Moved by Richard J. Loa, seconded by Steven Hofbauer.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

Motion: Appoint Rick Carr to the Measure AV Oversight Committee.
Moved by Richard J. Loa, seconded by Steven Hofbauer.

Vote: Motion carried (4-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa.

Motion: Appoint Judy Vaccaro-Fry to the Measure AV Oversight Committee.
Moved by Richard J. Loa, seconded by Steven Hofbauer.

Vote: Motion carried (4-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa.

Motion: Appoint Eric Ohlsen to the Measure AV Oversight Committee.
Moved by Juan Carrillo, seconded by Laura Bettencourt.

Vote: Motion Failed (2-2)
Yes: Laura Bettencourt, Juan Carrillo.
No: Steven Hofbauer, Richard J. Loa.
Motion: Appoint Maribel Briseno as a primary, replacing Eric Ohlsen, to the Measure AV Oversight Committee.
Moved by Steven Hofbauer, seconded by Richard J. Loa.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

Motion: Appoint Rodger Villesenor, replacing Maribel Briseno as an alternate, to the Measure AV Oversight Committee.
Moved by Juan Carrillo, seconded by Richard J. Loa.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

16) PUBLIC HEARING:

16.1) Public Hearing and Review of Proposed Ordinance No. 1563 for adoption. (Staff Reference: Director of Public Works Heffernan)

ORDINANCE NO. 1563, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALMDALE REPEALING AND REPLACING CHAPTER 15.28 OF TITLE 15 OF THE CITY OF PALMDALE MUNICIPAL CODE ENTITLED "FLOODPLAIN MANAGEMENT"

City Attorney Beck read the title of Ordinance No. 1563.

City Engineer Padilla provided a brief overview of the staff report.

Councilmember Loa recused himself from this item.

Mayor Hofbauer opened the Public Hearing.

Testimony: None.

A motion was made and carried to close the Public Hearing.

Motion: Adopt Ordinance No. 1563.
Moved by Juan Carrillo, seconded by Laura Bettencourt.

Vote: Motion carried (4-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Austin Bishop.

16.2) Public Hearing and Review of Proposed Resolution No. CC 2021-022 for adoption. (Staff Reference: Director of Public Works Heffernan - Presented by Deputy Director of Public Works Glidden)

RESOLUTION NO. CC 2021-022, A RESOLUTION OF THE CITY COUNCIL OF PALMDALE REGARDING PROPOSED RESOLUTION OF NECESSITY FOR THE ACQUISITION OF TITLE TO PROPERTY INTERESTS FOR THE AVENUE S-8 AND 40TH STREET EAST ROUNDABOUT PROJECT

Assistant Director of Public Works Director Glidden read the title of Resolution No. CC 2021-022.

Mayor Hofbauer opened the Public Hearing.

Testimony: None.

A motion was made and carried unanimously to close the Public Hearing.

Motion: Adopt Resolution No. CC 2021-022.
Moved by Richard J. Loa, seconded by Juan Carrillo.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Richard J. Loa, Laura Bettencourt, Juan Carrillo, Austin Bishop.

17) INFORMATIONAL REPORT FROM MAYOR AND / OR COUNCILMEMBERS ON THEIR VARIOUS COMMITTEE MEMBERSHIPS AND MEETINGS ATTENDED AT PUBLIC EXPENSE.

17.1) VARIOUS COMMITTEE MEMBERSHIPS.

Attachments: Committee Membership Memos from Councilmember Bettencourt, Councilmember Bishop, and Councilmember Carrillo

- ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT - Mayor Hofbauer announced funds are available to business owners for replacement of old machinery.
- ANTELOPE VALLEY TRANSIT AUTHORITY - Councilmember Loa attended a briefing on March 16th. Mayor Hofbauer reported diesel buses are being replaced by electric buses.
- CALIFORNIA CONTRACT CITIES ASSOCIATION
- CITY OF PALMDALE AUDIT COMMITTEE
- CITY OF PALMDALE INVESTMENT OVERSIGHT COMMITTEE
- HIGH DESERT CORRIDOR JOINT POWERS AUTHORITY -
- LEAGUE OF CALIFORNIA CITIES
- LOS ANGELES COUNTY SANITATION DISTRICT -

Councilmember Loa attended the District 20 meeting, and reported there are no increase in rates.

- NORTH LOS ANGELES COUNTY TRANSPORTATION COALITION
- PALMDALE RECYCLED WATER AUTHORITY
- SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS REGIONAL COUNCIL - Councilmember Loa attended the Joint Policy meeting on March 4th and attended the Transportation Committee meeting on April 1st.
- UNITED STATES/MEXICO SISTER CITIES ASSOCIATION
- CALIFORNIA STATE PRISON – LOS ANGELES COUNTY, CITIZENS ADVISORY COMMITTEE

Councilmember Loa stated several of the Councilmembers attended the Yellen monument sign photo opportunity, Rancho Vista Park groundbreaking, and spring food distribution at AVTA.

Mayor Hofbauer announced community clean up events are held on weekends; attended meetings with Supervisor Kathryn Barger; participated in the Metro Hearings for TDA Article 8 on unmet needs; attended U.S. Army induction event; and announced the lawn mower exchange program.

Councilmember Carrillo announced Housing and Community Development and SCAG approved a series of grants and the City of Palmdale was one of the recipients. Mr. Carrillo has been working to get Workforce Housing Project in Palmdale in cooperation and coordination with the school districts and other public agencies.

17.2) MEETINGS ATTENDED AT PUBLIC EXPENSE.

17.3) CITY MANAGER'S REPORT.

City Manager Murphy announced the City of Palmdale will have two permanent vaccine sites, the Palmdale Transportation Center and Palmdale Oasis Recreation Center.

18) CITY COUNCIL REQUESTS FOR NEW AGENDA ITEMS.

19) ADJOURNMENT.

Mayor Hofbauer adjourned the meeting at 10:26 p.m., in honor of Jim Sholund, to April 20, 2021 at 7:00 p.m. in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.

PASSED, APPROVED, and ADOPTED this 6th day of May 2021.

_____
Steven D. Hofbauer, Mayor

ATTEST:

_____
Shanae S. Smith, City Clerk

MINUTES
CITY COUNCIL - 6:00 PM & 7:00 PM
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
APRIL 20, 2021

www.cityofpalmdale.org

1) CALL TO ORDER 6:00 P.M. CLOSED SESSION MEETING.

Mayor Hofbauer called the meeting to order at 6:00 p.m.

2) ROLL CALL: MAYOR HOFBAUER, MAYOR PRO TEM BETTENCOURT, COUNCILMEMBERS CARRILLO, LOA, AND BISHOP

PRESENT: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

ABSENT: None.

3) CLOSED SESSION PUBLIC COMMENTS.

Public Comments: None.

4) PRESENTATION BY CITY ATTORNEY of the following item(s) to be discussed in Closed Session:

City Attorney Beck confirmed this item would be heard as listed.

4.1) PUBLIC EMPLOYEE EVALUATION Title: City Attorney This closed session is being held pursuant to California Government Code Section 54957.
City Attorney's Office

5) ANNOUNCEMENT BY CITY ATTORNEY of item(s) discussed in Closed Session

All members of the City Council were present and able to participate in all matters listed on the agenda.

Item 4.1 – Public Employee Evaluation: The City Council was provided an opportunity to conduct a six month evaluation of the City Attorney. There was no further reportable action.

6) ADJOURN CLOSED SESSION MEETING.

Mayor Hofbauer adjourned the meeting at 6:59 p.m.

7) CALL TO ORDER 7:00 P.M. City Council

Mayor Hofbauer called the meeting to order at 7:00 p.m.

8) PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE IN HONOR OF OUR TROOPS.

9) ROLL CALL: MAYOR HOFBAUER, MAYOR PRO TEM BETTENCOURT, COUCILMEMBERS CARRILLO, LOA, BISHOP

PRESENT: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

ABSENT: None.

10) PUBLIC COMMENTS ON CONSENT CALENDAR ITEMS AND NON-AGENDA ITEMS.

Resident Jason Zink submitted an eComment regarding the public's opportunity to speak on non-agenda and Consent Calendar items.

Resident Stephen Updyke, Health Educator for the Tarzana Treatment Center, Inc., also submitted an eComment regarding discarding unwanted and/or expired prescription medications.

11) CONSENT CALENDAR:

11.1) Approve the Second Amendment between the City of Palmdale and Southstar Engineering & Consulting Inc., in the amount of $385,975. (Staff Reference: Director of Public Works Heffernan - Presented by Deputy Director of Public Works Glidden)

Councilmember Loa pulled this item for discussion on the delay of the project.

Resident Jason Zink submitted an eComment regarding new road development, taxpayer money and widening of the aqueduct bridge.

Motion: Approve the Second Amendment between the City of Palmdale and Southstar Engineering & Consulting Inc., in the amount of $385,975.
Moved by Austin Bishop, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

12) PRESENTATIONS:

12.1) SR-138 Palmdale Boulevard ADA Improvement Project. (Staff Reference: Deputy City Manager Behen - Presented by Terry Martinez, P.E. Caltrans Sr. Transportation Engineer)

Deputy City Manager Behen introduced the Caltrans team to Council, including Terry Martinez a Caltrans Sr. Transportation Engineer who updated Council on ADA improvements to Palmdale Blvd. Discussion ensued regarding Class II bike lanes, driveway drainage, street parking, outreach to merchants and ADA compliance for sidewalks located on undeveloped property. City Manager Murphy requested information from Caltrans staff regarding the cost of ADA upgrades to undeveloped property. Mr. Behen reported that the Public Works team is working on a project which addresses rail improvements to upgrade the rail crossing at Palmdale Boulevard.

Resident Laura Forrest expressed dissatisfaction with Caltrans proposed ADA upgrades. Peter Jones, Caltrans Public Information Officer, offered his contact information to Ms. Forrest to communicate her concerns.

Jason Zink, via eComments, in support of ADA improvement project.

12.2) Presentation for the Palmdale Local Hazard Mitigation Plan Update (Staff Reference: Director of Public Works Heffernan - Presented by Nicholas Godin)

Senior Civil Engineer Godin introduced Jacob Green from Interwest Consulting Group who provided a verbal presentation on the Local Hazard Mitigation Plan. Discussion ensued regarding Palmdale's location as it relates to the San Andreas fault line, a potential drought, fires and evacuation planning. Mayor Hofbauer directed City Manager Murphy to share the existing or former Plan with Council.

12.3) Public Works Implementation of Lucity Maintenance Management Software. (Staff Reference: Director of Public Works Heffernan - Presented by Maria Chau and Jim Deyo)

Director of Public Works Heffernan introduced Maintenance Asset Analyst Chau and GIS Coordinator Deyo. Ms. Chau and Mr. Deyo provided a PowerPoint presentation and a demonstration of the Lucity Maintenance Management Software and answered questions from Council. Discussion ensued regarding the cost of the software and annual maintenance fee, the citizen's complaint process, illegal dumping, and tracking of graffiti throughout the City.

13) ADJOURNMENT.

Mayor Hofbauer adjourned the meeting at 8:35 p.m.

PASSED, APPROVED, and ADOPTED this 6th day of May 2021.

_____
Steven D. Hofbauer, Mayor

ATTEST:

_____
Shanae S. Smith, City Clerk

MINUTES
CC/SA/HA/IDA/PAA/PCA/PAA JUNE 2, 2020 - 5PM & 7PM
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
JUNE 2, 2020
AGENDA NO. CC/SA/IDA/PAA/PCA/PFA 1485 /HA 156

www.cityofpalmdale.org

1. CALL TO ORDER 5:00 P.M. CLOSED SESSION MEETINGS.

   Mayor Hofbauer called the meeting o order at 5:00 p.m.

2. ROLL CALL: MAYOR HOFBAUER, MAYOR PRO TEM LOA, COUNCILMEMBERS BETTENCOURT, CARRILLO, AND BISHOP

   PRESENT: Steven Hofbauer, Richard J. Loa, Laura Bettencourt, Juan Carrillo.
   ABSENT: Austin Bishop.
   Motion: Move to excuse the absence of Councilmember Bishop.
   Moved by Laura Bettencourt, seconded by Juan Carrillo.

   Vote: Motion carried (4-0)
   Yes: Steven Hofbauer, Richard J. Loa, Laura Bettencourt, Juan Carrillo.
   Absent: Austin Bishop.

3. PUBLIC COMMENTS RECEIVED ON CLOSED SESSION ITEMS 4.1 THROUGH 4.5.

   Mayor Hofbauer read the following public comment into the record: Guest user commented regarding early morning train noise.

4. PRESENTATION BY CITY ATTORNEY of the following items to be discussed in Closed Session:

   Assistant City Attorney Doran stated all items would be heard as listed.

   4.1 The reason for holding a closed session is for the purpose of conferring with and/or receiving advice from the City's legal counsel regarding certain existing facts and circumstances that constitute a significant exposure to litigation against the City. The existing facts and circumstances that constitute a significant exposure to litigation are detailed in the following claims received by the City, which are available for public inspection pursuant to Government Code Section 54957.5:

Claimant: Special District Risk Management Authority
City Claim No.: 2019-071
Date Filed: November 25, 2019
Date of Loss: 2016 - 2018

Claimant: Special District Risk Management Authority
City Claim No.: 2020-19
Date Filed: April 15, 2020
Date of Loss: 2016 - 2019

Closed session is recommended because the City will assess the merits of these matters and consider the City's perspective. Based on existing facts and circumstances it is the opinion of the City Attorney that it would prejudice the position of the City to discuss these matters in public.

4.2 The reason for holding a closed session is for the purpose of conferring with and/or receiving advice from the City's legal counsel regarding certain existing facts and circumstances that constitute a significant exposure to litigation against the City. The existing facts and circumstances that constitute a significant exposure to litigation are detailed in the following claim received by the City, which is available for public inspection pursuant to Government Code Section 54957.5:

Claimant: Hromadka & Associates
City Claim No.: 2020-003
Date Filed: January 6, 2020
Date of Loss: None Provided

Closed session is recommended because the City will assess the merits of this matter and consider the City's perspective. Based on existing facts and circumstances it is the opinion of the City Attorney that it would prejudice the position of the City to discuss this matter in public.

4.3 The reason for holding a closed session is for the purpose of:

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
   Title: City Manager

2. CONFERENCE WITH LABOR NEGOTIATORS
   City representatives: City Attorney & Human Resources Manager
   Unrepresented employee: City Manager

   The City Council will evaluate the performance of the City Manager and confer with the City Attorney and the Human Resources Manager in connection with possible changes to contract terms and compensation (including fringe benefits) in the existing Employment Agreement between the City and the City Manager.

This Closed Session is being held pursuant to the authority of California Government Code Sections 54957(b) and 54957.6.

4.4 The reason for holding a closed session is for the purpose of conferring with and/or receiving advice from the City's legal counsel regarding the following pending litigation to which the City is a party:

City of Palmdale, et al. v. Westwind Enterprises LLC, et al.
Los Angeles County Superior Court
Case No. 19AVCV00653

This closed session is being held pursuant to the authority of California Government Code Sections 54956.9(a) and 54956.9(d)(1).

Closed session is recommended because the City will assess the merits and weaknesses of this matter and consider the City's perspective. Based on existing facts and circumstances it is the opinion of the City Attorney that it would prejudice the position of the City to discuss this matter in public

4.5 The reason for holding a closed session is for the purpose of conferring with and/or receiving advice from the City's legal counsel regarding certain existing facts and circumstances that constitute a significant exposure to litigation against the City. The existing facts and circumstances that constitute a significant exposure to litigation are detailed in a written communication from a potential plaintiff threatening litigation received by the City, which is available for public inspection pursuant to Government Code Section 54957.5:

CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision
(d) of Section 54956.9: Number of cases - One.

Closed session is recommended because the City will assess the merits of this matter and consider the City's perspective. Based on existing facts and circumstances it is the opinion of the City Attorney that it would prejudice the position of the City to discuss this matter in public or to disclose further the circumstances in this potential case; such disclosure may harm settlement attempts or other efforts to resolve the matter without litigation.

5. CLOSED SESSION.

Closed session was held from 5:10 p.m. - 7:00 p.m.

6. ANNOUNCEMENT BY CITY ATTORNEY of item(s) discussed in Closed Session.

Councilmember Bishop was absent. All other members of the City Council were present and were able to participate in all matters.

Item 4.1 Special District Risk Management Authority Claims - The City Council received a report regarding the two claims submitted by Special District Risk Management Authority and provided unanimous direction to the City Attorney's Office. No further reportable action at this time.

Item 4.2 Hromadka & Associates Claim - The City Council received a report regarding the claim submitted by Hromadka & Associates and provided unanimous direction to the City Attorney's Office. No further reportable action at this time.

Item 4.3 CC – Performance Evaluation – City Manager / Employee Matters – In closed session, the City Council discussed, and unanimously approved, the performance of the City Manager. The City Manager requested to postpone a pay increase. A contract amendment will be brought back at a future City Council meeting. No further reportable action at this time.

Item 4.4 City of Palmdale v. Westwind Enterprises, LLC, et al. - The City Council was provided an update on this matter and provided unanimous direction to the City Attorney's Office. No further reportable action at this time.

Item 4.5 Significant Exposure to Litigation: One Matter - The City Council received a report regarding potential litigation and provided direction to the City Attorney's Office, with Councilmember Loa voting no. No further reportable action at this time.

7. ADJOURN 5:00 P.M. CLOSED SESSION MEETING.

Mayor Hofbauer adjourned the Closed Session meeting at 7:00 p.m.

8. CALL TO ORDER 7:00 CC/SA/IDA/PAA/PCA/PFA MEETINGS.

Mayor Hofbauer called the meeting to order at 7:10 p.m.

9. PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE IN HONOR OF OUR TROOPS.

Mayor Hofbauer stated that the meeting would be adjourned in the memory of Federal Protection Officer David Patrick Underwood; George Floyd; all law enforcement officers who have lost their lives; and all those impacted by the current events.

10. ROLL CALL: MAYOR / CHAIR HOFBAUER, MAYOR PRO TEM / VICE CHAIR/ CHAIR PRO TEM LOA, COUNCILMEMBERS / DIRECTORS / MEMBERS BETTENCOURT, CARRILLO, AND BISHOP

PRESENT: Steven Hofbauer, Richard J. Loa, Laura Bettencourt, Juan Carrillo.
ABSENT: Austin Bishop.

Motion: Move to excuse the absence of Councilmember Bishop.
Moved by Juan Carrillo, seconded by Richard J. Loa.

Vote: Motion carried (4-0)
Yes: Steven Hofbauer, Richard J. Loa, Laura Bettencourt, Juan Carrillo.
Absent: Austin Bishop.

11. PRESENTATION:

11.1 Presentation by Mayor and Council of a picture of a cute critter that is available for adoption from our Palmdale Animal Care Center.

11.2 Presentation by City Manager Murphy of the City of Palmdale's Warrior Award to Liz Bell, Records Management Clerk.

12. WAIVER OF FULL READING OF RESOLUTION(S) and ORDINANCE(S):

Motion: Move to waive full reading of the Resolution(s) and/or Ordinance(s) to be considered and voted on at this meeting.
Moved by Juan Carrillo, seconded by Richard J. Loa.

Vote: Motion carried (4-0)
Yes: Steven Hofbauer, Richard J. Loa, Laura Bettencourt, Juan Carrillo.
Absent: Austin Bishop.

13. PUBLIC COMMENTS RECEIVED ON CONSENT CALENDAR ITEM NOS. 14.1 THROUGH 14.14 AND NON-AGENDA ITEMS.

Mayor Hofbauer read the following public comments into the record:

Challen David regarding protests; Marsha Furman regarding e-comment privacy and support of Item 14.10; and Maribel Brisenc regarding further evaluation of illegal fireworks.

Mayor Pro Tem Loa asked City Manager Murphy to explain Item 14.7. City Manager Murphy spoke regarding Item 14.7 and stated that the concerts and other events have been cancelled. He stated that this contract is a fee for service and that we are not paying for any of the cancelled events.

Motion: Move to approve the recommendations and findings on all items listed under this Consent Calendar.
Moved by Richard J. Loa, seconded by Juan Carrillo.

Vote: Motion carried (4-0)
Yes: Steven Hofbauer, Richard J. Loa, Laura Bettencourt, Juan Carrillo.
Absent: Austin Bishop.

14. CONSENT CALENDAR: NOTICE: 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 Calendar and will be considered separately following this portion of the Agenda.

14.1 CC/SA - Accept the City of Palmdale and Successor Agency to the Community Redevelopment Agency of the City of Palmdale monthly report on investment balances as reported on the City's books as of April 30, 2020. (Staff Reference: Finance Manager Kang)

14.2 CC - Adopt Resolution No. CC 2020-053, a Resolution of the City Council of the City of Palmdale, California, establishing an Appropriations Limit pursuant to Article XIII B of the California Constitution and repealing Resolution No. CC 2019-052. (Staff Reference: Finance Manager Kang)

14.3 CC - Award RFP 19-002-3500 Block Wall Construction at LMD 56 Detention Basin to SDC Engineering, Inc. and approve Agreement to construct footings and 6-foot cinder block walls on property lines located at Wrightwood Way and 45th Street East and Oak Hill Street and Dowell Avenue in an amount not to exceed $71,100.00, budgeted in account 25136101-723600, Agreement A-6980. (Staff Reference: Finance Manager Kang)

14.4 CC - Approve the First Amendment to Annual Support Agreement and License Agreement for Munis Software for a 5-year period to cap increases to the annual maintenance fees according to the mutually agreed schedule from November 10, 2020 to November 9, 2025, estimated at $1,116,995 for a 5-year term, an allocation of $208,840 is budgeted in account 15316001-721610, Agreement A-5284. (Staff Reference: Finance Manager Kang)

14.5 CC - Adopt Resolution No. CC 2020-057, a Resolution of the City Council of the City of Palmdale continuing the Proclamation of a Local Emergency Resulting from COVID-19. (Staff Reference: Director of Administrative Services Ambrose)

14.6 CC - Approve the Second Amendment to agreement with LDM Associates, Inc. for Technical Assistance Services for the Consolidated Grant Program, extending the agreement for one additional year and increasing the agreement by $25,000, for a new not to exceed total of $310,000, budgeted in multiple accounts, Agreement A-5483. (Staff Reference: Director of Administrative Services Ambrose)

14.7 CC - Award RFP 19-001-4100 Electrical Services for Special Events to Henisey Electric and approve agreement to provide temporary electrical services and equipment rental for outdoor events and City facilities in an amount not to exceed Two-Hundred and Forty Thousand Dollars ($240,000) for a 3-year term, with a two (2) 1-year option to amend, Agreement No. A-6998. (Staff Reference: Director of Parks and Recreation Smith)

14.8 CC - Approve the Third Amendment for agreement with Pacific West Sound to provide sound production and equipment services for the

Palmdale Amphitheater, in an amount not to exceed $15,000, Agreement No. A-5439. (Staff Reference: Director of Parks and Recreation Smith)

14.9 CC - Approve Public Safety Programming agreement with Antelope Valley Transit Authority, a Joint Powers Authority (JPA) in the amount of $1,932,402 reimbursed to the City for the implementation and administration of a Transit Oriented Public Safety Program and for related calls for service, and authorize the City Manager to execute the agreement and all necessary documents, Agreement No. A-6992. (Staff Reference: Director of Neighborhood Services Miller)

14.10 CC - Approve 39 fireworks booth permits for various non-profit organizations. (Staff Reference: Acting Director of Economic and Community Development Behen)

14.11 CC - Accept Completed Public Improvements and authorize the City Engineer to file a Notice of Completion for Completed Public Improvements - Guidance Charter School located at 3838 East Avenue R. (Staff Reference: Director of Public Works Heffernan)

14.12 CC - Adopt Resolution No. CC 2020-046, a Resolution of the City Council of the City of Palmdale updating the Sewer Collection Service Charge and ordering the continuation of the charge for the operation and maintenance of the Palmdale Sewer Collection System for fiscal year 2020/2021. (Staff Reference: Director of Public Works Heffernan)

14.13 CC - Adopt Resolution No. CC 2020-054, a Resolution of the City Council of the City of Palmdale accepting the "Offer To Dedicate" as shown in Instrument No. 3878 which was recorded in the Los Angeles County Recorder's Office on February 24, 1972. The accepted R/W dedication is for the Avenue R and 45th Street East traffic signal and road improvement project. (Staff Reference: Director of Public Works Heffernan)

14.14 Approve the minutes from the previous meetings. (Staff Reference: City Clerk/Agency Secretary/Authority Secretary Smith)
* CC - April 21, 2020 (7:00 pm)
* CC - May 5, 2020 (5:00 pm and 7:00 pm)
* SA - May 5, 2020 (7:00 pm)
* IDA - May 5, 2020 (7:00 pm
* PAA - May 5, 2020 (7:00 pm)
* PCA - May 5, 2020 (7:00 pm)
* PFA - May 5, 2020 (7:00 pm)

15. ALL AGENCIES (CC/SA/IDA/PAA/PCA/PFA) REMAIN OPEN, CALL HOUSING AUTHORITY MEETING TO ORDER AND TAKE ROLL CALL AT THIS TIME.

16. CALL TO ORDER THE HOUSING AUTHORITY MEETING.

Chair Hofbauer called the Housing Authority meeting to order at this time.

17. ROLL CALL: CHAIR HOFBAUER, VICE CHAIR LOA, COMMISSIONERS BETTENCOURT, CARRILLO, BISHOP, BROWN, AND FRAGA-SAENZ

PRESENT: Steven Hofbauer, Richard Loa, Laura Bettencourt, Juan Carrillo, and Christina Fraga-Saenz
ABSENT: Austin Bishop and Bob Brown

Motion: Move to excuse the absence of Austin Bishop and Bob Brown.
Moved by Steven Hofbauer, seconded by Laura Bettencourt.

Vote: Motion Carried (5-0)
Yes: Steven Hofbauer, Richard J. Loa, Laura Bettencourt, Juan Carrillo, and Christina Fraga-Saenz.
Absent: Austin Bishop and Bob Brown

18. JOINT PUBLIC HEARING OF THE CITY COUNCIL, SUCCESSOR AGENCY, INDUSTRIAL DEVELOPMENT AUTHORITY, PALMDALE AIRPORT AUTHORITY, PALMDALE CIVIC AUTHORITY, PALMDALE FINANCING AUTHORITY, AND HOUSING AUTHORITY:

18.1 (THIS ITEM WILL BE CONTINUED TO THE JUNE 16, 2020 MEETING) ADOPT JOINT RESOLUTION NO. CC 2020-070, SA 2020-008, PCA 2020-001, HA 2020-003, IDA 2020-001, PAA 2020-001, AND PFA 2020-001 APPROVING AND ADOPTING THE BUDGET FOR FISCAL YEAR 2020-21 AND ADJUST ESTIMATED REVENUES AND EXPENDITURES FOR FISCAL YEAR 2019-20 AS PRESENTED IN THE FISCAL YEAR 2020-21 BUDGET DOCUMENT. (Staff Reference: Finance Manager Kang)

City Manager/Executive Director Murphy stated that this item would be continued to the June 16, 2020 meeting and Council concurred.

19. PUBLIC COMMENTS RECEIVED ON HOUSING AUTHORITY CONSENT CALENDAR ITEM NOS. 20.1 AND 20.2.

Public Comments Received: None.

Motion: Move to approve the recommendations and findings on all items listed under this Consent Calendar.
Moved by Christina Fraga-Saenz, seconded by Juan Carrillo.

Vote: (5-0)
Yes: Steven Hofbauer, Richard J. Loa, Laura Bettencourt, Juan Carrillo, and Christina Fraga-Saenz
Absent: Austin Bishop and Bob Brown

20. HOUSING AUTHORITY CONSENT CALENDAR:

20.1 Approve the First Amendment to the Agreement with the Salvation Army for Consultant Services for the Homeless Prevention and Rapid Rehousing Program, exercising the option to extend the agreement for one additional year and increasing the agreement by $144,044, for a new not to exceed total of $384,044, budgeted in account 29364012, Agreement No. A-6332. (Staff Reference: Director of Administrative Services Ambrose)

20.2 Approve the minutes from the previous meeting held on May 5, 2020 (7pm). (Staff Reference: Authority Secretary Smith)

21. ADJOURN THE HOUSING AUTHORITY MEETING.

Chair Hofbauer adjourned the Housing Authority meeting at 7:20 p.m.

22. PUBLIC HEARING:

22.1 Public Hearing and Review of Proposed Ordinance No. 1544 for adoption. (Staff Reference: Acting Director of Economic and Community Development Behen)
Zoning Ordinance Amendment 20-002
City of Palmdale, Applicant

City Manager Murphy presented the staff report and read the title of Ordinance No. 1544.

22.1a ORDINANCE NO. 1544, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALMDALE CALIFORNIA, AMENDING THE PALMDALE MUNICIPAL CODE TO MODIFY THE STANDARDS FOR AMUSEMENT ARCADES AND AMUSEMENT MACHINES

Motion: Move to Introduce Ordinance No. 1544.
Moved by Richard J. Loa, seconded by Juan Carrillo.

Vote: Motion carried (4-0)
Yes: Steven Hofbauer, Richard J. Loa, Laura Bettencourt, Juan Carrillo.
Absent: Austin Bishop.

Mayor Hofbauer opened the Public Hearing.

Testimony Received: None.

A motion was made and carried to close the Public Hearing and it was so ordered.

Motion: Adopt Ordinance No. 1544
Moved by Juan Carrillo, seconded by Laura Bettencourt.

Vote: Motion carried (4-0)
Yes: Steven Hofbauer, Richard J. Loa, Laura Bettencourt, Juan Carrillo.
Absent: Austin Bishop.

22.2 Public hearing to 1) review the Draft 2020-2024 Consolidated Plan, 2020-2021 Action Plan, Analysis of Impediments to Fair Housing Choice, the updated Citizen Participation Plan, and the 2020-2021 proposed expenditure of Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME); 2) receive public comments in compliance with the requirements of the U.S. Department of Housing and Urban Development (HUD) and the City's Citizen Participation Plan; 3) direct staff to incorporate the public comments; 4) approve Resolution CC 2020-071 approving the 2020-2024 Consolidated Plan, 2020-2021 Action Plan and request for CDBG and HOME grant funds for the same year, and approve the Analysis of Impediments to Fair Housing Choice and updated Citizen Participation Plan; and 5) authorize the City Manager or his designee to a) sign the preliminary award letter for HOME funds and negotiate and prepare the loan agreements for HOME funds in a form approved by the City Attorney for 2020-2021 Juniper Grove activity; and b) execute the Application for Federal Assistance, required certifications, and other documents associated with the update of the Consolidated Plan, Action Plan request for CDBG and HOME grant funds, agreements for Sub-Recipients, and Analysis of Impediments to Fair Housing Choice. (Staff Reference: Director of Administrative Services Ambrose)

22.2a RESOLUTION NO. CC 2020-071, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE APPROVING THE CITY OF PALMDALE'S 2020-2024 CONSOLIDATED PLAN, APPROVING THE 2020-2021 ACTION PLAN AND REQUESTING CDBG AND HOME GRANT FUNDS FOR THE SAME YEAR AND APPROVING THE ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE; AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPLICATION FOR FEDERAL ASSISTANCE, REQUIRED CERTIFICATIONS, AND OTHER DOCUMENTS ASSOCIATED WITH THE UPDATE OF THE CONSOLIDATED PLAN, 2020-2021 ACTION PLAN, AND ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE, AND TO NEGOTIATE AND EXECUTE AGREEMENTS FOR SUB-RECIPIENTS Mayor to Open Public Hearing and Call for Testimony Received Voice Vote: Close the Public Hearing. (Requires a majority vote to close.)

City Manager Murphy presented the staff rpeort and read the title of Resolution No. CC 2020-071.

Mayor Hofbauer opened the Public Hearing.

Testimony Received: None.

A motion was made and carried to close the Public Hearing and it was so ordered.

Motion: Move to approve the recommendations and findings as listed in the staff report and adopt Resolution No. CC 2020-071.
Moved by Richard J. Loa, seconded by Laura Bettencourt.

Vote: Motion carried (4-0)
Yes: Steven Hofbauer, Richard J. Loa, Laura Bettencourt, Juan Carrillo.
Absent: Austin Bishop.

22.3 Public hearing to: 1) review the Draft Substantial Amendment to the 2019-2020 Annual Action Plan including the CDBG-CV allocation and programming of 2019-2020 ADA Compliance activity to CDBG eligible COVID Response Activities; 2) receive public comments in compliance with the requirements of the U.S. Department of Housing and Urban Development (HUD) and the City's Citizen Participation Plan; 3) direct staff to incorporate the public comments into the 2019-2020 Annual Action Plan Substantial Amendment; 4) approve Resolution CC 2020-072 approving the 2019-2020 Annual Action Plan Substantial Amendment and request for CDBG-CV grant funds; and 5) authorize the City Manager or his designee to execute the Application for Federal Assistance, required certifications, agreements with subrecipients, and any document related to the acceptance and implementation associated with the CDBG-CV program. (Staff Reference: Director of Administrative Services Ambrose)

22.3a RESOLUTION NO. CC 2020-072, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE APPROVING THE CITY OF PALMDALE'S SUBSTANTIAL AMENDMENT TO THE 2019-2020 ACTION PLAN AND REQUESTING CDBG-CV GRANT FUNDS; AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPLICATION FOR FEDERAL ASSISTANCE, REQUIRED CERTIFICATIONS, AND OTHER DOCUMENTS ASSOCIATED WITH THE UPDATE OF THE SUBSTANTIAL AMENDMENT TO THE 2019-2020 ACTION PLAN AND TO NEGOTIATE AND EXECUTE AGREEMENTS FOR SUB-RECIPIENTS

City Manager Murphy presented the staff report and read the title of Resolution No. CC 2020-072.

Mayor Hofbauer opened the Public Hearing.

Testimony Received: None.

A motion was made and carried to close the Public Hearing and it was so ordered.

Motion: Move to approve the recommendations and findings as listed in the staff report and adopt Resolution No. CC 2020-072.
Moved by Laura Bettencourt, seconded by Richard J. Loa.

Vote: Motion carried (4-0)
Yes: Steven Hofbauer, Richard J. Loa, Laura Bettencourt, Juan Carrillo.
Absent: Austin Bishop.

22.4 Public Hearing and Review of proposed Resolutions of Necessity Nos. CC 2020-058 through CC 2020-068 for adoption for the Acquisition of Title to Property Interests for the Avenue R Widening Project. (Staff Reference: Director of Public Works Heffernan)

22.4a RESOLUTION NO. CC 2020-058, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DECLARING CERTAIN PROPERTY RIGHTS IN FEE SIMPLE NECESSARY FOR THE CONSTRUCTION OF THE AVENUE R WIDENING PROJECT (THE 0312 RAMONA APTS LP, APN 3009-021-027)

22.4b RESOLUTION NO. CC 2020-059, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DECLARING CERTAIN PROPERTY RIGHTS IN FEE SIMPLE AND TEMPORARY EASEMENT RIGHTS NECESSARY FOR THE CONSTRUCTION OF THE AVENUE R WIDENING PROJECT (DAYANA ALVAREZ, APN 3012-002-017)

22.4c RESOLUTION NO. CC 2020-060, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DECLARING CERTAIN PROPERTY RIGHTS IN FEE SIMPLE NECESSARY FOR THE CONSTRUCTION OF THE AVENUE R WIDENING PROJECT (BEST PALM GROUP, LLC, APN 3014-010-012 & 3014-010-014)

22.4d RESOLUTION NO. CC 2020-061, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DECLARING CERTAIN PROPERTY RIGHTS IN FEE SIMPLE AND TEMPORARY EASEMENT RIGHTS NECESSARY FOR THE CONSTRUCTION OF THE AVENUE R WIDENING PROJECT (DEAN ENGLE AND MARIA ENGLE, APN 3014-008-019)

22.4e RESOLUTION NO. CC 2020-062, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DECLARING CERTAIN PROPERTY RIGHTS IN FEE SIMPLE NECESSARY FOR THE CONSTRUCTION OF THE AVENUE R

WIDENING PROJECT (FIRST PRESBYTERIAN CHURCH OF PALMDALE, APN 3012-021-027)

22.4f RESOLUTION NO. CC 2020-063, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DECLARING CERTAIN PROPERTY RIGHTS IN FEE SIMPLE NECESSARY FOR THE CONSTRUCTION OF THE AVENUE R WIDENING PROJECT (H AND G JOINT VENTURE, APN 3009-021-028)

22.4g RESOLUTION NO. CC 2020-064, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DECLARING CERTAIN PROPERTY RIGHTS IN FEE SIMPLE NECESSARY FOR THE CONSTRUCTION OF THE AVENUE R WIDENING PROJECT (LIVING PRAISE CHRISTIAN CHURCH, APN 3019-001-036 & 3019-001-037)

22.4h RESOLUTION NO. CC 2020-065, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DECLARING CERTAIN PROPERTY RIGHTS IN FEE SIMPLE AND TEMPORARY EASEMENT RIGHTS NECESSARY FOR THE CONSTRUCTION OF THE AVENUE R WIDENING PROJECT (DANNY MARQUEZ, APN 3012-002-011)

22.4i RESOLUTION NO. CC 2020-066, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DECLARING CERTAIN PROPERTY RIGHTS IN FEE SIMPLE NECESSARY FOR THE CONSTRUCTION OF THE AVENUE R WIDENING PROJECT (R. DENNIS PERSONS AND ERIN PERSONS, AS TRUSTEES OF THE R. PERSONS AND ERIN PERSONS 2017 FAMILY TRUST, APN 3014-027-027)

22.4j RESOLUTION NO. CC 2020-067, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DECLARING CERTAIN PROPERTY RIGHTS IN FEE SIMPLE AND TEMPORARY EASEMENT RIGHTS NECESSARY FOR THE CONSTRUCTION OF THE AVENUE R WIDENING PROJECT (NICOLAS RODRIGUEZ, APN 3009-021-030

22.4k RESOLUTION NO. CC 2020-068, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DECLARING CERTAIN PROPERTY RIGHTS IN FEE SIMPLE AND TEMPORARY EASEMENT RIGHTS NECESSARY FOR THE CONSTRUCTION OF THE AVENUE R WIDENING PROJECT (ARARAT ZOGRABYAN AND EILEEN ZOGRABYAN APN 3009-021-031)

City Manager Murphy presented the staff report and read the titles of Resolution Nos. CC 2020-058 through CC 2020-068.

Mayor Hofbauer opened the Public Hearing.

Testimony Received: None.

A motion was made and carried to close the Public Hearing and it was so ordered.

Councilmember Carrillo spoke in regards to improvements on this main arterial, and asked questions regarding Avenue R. He asked City Manager Murphy to provide Council with a memo updating them on the status of East Avenue R and widening on that intersection.

City Manager Murphy stated that the irrevocable offer to dedicate the turn pocket is still good, however, there were some issues that are being worked out. He stated that he will provide a memo to Council on Monday.

Motion: Adopt Resolution Nos. CC 2020-058 through CC 2020-068
Moved by Richard J. Loa, seconded by Juan Carrillo.

Vote: Motion carried (4-0)
Yes: Steven Hofbauer, Richard J. Loa, Laura Bettencourt, Juan Carrillo.
Absent: Austin Bishop.

22.5 Public Hearing and Review of proposed Resolution No. CC 2020-042 for adoption. (Staff Reference: Director of Public Works Heffernan)

22.5a RESOLUTION NO. CC 2020-042, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE APPROVING THE ENGINEER'S REPORT AND THE CONTINUATION OF THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE CITY OF PALMDALE PARK MAINTENANCE AND RECREATION IMPROVEMENT DISTRICT FOR FISCAL YEAR 2020/2021

City Manager Murphy presented the staff report and read the title of Resolution No. CC 2020-042.

Mayor Hofbauer opened the Public Hearing.

Testimony Received: None.

A motion was made and carried to close the Public Hearing and it was so ordered.

Motion: Adopt Resolution No. CC 2020-042
Moved by Juan Carrillo, seconded by Richard J. Loa.

Vote: Motion carried (4-0)
Yes: Steven Hofbauer, Richard J. Loa, Laura Bettencourt, Juan Carrillo.
Absent: Austin Bishop.

22.6 Public Hearing and Review of proposed Resolution No. CC 2020-043 for adoption. (Staff Reference: Director of Public Works Heffernan)

22.6a RESOLUTION NO. CC 2020-043, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE APPROVING THE ENGINEER'S REPORT AND THE CONTINUATION OF THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE CITY OF PALMDALE LANDSCAPE MAINTENANCE ASSESSMENT DISTRICTS AND ANNEXATIONS FOR FISCAL YEAR 2020/2021

City Manager Murphy presented the staff report and read the title of Resolution No. CC 2020-043.

Mayor Hofbauer opened the Public Hearing.

Testimony Received: None.

A motion was made and carried to close the Public Hearing and it was so ordered.

Motion: Adopt Resolution No. CC 2020-043
Moved by Richard J. Loa, seconded by Juan Carrillo.

Vote: Motion carried (4-0)
Yes: Steven Hofbauer, Richard J. Loa, Laura Bettencourt, Juan Carrillo.
Absent: Austin Bishop.

22.7 Public Hearing and Review of proposed Resolution No. CC 2020-044 for adoption. (Staff Reference: Director of Public Works Heffernan)

22.7a RESOLUTION NO. CC 2020-044, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE APPROVING THE ENGINEER'S REPORT AND THE CONTINUATION OF THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE CITY OF PALMDALE STREETLIGHT MAINTENANCE ASSESSMENT DISTRICTS AND ANNEXATIONS FOR FISCAL YEAR 2020/2021

City Manager Murphy presented the staff report and read the title of Resolution No. CC 2020-044.

Mayor Hofbauer opened the Public Hearing.

Testimony Received: None.

A motion was made and carried to close the Public Hearing and it was so ordered.

Motion: Adopt Resolution No. CC 2020-044
Moved by Laura Bettencourt, seconded by Richard J. Loa.

Vote: Motion carried (4-0)
Yes: Steven Hofbauer, Richard J. Loa, Laura Bettencourt, Juan Carrillo.
Absent: Austin Bishop.

22.8 Public Hearing and Review of proposed Resolution No. CC 2020-045 for adoption. (Staff Reference: Director of Public Works Heffernan)

22.8a RESOLUTION NO. CC 2020-045, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE APPROVING THE ENGINEER'S REPORT AND THE CONTINUATION OF THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE CITY OF PALMDALE DRAINAGE BENEFIT ASSESSMENT DISTRICTS NO. 1 AND NO. 2006-02 FOR FISCAL YEAR 2020/2021

City Manager Murphy presented the staff report and read the title of Resolution No. CC 2020-045.

Mayor Hofbauer opened the Public Hearing.

Testimony Received: None.

A motion was made and carried to close the Public Hearing and it was so ordered.

Motion: Adopt Resolution No. CC 2020-045
Moved by Richard J. Loa, seconded by Juan Carrillo.

Vote: Motion carried (4-0)
Yes: Steven Hofbauer, Richard J. Loa, Laura Bettencourt, Juan Carrillo.
Absent: Austin Bishop.

23. INFORMATIONAL REPORT FROM MAYOR AND / OR COUNCILMEMBERS ON THEIR VARIOUS COMMITTEE MEMBERSHIPS AND MEETINGS ATTENDED AT PUBLIC EXPENSE.

23.1 VARIOUS COMMITTEE MEMBERSHIPS:

Committee Membership Memo(s) on file in the City Clerk's Office:
Councilmember Bettencourt
Councilmember Bishop
Councilmember Carrillo

* ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
* ANTELOPE VALLEY TRANSIT AUTHORITY
* CALIFORNIA CONTRACT CITIES ASSOCIATION
* CITY OF PALMDALE AUDIT COMMITTEE
* CITY OF PALMDALE INVESTMENT OVERSIGHT COMMITTEE
* HIGH DESERT CORRIDOR JOINT POWERS AUTHORITY
* LEAGUE OF CALIFORNIA CITIES
* LOS ANGELES COUNTY SANITATION DISTRICT
* NORTH LOS ANGELES COUNTY TRANSPORTATION COALITION
* PALMDALE RECYCLED WATER AUTHORITY
* SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS REGIONAL COUNCIL
* UNITED STATES/MEXICO SISTER CITIES ASSOCIATION
* CALIFORNIA STATE PRISON – LOS ANGELES COUNTY, CITIZENS ADVISORY COMMITTEE

Mayor Hofbauer stated that they will all submit reports to City Clerk's office

23.2 MEETINGS ATTENDED AT PUBLIC EXPENSE.

Councilmember Carrillo spoke regarding the school parades he participated in for the students of Golden Poppy and Buena Vista. He stated that it was a great feeling and a great gesture by the school districts. Councilmember Carrillo also spoke regarding the signs in the yard for the graduates who were not able to have a graduation ceremony. He stated that the students really appreciated the efforts and they really miss their teachers. Mayor Hofbauer also spoke in this regard.

Councilmember Carrillo stated that Palmdale School District is doing a survey regarding a modified shcool year or hybrid program. He asked parents to particpate in the survey.

Mayor Hofbauer spoke about the demonstration earlier today on the eastside and wanted to thank City Manager Murphy for his help and thanked Council for their participation. Mayor Hofbauer also thanked deputies, city staff and faith based organizations for their efforts. He commended the residents and was glad that the community was given the ability to be heard.

23.3 CITY MANAGER'S REPORT.

City Manager Murphy stated that June is Pride month. He would like to recognize Pride month and he will continue dialogue with

organizations and with Council. Mayor Hofbauer spoke about the city's human rights score and stated that we can do better.

24. CITY COUNCIL REQUESTS FOR NEW AGENDA ITEMS.

There were no request for new Agenda items.

City Manager Murphy stated that the Human Rights Campaign is the organization that gives out the Human Rights Score. He also stated that the City does not have a task force on fireworks, the task force is statewide.

25. ADJOURNMENT.

Mayor Hofbauer adjourned the meeting at 7:50 p.m. in memory of Federal Protective Officer David Patrick Underwood; George Floyd; law enforcement officers who have lost their life; and all those impacted by the current events to June 16, 2020 at 7:00 p.m. in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.

PASSED, APPROVED, and ADOPTED this 6th day of May 2021.

_____
Steven D. Hofbauer,
Mayor/Chair

ATTEST:

_____
Shanae S. Smith
City Clerk/Agency Secretary
Authority Secretary

MINUTES
CITY COUNCIL/SUCCESSOR AGENCY/PALMDALE CIVIC AUTHORITY
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
JANUARY 12, 2021

www.cityofpalmdale.org

1) CALL TO ORDER 5:00 P.M. CLOSED SESSION SPECIAL MEETING.

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

2) ROLL CALL: MAYOR HOFBAUER, MAYOR PRO TEM BETTENCOURT, COUNCILMEMBERS CARRILLO, BISHOP AND LOA

PRESENT: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Austin Bishop, Richard J. Loa.

ABSENT: None.

3) CLOSED SESSION PUBLIC COMMENTS.

Public Comments: None.

4) PRESENTATION BY CITY ATTORNEY of the following item(s) to be discussed in Closed Session:

City Attorney Beck stated all items would be heard as listed.

4.1) Community Development Associates, et al. v. City of Palmdale, et al. Los Angeles County Superior Court Case No. 18STCV06968 This closed session is being held pursuant to the authority of California Government Code Sections 54956.9(a) and 54956.9(d)(1).

4.2) CONFERENCE WITH REAL PROPERTY NEGOTIATORS

The reason for holding a closed session is for the purpose of obtaining authorization and direction from the City Council regarding the possible acquisition of property interests in the following properties, generally located along 40th Street East and Avenue S-8:

Property Owner: Hypericum Interests,LLC
Properties: APNs 3052-008-024, 032 & 033
City Negotiator: Chuck Heffernan, Director of Public Works

This closed session is being held pursuant to the authority of California Government Code Section 54956.8. Closed session is recommended because the City Council will be instructing the negotiator regarding terms and conditions, including price, for the possible purchase of the real property identified above.

4.3) CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

Responsible Growth Palmdale, et al. v. City of Palmdale, et al.
Los Angeles County Superior Court Case No. 20STCP00484
California Court of Appeal, Second Appellate District Case No. B308348

This closed session is being held pursuant to the authority of California Government Code Sections 54956.9(a) and 54956.9(d)(1).

4.4) CONFERENCE WITH LABOR NEGOTIATORS

City representative: Patricia Nevarez, Human Resources ManagerUnrepresented employee: City Manager, J.J. Murphy

This Closed Session is being held pursuant to the authority of California Government Code Section 54957.6.

5) CLOSED SESSION

Closed session was held from 5:09 p.m. - 7:04 p.m.

6) ANNOUNCEMENT BY CITY ATTORNEY of item(s) discussed in Closed Session

All members of the City Council were present and able to participate in all matters.

Item 4.1 – Community Development Associates v. City of Palmdale: The City Council was provided an update on this matter. There is no further reportable action at this time.

Item 4.2 – Real Estate Negotiations: The City Council was provided an update on this matter and provided unanimous direction to staff. There is no further reportable action at this time.

Item 4.3 – Responsible Growth Palmdale v. City of Palmdale: The City Council was provided an update on this matter and provided unanimous direction to staff. There is no further reportable action at this time.

Item 4.4 – Labor Negotiations: The City Council, in a unanimous vote, agreed to terms with JJ Murphy, City Manager, the unrepresented party, as set forth further in item 15.1 of this agenda, specifically as to the terms not

including compensation that are included in item 15.1 of this agenda.

7) ADJOURN CLOSED SESSION MEETING

Mayor Hofbauer adjourned the Closed Session meeting at 7:04 p.m.

8) CALL TO ORDER 7:00 P.M. CC/SA/PCA REGULAR MEETINGS.

Mayor Hofbauer called the meeting to order at 7:05 p.m.

9) ROLL CALL: MAYOR/CHAIR HOFBAUER, MAYOR PRO TEM/VICE CHAIR BETTENCOURT, COUNCILMEMBERS/DIRECTORS CARRILLO, BISHOP, AND LOA

PRESENT: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Austin Bishop, Richard J. Loa.

ABSENT: None.

10) PRESENTATIONS:

10.1) City Manager Murphy presented the City of Palmdale's Warrior Award to Kristen Sheils, Digital Media Specialist and thanked her for her efforts in coordinating the employee holiday party and making it festive and engaging in a time of COVID.

10.2) Mayor Hofbauer presented the Firefighter Cancer Awareness Month proclamation and shared a video of the Los Angeles County Fire Department depicting the life of his brother who had been exposed to cancer. He urged everyone to advocate for themselves and their personal health

10.3) Mayor, Council and City Manager presented a Commendation to SALVA commending them for their contributions to the 2020 Census Count and their efforts in providing food distribution to the community during the COVID-19 Pandemic. Staff shared a video with Council of the events held by SALVA. City Manager Murphy thanked SALVA for the contributions made to the community and read a commendation. Council also thanked SALVA for the contributions they have made to our community.

10.4) Public Safety Supervisor German presented the cute critters available for adoption at the Palmdale Animal Care Center. Ms. German announced that goody bags would be provided by the City of Palmdale Public Safety Department to those who adopt pets.

11) WAIVER OF FULL READING OF RESOLUTION(S) and ORDINANCE (S):

Motion: Move to waive full reading of the Resolution (s) and/or Ordinance (s) to be considered and voted on at this meeting.
Moved by Richard J. Loa, seconded by Juan Carrillo.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Austin Bishop, Richard J. Loa.

12) PUBLIC COMMENTS ON CONSENT CALENDAR ITEMS AND NON-AGENDA ITEMS.

The following comments were made via Zoom.

Resident - Maribel requested that Mayor Hofbauer and City Manager Murphy remind staff that they represent the City when speaking in public forums and that she would like to meet with Mayor Hofbauer to discuss the establishment of a commission that would be beneficial to the City, residents, and youth.

Resident - Anthony Rivera spoke regarding illegal racing, and illegal dumping at the Barrel Springs Trail. He stated that he would like to establish a community service project for the trail. Mayor Hofbauer asked Mr. Rivera to email him regarding the Barrel Springs community project. City Manager Murphy stated Waste Management could help with this project.

13) CONSENT CALENDAR:

13.1) Adopt Resolution Nos. SA 2021-001 and SA 2021-002. (Staff Reference: Finance Manager Kang)

Resolution No. SA 2021-001, a Resolution of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale approving the Recognized Obligation Payment Schedule (ROPS 21-22) for the period of July 1, 2021 through June 30, 2022.

Resolution No. SA 2021-002, a Resolution of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale approving the Administrative Budget for the Period of July 1, 2021 through June 30, 2022 (Administrative Budget 21-22).

13.2) Adopt Resolution No. CC 2021-001, continuing the Proclamation of a Local Emergency Resulting from Coronavirus Disease (COVID-19)

13.3) Adopt Resolution No. CC 2021-003, a Resolution of the City Council of the City of Palmdale Amending the City's Classification and Pay Plan for General Positions. (Staff Reference: Human Resources Manager Nevarez)

13.4) Notice of Completion - Accept Public Improvements for Waste Management Tierra Subida Street Improvements. (Staff Reference: Director of Public Works Heffernan)

13.5) Approve Supplemental Agreement No. 1 to Agreement No. A-7073 with Aramexx Group Inc. for changes in scope of work on Domenic Massari Sidewalk Repair Project in the amount of $79,965. (Staff Reference: Director of Public Works Heffernan)

13.6) Approve Supplemental Agreement No. 1 with Deark E&C, Inc. for additional Americans with Disabilities Act (ADA) improvements at the Palmdale Transit Center in the amount of $42,565.26. (Staff Reference: Director of Public Works Heffernan)

13.7) Award Construction Contract with Interior Demolition Inc. for Project No. 818, Avenue R Abatement and Demolition, in the amount of $154,379. (Staff Reference: Director of Public Works Heffernan)

13.8) Approve Agreement No. A-7316, for PN 788, The Palmdale Transportation Center Transit and Infrastructure Project, with Los Angeles County Metropolitan Transportation Authority (LACMTA), in the amount of $2,000,000. (Staff Reference: Director of Public Works Heffernan)

13.9) CC/SA/PCA - Approve the minutes from the previous meetings. (Staff Reference: City Clerk/Agency/Authority Secretary Smith)

CC – December 1, 2020 (6:15 p.m. & 7:00 p.m.)
CC - December 15, 2020 (5:00 p.m. & 7:00 p.m.)
CC - December 22, 2020 (6:45 p.m.)
CC - December 22, 2020 (7:00 p.m.)
SA - December 15, 2020 (7:00 p.m.)
PCA - May 5, 2020 (7:00 p.m.)
PCA - May 19, 2020 (7:00 p.m.)
PCA - June 16, 2020 (7:00 p.m.)

Motion: Move to approve the recommendations and findings on all items listed under this Consent Calendar.
Moved by Richard J. Loa, seconded by Austin Bishop.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Austin Bishop, Richard J. Loa.

14) PUBLIC HEARING:

14.1) Public Hearing and Review of Proposed Ordinance No. 1557 for adoption. (Staff Reference: City Attorney Beck)

ORDINANCE NO. 1557, AN ORDINANCE OF THE CITY OF PALMDALE ADDING CHAPTER 2.60 (“ELECTRONIC SIGNATURES”) TO THE PALMDALE MUNICIPAL CODE AUTHORIZING THE USE OF ELECTRONIC AND DIGITAL SIGNATURES BY THE CITY

City Attorney Beck read the Title of Ordinance No. 1557 and presented the staff report.

A motion was made and carried unanimously to introduce Ordinance No. 1557.

Mayor Hofbauer opened the Public Hearing.

Testimony: None.

A motion was made and carried unanimously to close the Public Hearing.

Council inquired about signatures and whether they are safeguarded, unique, and verifiable. City Attorney Beck explained that the contract management software and contract drafting software has a unique identifier and uniquely controlled and produced signature that is created for each user.

Motion: Adopt Ordinance No. 1557.
Moved by Laura Bettencourt, seconded by Richard J. Loa.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Austin Bishop, Richard J. Loa.

15) NEW BUSINESS:

15.1) Approve Second Amendment to the Employment Agreement between the City of Palmdale and John J. Murphy, City Manager. (Staff Reference: Human Resources Manager Nevarez)

Motion: Approve the Second Amendment to the Employment Agreement between the City of Palmdale and John J. Murphy, City Manager with the amendment of striking Item No. 2 in the proposed contract, which will be brought back at a later time.
Moved by Richard J. Loa, seconded by Austin Bishop.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Austin Bishop, Richard J. Loa.

16) INFORMATIONAL REPORT FROM MAYOR AND / OR COUNCILMEMBERS ON THEIR VARIOUS COMMITTEE MEMBERSHIPS AND MEETINGS ATTENDED AT PUBLIC EXPENSE.

16.1) VARIOUS COMMITTEE MEMBERSHIPS:

Attachments: Committee Membership Memos from Councilmember Bettencourt, Councilmember Bishop, and

Councilmember Carrillo

- ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
- ANTELOPE VALLEY TRANSIT AUTHORITY
- CALIFORNIA CONTRACT CITIES ASSOCIATION
- CITY OF PALMDALE AUDIT COMMITTEE
- CITY OF PALMDALE INVESTMENT OVERSIGHT COMMITTEE
- HIGH DESERT CORRIDOR JOINT POWERS AUTHORITY
- LEAGUE OF CALIFORNIA CITIES
- LOS ANGELES COUNTY SANITATION DISTRICT - Mayor Hofbauer stated the Sanitation District is working on a mechanism to provide rebates to businesses.
- NORTH LOS ANGELES COUNTY TRANSPORTATION COALITION
- PALMDALE RECYCLED WATER AUTHORITY
- SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS REGIONAL COUNCIL - Councilmember Carrillo reported his attendance at the SCAG Regional Council meeting. The Mayor of Los Angeles presented on the importance of joining the climate initiative by adopting a resolution bringing awareness to the environment. Discussion ensued regarding the Regional Housing Trust and cities/counties participating in a membership where they provide $5K - $18K annually to a fund that will provide housing. Councilmember Carrillo also attended the California Human Development (CHD) meeting and reported that approximately fifty cities made appeals to the Regional Housing Needs Allocation (RNHL).
- UNITED STATES/MEXICO SISTER CITIES ASSOCIATION
- CALIFORNIA STATE PRISON – LOS ANGELES COUNTY, CITIZENS ADVISORY COMMITTEE

Councilmember Bishop thanked staff for their hard work, and that he is looking forward to a productive year and providing a better quality of life for the citizens in Palmdale.

16.2) MEETINGS ATTENDED AT PUBLIC EXPENSE.

16.3) CITY MANAGER'S REPORT.

City Manager Murphy thanked Council for their support and stated that he too is looking forward to doing great things for the community in 2021. He thanked staff for their hard work. City Manager Murphy also announced that City staff has continued to work with County staff to establish a vaccination site at the Palmdale Transportation Center that he anticipates starting February 1, 2021.

17) CITY COUNCIL REQUESTS FOR NEW AGENDA ITEMS.

Mayor Pro Tem Bettencourt requested that the Palmdale Municipal Code, Section 2.08.030 be amended to allow each Councilmember to nominate an individual from their District to serve on Boards and Commissions. Mayor Hofbauer directed City Attorney Beck to review potential conflicts as it relates to the California Government Code regarding appointments to Boards and Commissions.

18) ADJOURNMENT.

Mayor Hofbauer adjourned the meeting at 8:07 p.m. to February 02, 2021 at 7:00 p.m. in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California, in honor of the passing of Selma Solomon; Platoon Sergeant Dean Albert Funk, WW2 USMC; Justin Lane, AVEK Director, Distinguished AV Family; Tommy Lasorda, Dodgers Manager; and Thomas J. LaBonge, former Los Angeles City Councilman.

PASSED, APPROVED, and ADOPTED this 6th day of May 2021.

_____
Steven D. Hofbauer
Mayor/Chair

ATTEST:

_____
Shanae S. Smith
City Clerk/Agency Secretary
Authority Secretary

MINUTES
CC/SA/HA/PCA/PFA
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
MARCH 2, 2021
5:00 PM & 7:00 PM

www.cityofpalmdale.org

1) CALL TO ORDER 5:00 P.M. CLOSED SESSION MEETING.

Mayor Hofbauer called the meeting to order at 5:03 p.m.

2) ROLL CALL: MAYOR HOFBAUER, MAYOR PRO TEM BETTENCOURT, COUNCILMEMBERS CARRILLO, LOA, AND BISHOP

PRESENT: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

ABSENT: None.

3) CLOSED SESSION PUBLIC COMMENTS.

Resident Anthony Rivera spoke regarding the clean-up of the Barrel Springs Trail.

4) PRESENTATION BY CITY ATTORNEY of the following item(s) to be discussed in Closed Session:

City Attorney Beck stated all items would be heard as listed.

4.1) CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

City of Palmdale v. Jose Barrera, et al.
Los Angeles County Superior Court Case No. 19AVCV00737

This closed session is being held pursuant to the authority of California Government Code Sections 54956.9(a) and 54956.9(d)(1).

4.2) CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

CV Communities, et al. v. Antelope Valley-East Kern Water Agency, et al.
Los Angeles County Superior Court Case No. 20STCV10953

This closed session is being held pursuant to the authority of California Government Code Sections 54956.9(a) and 54956.9(d)(1).

4.3) CONFERENCE WITH REAL PROPERTY NEGOTIATORS

The reason for holding a closed session is for the purpose of obtaining authorization and direction from the City Council regarding the possible acquisition of property interests in the following property, generally located near 40th Street East and Avenue S-8:

Property Owner: TK Properties, LLC
Property: APNs 3052-006-001 and -002
City Negotiator: Chuck Heffernan, Director of Public Works

This closed session is being held pursuant to the authority of California Government Code Section 54956.8. Closed session is recommended because the City Council will be instructing the negotiator regarding terms and conditions, including price, for the possible purchase of the real property identified above.
City Attorney's Office

4.4) CONFERENCE WITH LABOR NEGOTIATORS

City representative: Patricia Nevarez, Human Resources Manager
Unrepresented employee: City Manager, J.J. Murphy

This Closed Session is being held pursuant to the authority of California Government Code Section 54957.6.

5) ANNOUNCEMENT BY CITY ATTORNEY of item(s) discussed in Closed Session.

All members of the City Council were present and able to participate in all matters.

Item 4.1 – Conference with Legal Counsel, City of Palmdale v. Jose Barrera: The City Council was provided an update on this matter, and provided unanimous direction to staff. There is no further reportable action at this time.

Item 4.2 – Existing Litigation, CV Communities v. AVEK: The City Council was provided an update on this matter and provided unanimous direction to staff. There is no further reportable action at this time.

Item 4.3 – Conference with Real Property Negotiators: The City Council was provided an update on this matter and provided unanimous direction to staff. There is no further reportable action at this time.

Item 4.4 – Conference with Labor Negotiators: The City Council received an update on this item and provided guidance to the Mayor.

6) ADJOURN CLOSED SESSION MEETING.

Mayor Hofbauer adjourned the Closed Session meeting at 6:30 p.m.

7) CALL TO ORDER 7:00 P.M. City Council/Successor Agency/Housing Authority/Palmdale Civic Authority/Palmdale Financing Authority

Mayor/Chair Hofbauer called the meetings to order at 7:00 p.m.

8) PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE IN HONOR OF OUR TROOPS.

9) ROLL CALL:
MAYOR/CHAIR HOFBAUER, MAYOR PRO TEM/ VICE CHAIR BETTENCOURT;
COUNCILMEMBERS/DIRECTORS/COMMISSIONERS CARRILLO, LOA, BISHOP;
COMMISSIONERS BROWN AND FRAGA-SAENZ

PRESENT: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop, Bob Brown, Christina Fraga-Saenz
ABSENT: None

10) PRESENTATIONS:

10.1) City Manager Murphy presented the City of Palmdale's Warrior Award to Janelle Samson, Assistant Finance Manager.

10.2) City Manager Murphy presented the American Red Cross Proclamation for March 2021.

10.3) Public Safety Supervisor German presented pictures of the cute critters that were available for adoption from the Palmdale Animal Care Center.

11) PUBLIC COMMENTS ON HOUSING AUTHORITY CONSENT CALENDAR:

Public Comments: None.

12) HOUSING AUTHORITY CONSENT CALENDAR:

12.1) Review and Approve FY 2021 Mid-Year Budget Adjustments for Housing Authority. (Staff Reference: Assistant Finance Manager Samson)

12.2) Approve the minutes from the previous meeting held on February 2, 2021 at 7:00 p.m. (Staff Reference: Authority Secretary Smith)

Motion: Approve the item listed on the Housing Authority Consent Calendar.
Moved by Richard J. Loa, seconded by Steven Hofbauer.

Vote: (7-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop, Bob Brown, Christina Fraga-Saenz

13) JOINT NEW BUSINESS CC/HA/PCA/PFA:

13.1) Receive and file the Comprehensive Annual Financial Reports for the Year Ended June 30, 2020 for the City Of Palmdale, the Housing Authority of the City Of Palmdale, the Palmdale Civic Authority, the Palmdale Financing Authority, And the Palmdale Community Foundation.(Staff Reference: Finance Manager Kang)

Councilmember Bettencourt inquired about the current balance of funds in the Palmdale Community Foundation and suggested that staff provide current information to the public regarding donating. Finance Manager Kang reported that current the balance is $250,000.

Motion: Receive and file the Comprehensive Annual Financial Reports for the Year Ended June 30, 2020 for the City Of Palmdale, the Housing Authority of the City Of Palmdale, the Palmdale Civic Authority, the Palmdale Financing Authority, And the Palmdale Community Foundation. Moved by Juan Carrillo, seconded by Laura Bettencourt.

Vote: (7-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop, Bob Brown, Christina Fraga-Saenz

14) ADJOURN HOUSING AUTHORITY MEETING.

Chair Hofbauer adjourned the meeting at 7:25 p.m.

15) WAIVER OF FULL READING OF RESOLUTION(S) and ORDINANCE(S):

Motion: Waive full reading of the Resolution (s) and/or Ordinance(s) to be considered and voted on at this meeting.
Moved by Richard J. Loa, seconded by Juan Carrillo.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

Mayor Hofbauer requested that item 20.3 be heard at this time.

16) PUBLIC COMMENTS ON CONSENT CALENDAR ITEMS AND NON-AGENDA ITEMS.

Rosa Maynella, Council for prevention of Child Abuse, requested a Proclamation for Child Abuse Awareness Month for April and invited Council to be a part of a solidarity kick off event.

City Attorney Beck read the following eComments into the record: 1) Guest

User regarding signage at Loa Law Office; and 2) Guest User regarding gratitude in support of the New Colors Project.

Eugene Hernandez, spoke regarding terminating the Los Angeles County Sheriff's Department contract, a civilian review board, and Council salary.

17) CONSENT CALENDAR:

17.1) Adopt Resolution CC 2021-019, A Resolution of the City Council of the City of Palmdale to Terminate Agreement A-6846 and enter into Agreement A-7397 for and interfund loan from the General Fund to the Park Development Fund. (Staff Reference: Assistant Finance Manager Samson)

17.2) Receive and File the Monthly Investment Activity Reports for January 2021. (Staff Reference: Finance Manager Kang)

17.3) Notice of Completion - Accept Completed Capital Project No. 775, Domenic Massari Park Sidewalk Repair Project. (Staff Reference: Capital Improvement Program Manager Glidden)

This item was pulled for a brief presentation by Capital Improvement Program Manager Glidden.

Motion: Accept Completed Capital Project No. 775, Domenic Massari Park Sidewalk Repair Project.
Moved by Richard J. Loa, seconded by Juan Carrillo.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

17.4) Notice of Completion - Accept Public Improvements for Palmdale Aerospace Academy Phase 2 Improvements. (Staff Reference: Director of Public Works Heffernan)

17.5) Notice of Completion - Accept Public Improvements for Palmdale Aerospace Academy Drainage Ditch Improvements. (Staff Reference: Director of Public Works Heffernan)
Public Works Department - Engineering Division

17.6) Notice of Completion - Accept Public Improvements for Tract 60209 Improvements. (Staff Reference: Director of Public Works Heffernan)

17.7) Adopt Resolution No. CC 2021-008, A Resolution of the City Council of the City of Palmdale approving the application for local streets and roads funds authorized under Article 8 of the Transportation Development Act. (Staff Reference: Capital Improvement Program Manager Glidden)

17.8) Approve Agreement No. A-7342 with the Mattress Recycling Council for Grant Funds in the amount of $33,452. (Staff Reference: Environmental & Technology Manager Lucha)

17.9) Adopt Resolution No. CC 2021-014, a resolution of the City Council of the City of Palmdale accepting the "Offer to Dedicate" as shown in Instrument No. 87 317106 which was recorded in the Los Angeles County Recorder's Office on March 3, 1987. (Staff Reference: Director of Public Works Heffernan)

17.10) Approve Agreement No. A-7383 with NBS Government Finance Group to provide Annual Assessment and and Special District Levy Administration Services for five years for a total contract amount of $765,000. (Staff Reference: Director of Public Works Heffernan)

17.11) Adopt Resolution No. CC 2021-011, a resolution of the City Council of the City of Palmdale approving the application for Statewide Park Development and Community Revitalization Program Grant Funds for Melville J. Courson Park. (Staff Reference: Capital Improvement Program Manager Glidden)

17.12) Adopt Resolution No. CC 2021-021, a Resolution of the City Council of the City of Palmdale continuing the Proclamation of a Local Emergency resulting from Coronavirus Disease (COVID-19). (Staff Reference: Director of Administrative Services Ambrose)
Administrative Services - Emergency Management

17.13) Adopt Resolution No. CC 2021-020, a resolution of the City Council of the City of Palmdale in support of increased broadband access to underserved communities throughout Southern California. (Staff Reference: Information Technology Manager Thompson)

17.14) CC/SA - Approve the minutes from the previous meetings. (Staff Reference: City Clerk/Agency Secretary Smith)

CC – February 2, 2021 (5:00 p.m. & 7:00 p.m.)
SA- February 2, 2021 (7:00 p.m.)

Motion: Approve all items listed on the consent calendar with the exception of Item 17.3.
Moved by Richard J. Loa, seconded by Juan Carrillo.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

18) APPOINTMENT:

18.1) Approve Mayor's nominations for appointments to the Human Rights Advisory Committee. (Staff Reference: City Manager Murphy)

Motion: Move item 18.1 to be heard after 19.4
Moved by Juan Carrillo, seconded by Laura Bettencourt.

Vote: Motion carried (4-1)
Yes: Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.
No:
Steven Hofbauer.

A motion was made by Councilmember Carrillo to table this item, the motion died for a lack of a second.

City Manager Murphy provided a brief overview of the staff report. Discussion ensued among Council and City Manager Murphy regarding recommendations made, and number of applicants.

Motion: Move to approve Mayor's nominations for appointments to the Human Rights Advisory Committee.
Moved by Richard J. Loa, seconded by Austin Bishop.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

19) PUBLIC HEARING:

19.1) Public Hearing and Review of Proposed Ordinance No. 1559 for adoption. (Staff Reference: Planning Manager Megan Taggart)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALMDALE TO MODIFY PALMDALE MUNICIPAL CODE CHAPTER 17.76 (LAND USE MATRIX) (ZOA 21-005)

Planning Manager Taggart read the title of Ordinance No. 1559.

A motion was made and carried unanimously to introduce Ordinance No. 1559.

Mayor Hofbauer opened the Public Hearing.

Testimony: None.

A motion was made and carried unanimously to close the Public Hearing.

Planning Manager Taggart provided a summary of the staff report.

Councilmember Carrillo inquired regarding warehousing of hazardous materials and staff responded the current zone change is related to uses that do not require a use permit.

Motion: Adopt Ordinance No. 1559.
Moved by Austin Bishop, seconded by Richard J. Loa.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

19.2) Public Hearing and Review of Proposed Ordinance No. 1560 for adoption. (Staff Reference: City Attorney Beck)

ORDINANCE NO. 1560, AN ORDINANCE OF THE CITY OF PALMDALE CONTINUING A TEMPORARY SUSPENSION OF SECTION 5.04.670(H)(4) OF THE PALMDALE MUNICIPAL CODE PROHIBITING THE SALE OF FLAVORED ELECTRONIC CIGARETTE PRODUCTS

City Attorney Beck read the title of Ordinance No. 1560.

A motion was made an carried unanimously to introduce Ordinance 1560.

Mayor Hofbauer opened the public hearing.

A motion was made and carried unanimously to close the Public Hearing.

City Attorney Beck provided a brief overview of the staff report. Councilmember Loa inquired on the current status of statewide sales of flavored tobacco. A discussion ensued.

Motion: Adopt Ordinance No. 1560.
Moved by Juan Carrillo, seconded by Austin Bishop.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

19.3) Public Hearing and Review of Proposed Ordinance No. 1562 for adoption. (Staff Reference: City Attorney Beck)

ORDINANCE NO. 1562, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALMDALE AMENDING THE PALMDALE MUNICIPAL CODE SECTION 2.04.100 REGARDING PROCEDURE FOR REMOVAL OF THE CITY MANAGER.

City Attorney Beck read the title of Ordinance No. 1562.

A motion was made and carried with Mayor Hofbauer, Mayor Pro Tem Bettencourt, Councilmember Carrillo voting, "Yes", and Councilmember Loa, and Councilmember Bishop voting "No" to introduce Ordinance 1562.

Mayor Hofbauer opened the public hearing.

Testimony: None.

A motion was made and carried unanimously to close the Public Hearing.

There was Council discussion regarding 4/5 vote, mortgage, severance package, and Measure AV funds.

Motion: Adopt Ordinance No. 1562.
Moved by Laura Bettencourt, seconded by Juan Carrillo.

Vote: Motion carried (3-2)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo.
No: Richard J. Loa,
Austin Bishop.

19.4) Public Hearing and Review of Proposed Ordinance No. 1561 for adoption. (Staff Reference: City Manager Murphy)

ORDINANCE NO. 1561, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALMDALE AMENDING THE PALMDALE MUNICIPAL CODE SECTION 2.08.030 REGARDING APPOINTMENTS TO BOARDS AND COMMISSIONS BY THE CITY COUNCIL

City Manager Murphy read the title of Ordinance No. 1561.

A motion was made and carried unanimously to introduce Ordinance No. 1561.

Mayor Hofbauer opened the Public Hearing.

Testimony: None.

A motion was made and carried unanimously to close the Public Hearing.

City Manager Murphy provided a brief overview of the staff report. Councilmember Loa asked if nominations were restricted to districts. A discussion ensued.

A motion was made and carried unanimously to re-open the Public Hearing.

Resident, Dave Bowman commented on the appointment process for Measure AV.

Discussion ensued regarding working collaboratively, and equal balance of power related to appointments.

Motion: Adopt Ordinance No. 1561 with minor amendments.
Moved by Juan Carrillo, seconded by Richard J. Loa.

Vote: Motion carried (4-1)
Yes: Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.
No:
Steven Hofbauer.

20) NEW BUSINESS:

20.1) Adopt Resolution No. CC 2021-015, A Resolution of the City Council of the City of Palmdale adopting the Sewer Maintenance District Reserve Policy. (Staff Reference: Finance Manager Kang)

Mayor Hofbauer called for a 5-minute recess.

Finance Manager Kang read the title of Resolution No. CC 2021-015 provided an overview of the staff report.

Motion: Adopt Resolution No. CC 2021-015.
Moved by Richard J. Loa, seconded by Juan Carrillo.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

20.2) Adopt Resolution No. CC 2021-017, A Resolution of The City Council Of The City Of Palmdale Authorizing an Interfund Loan Assignment of $4.5 Million to The Sewer Maintenance Fund.(Staff Reference: Finance Manager Kang)

Finance Manager Kang read the title of Resolution No. CC 2021-017 and provided a brief overview of the staff report.

Motion: Adopt Resolution No. CC 2021-017.
Moved by Richard J. Loa, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

20.3) Adopt Resolution No. CC 2021-016, a resolution of the City Council of the City of Palmdale approving execution of a Letter of Credit and filing of Advice Letter to satisfy the financial security requirement; filing of the initial renewable portfolio standards procurement plan; and filing of year-ahead resource adequacy forecast. (Staff Reference: Environmental & Technology Manager Lucha)

This item was pulled out of order and heard after Item 16.

Benjamin Lucha read the title of Resolution No. CC 2021-016 and presented an overview of the staff report.

Discussion ensued among Councilmembers and staff regarding public benefits, developer benefits, competing for grant funds, green energy, and micro-grid systems.

Motion: Adopt Resolution No. CC 2021-016.
Moved by Richard J. Loa, seconded by Juan Carrillo.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

20.4) Provide direction regarding 2021 Redistricting Program and the formation of the redistricting commission. (Staff Reference: Director of Administrative Services Ambrose)

Director of Administrative Services Ambrose provided a PowerPoint presentation to Council. Discussion ensued among Council and staff regarding the timeline for Commission creation, the delay in release of census data scheduled for September 30,2021, and whether there is a limit to the amount of districts. City Manager Murphy suggested that this item be heard at the March 16th Workshop to give Council time to review the redistricting information provided by staff. He also stated a demographer will be provided at the next meeting to answer questions.

Motion: Table this item to the March 16, 2021 meeting, and direct staff to research possible charter amendments to include a 5th district and rotational Mayor for the four-year Mayor position.
Moved by Richard J. Loa, seconded by Austin Bishop.

Vote: Motion carried (5-0)
Yes: Steven Hofbauer, Laura Bettencourt, Juan Carrillo, Richard J. Loa, Austin Bishop.

21) MAYOR AND COUNCILMEMBER REPORTS - COMMITTEE MEMBERSHIPS AND MEETINGS ATTENDED AT PUBLIC EXPENSE.

21.1) VARIOUS COMMITTEE MEMBERSHIPS.

Attachments: Committee Membership Memos from Councilmember Bettencourt, Councilmember Bishop, and Councilmember Carrillo

- ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
- ANTELOPE VALLEY TRANSIT AUTHORITY - Councilmember Loa stated the AVTA briefing was on February 16th and he attended the

board meeting on February 23rd and the board voted to purchase six electric buses. Councilmember Loa announced the AVTA is the first electrified transportation entity in the nation.

- CALIFORNIA CONTRACT CITIES ASSOCIATION
- CITY OF PALMDALE AUDIT COMMITTEE
- CITY OF PALMDALE INVESTMENT OVERSIGHT COMMITTEE
- HIGH DESERT CORRIDOR JOINT POWERS AUTHORITY
- LEAGUE OF CALIFORNIA CITIES
- LOS ANGELES COUNTY SANITATION DISTRICT
- NORTH LOS ANGELES COUNTY TRANSPORTATION COALITION
- PALMDALE RECYCLED WATER AUTHORITY
- SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS REGIONAL

COUNCIL - Councilmember Loa attended the SCAG transportation committee meeting that was held with Congressman Tony Cardenes regarding receiving assistance with inclusion on the transportation bill for the intersection of Rancho Vista and Sierra Highway.

- UNITED STATES/MEXICO SISTER CITIES ASSOCIATION
- CALIFORNIA STATE PRISON – LOS ANGELES COUNTY, CITIZENS ADVISORY COMMITTEE

Councilmember Loa attended the Palmdale Sheriff's Booster meeting on February 3rd and a Veterans Day event.

Mayor Pro Tem Bettencourt announced March 2021 as Women's History Month, and March 8th as International Women's Day. She announced the motto this year is "Choose to Challenge," and with challenge comes change, Women should always stand up for themselves and that they belong in all places where decisions are being made.

Councilmember Bishop thanked everyone for helping to clean up the desert.

Mayor Pro Tem Bettencourt recommended that Councilmember Bishop meet with the Sheriff's Department's illegal dumping crew to get ideas regarding clean-up and enforcement. Mayor Hobauer directed City Attorney Beck to provide a report on arrests and filings and explore ordinance possibilities related to illegal dumping. City Attorney Beck stated it will be a part of the comprehensive report.

Mayor Hofbauer reported participating in a discussion with a Medal of Honor recipient. He also announced an open position at the Antelope Valley Mosquito & Vector Control Distict due to the retirement of the Executive Director.

21.2) MEETINGS ATTENDED AT PUBLIC EXPENSE.

21.3) CITY MANAGER'S REPORT.

City Manager Murphy announced to the public that the City's website will have the ongoing area vaccine sites in the Antelope Valley. He thanked dedicated staff, the incredible community members, non-profit educational and aerospace partners, and engaged elected officials for their continued support.

22) CITY COUNCIL REQUESTS FOR NEW AGENDA ITEMS.

Councilmember Loa requested staff draft a Resolution for March 2021 supporting the women's movement, women's rights, and celebrating International Women's Month.

Mayor Hofbauer requested: 1) Basic timeline and process for charter amendments, and 2) Temporary suspicion of mileage reimbursement. City Attorney Beck will provide a report on mileage at the March 16th meeting.

Councilmember Carrillo suggested a fireworks show for the 4th of July and requested City Attorney Beck to research to see if there are restrictions.

23) ADJOURNMENT.

Mayor Hofbauer adjourned the meeting at 9:25 p.m. to March 16, 2021 at 7:00 p.m. in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.

PASSED, APPROVED, and ADOPTED on this 6th day of May 2021.

_____
Steven D. Hofbauer, Mayor

ATTEST:

_____
Shanae S. Smith, City Clerk

City Council Staff Report

DATE: **MAY 6, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY MANAGER'S OFFICE**

DISTRICT: **All**

SUBJECT: **APPROVE AGREEMENT WITH THE WELLBEING LAB dba LOUIS ALLORO, LLC TO INITIATE AND IMPLEMENT A TRAINING AND COACHING PROGRAM THAT PAIRS WELLBEING AND CHANGE IN COMMUNITIES AND ORGANIZATIONS TO HELP CREATE AND SUSTAIN A ROBUST SOLUTION TO THE HEALTH AND ECONOMIC CHALLENGES IN COMMUNITIES, IN THE AMOUNT OF $295,000**

ISSUE

Approve Agreement No. A-7480 with The Wellbeing Lab dba Louis Alloro, LLC to initiate and implement a training and coaching program that pairs wellbeing and change in communities and organizations to help create and sustain a robust solution to the health and economic challenges in communities, in the amount of $295,000.

RECOMMENDATION

Staff recommends that the City Council:

1. Approve Agreement No. A-7480 with The Wellbeing Lab dba Louis Alloro, LLC to initiate and implement a training and coaching program that pairs wellbeing and change in communities and organizations to help create and sustain a robust solution to the health and economic challenges in communities, in the amount of $295,000; and
2. Authorize the City Manager or his designee to execute the Agreement execute the Agreement with The Wellbeing Lab, including minimal and/or non-substantive changes.

BACKGROUND

Since the beginning of the COVID-19 pandemic, life as we have known it changed drastically. The pandemic took an enormous toll on our community economically, socially, physically, and mentally. Families had their lives disrupted with new work and school schedules, businesses had to deal with shutdowns and new work-from-home dynamics, schools were forced into new distance learning protocols, and health care providers/responders were stretched to their limits. Nearly everyone had or has reached the risk of major burnout.

An alarming statistic reported by the Centers for Disease Control and Prevention showed that 40% of all U.S. adults reported struggling with mental health, suicidal thoughts, or substance abuse early on in the pandemic. It was a warning sign of deeper issues which motivated the City to put a spotlight on this critical concern of mental health. The City quickly reacted to the need by collaborating with local mental health experts for a regular series of online mental health town halls and roundtable discussions to address the key issues, provide support, and connect individuals with resources. The meetings have been very successful and well received. Since then, the community has expressed a strong interest in making wellbeing resources more widely available.

DISCUSSION

After listening to the voices in the community regarding the critical need for sound mental health and wellbeing in our community, the City researched and discovered an innovative program that addresses the needs and problems we currently face.

The Wellbeing Lab, helps organizations, associations and communities measure, talk about, and increase wellbeing at multiple levels (me, we, and us) as the strategy for change in the system. This measurement, training and coaching program helps create and sustain a robust solution to the health and economic challenges that many communities and organizations face today.

The Wellbeing Lab program provides guidance and support in helping teams thrive even in the face of ongoing turbulence, uncertainty, disappointment, depression, or worse. Research shows that wellbeing, the ability to feel good and function effectively, helps us create the workplaces, schools, organizations and communities that are also optimally functioning. The program provides intelligent, evidence-based insights and tools that deliver measurable results. Going beyond just delivering information via workshops, that help leaders and people in the community to take ownership of the wellbeing approaches they need and want.

FISCAL IMPACT

Funding has been allocated under maintaining a healthy community and mental health resources within the Measure AV budget.

STRATEGIC PLAN

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

B. Provide inclusive access to a variety of supportive services that build a resilient and healthy community.

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

Prepared by:	Nardy Lopez, Management Analyst II
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

Agreement No. 7480 with The Wellbeing Lab dba

AGREEMENT NO. A-7480
CONTRACT FOR CONSULTANT SERVICES
BETWEEN THE CITY OF PALMDALE AND THE WELLBEING LAB dba LOUIS ALLORO, LLC

THIS CONTRACT FOR CONSULTANT SERVICES ("Contract" herein) is made and entered into this 4TH day of May, 2021 by and between the City of Palmdale a public body corporate and politic, (hereinafter called "CITY") and The Wellbeing Lab dba Louis Alloro, LLC (hereinafter called "CONSULTANT").

RECITALS

WHEREAS, City desires to engage CONSULTANT to provide certain consultant services; and

WHEREAS, CONSULTANT represents that CONSULTANT has the expertise and is qualified to perform the services described in this Contract. And, if required, is duly registered under the laws of the State of California; and

WHEREAS, CONSULTANT desires to accept such engagement.

NOW, THEREFORE, the parties agree as follows:

1 DESCRIPTION OF WORK

1.1 The City hereby engages CONSULTANT, and CONSULTANT accepts such engagement, to provide the following services:

To build a Wellbeing Coalition in Palmdale, providing regional ambassadors with a common strengths-based language and toolbox, in support of well-coordinated distributed leadership and collective impact around creating more wellbeing in schools, workplaces, and community centers.

Preparation (May-July 2021) (estimated)

Craft communications to potential first partners to leverage their networks and organizations in the common cause for wellbeing. Individual partners could be first participants in our Certificate in Applied Positive Psychology (CAPP cohort), or they can help us attract the right participants. Individuals might participate in our first CAPP cohort, which will form the inaugural members of the Wellbeing Coalition. Organizations might help us distribute the findings on our state of wellbeing in Palmdale project by hosting webinars and other events for your stakeholders in July.

Early June – Measure the State of Wellbeing in Palmdale. This research project will be similar to what we are currently doing in Michigan. We will retain our third part data collection company to take state of wellbeing in Palmdale.

Concord - Document ID: generated after first signature

July – Distribute the findings on the state of wellbeing in Palmdale via press releases/local news and social media coverage. Work through Coalition partners who will host webinars and other events to spark conversations leading more Palmdale residents to take the PERMAH Wellbeing Survey, learn about their wellbeing and be able to apply to the CAPP training opportunity.

August – Conduct a Community wide Wellbeing Challenge through Palmdale Cares

September-February - Launch CAPP Cohort Learning Experience with 50 participants. Goal will be to have a diverse and equitable group of Palmdale stakeholders. Course will meet face to face each month and then virtually each week, for 6 months.

February – End CAPP curriculum; participants present prototypes of their Community Impact Projects, an application of what they have learned in their unique sphere of influence in their community.

March/April/May – Coach participants to execute on Impact Projects and help Coalition coordinate a collective impact.

May 2022 – Graduation and Celebration.

CONSULTANT shall perform and complete all such work and services in a manner satisfactory to CITY.

1.2 Project deliverables shall be reviewed and approved by CITY to determine acceptable completion. CITY shall have the right to review and inspect the work during the course of its performance at such times as may be specified by CITY.

1.3 CONSULTANT shall not accept any change of scope, or change in contract provisions, 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.

1.4 CITY shall provide to CONSULTANT, 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.

2 CITY PROJECT MANAGER

To provide the services required by this Contract, CONSULTANT shall act under the authority and approval of a Project Manager appointed by CITY. The City Project Manager will oversee the work under this Contract, assist CONSULTANT with any necessary information, audit billings, and approve payments. CONSULTANT shall channel reports, deliverables and special requests through the City Project Manager.

3 CONSULTANT'S KEY PERSONNEL

CONSULTANT's Team and Key Personnel are as follows:

Louis Alloro, Director

Dr. Michelle McQuaid, Director

This Consultant Services Contract has been awarded to CONSULTANT based on its representation that those personnel and subcontractors listed above will perform the portions of the work listed herein. CONSULTANT shall not deviate nor substitute any of these team members without prior written approval by CITY.

4 COMMENCEMENT AND COMPLETION OF WORK

The execution of this Contract by the parties does not constitute an authorization to proceed. The services of CONSULTANT shall commence when CITY, acting by and through its Project Manager, has issued an Authorization to Proceed. CONSULTANT shall complete all the work described in Section 1 and submit final deliverables within Three Hundred and Sixty-Five (365) Calendar days following CONSULTANT's receipt of Authorization to Proceed. CONSULTANT shall have no claim for compensation for any services or work, which has not been authorized by CITY's Authorization to Proceed.

5 TAXES

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

5.2 CONSULTANT 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 CONSULTANT or acting on its behalf, in connection with this Contract shall be considered the Agent or employee of CITY.

5.3 CONSULTANT 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.

6 PATENT FEES AND ROYALTIES

CONSULTANT 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, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product or device is specified by CITY 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. CONSULTANT 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, product or device not specified by CITY, and shall defend all such claims in connection with any alleged infringement of such rights.

7 STANDARDS OF PERFORMANCE

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

8 CONSULTANT'S PERSONNEL

8.1 All services required under this Contract shall be performed by CONSULTANT, or under CONSULTANT'S direct supervision, and all personnel shall possess the qualifications, permits and licenses required by State and local law to perform such services.

8.2 CONSULTANT 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.

8.3 CONSULTANT shall be responsible for payment of all CONSULTANT'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.

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

9 COMPENSATION

9.1 For all of work and services including the various phases of tasks as described in Section 1, CITY shall pay to CONSULTANT an amount not to exceed the sum of Two hundred ninety-five thousand dollars ($295,000), payable as follows:

Cost for running the CAPP Program $5,500 per participant, for 50 participants, which includes:

* Support forming Coalition leading up to CAPP, includes working with you to:
  Inform PR/communications strategy and execution
  Run events to distribute research findings
  Help coordinate Wellbeing Challenge

* CAPP curriculum and cohort experience, includes:
  6 x 1.5 day long face-to-face workshops over 6 months
  15 x 90-minute online weekly workshops and coaching
  6 x 90-minute monthly book and journal club optional for participants
  2 months of extended coaching past the course curriculum to execute community impact projects

* Final celebration/graduation (May 2022)

* Coaching through execution of projects simultaneously

* Subscription to the PERMAH Wellbeing Survey for unlimited users in Palmdale community for 12 months

* Consulting on the setting up of the Wellbeing Coalition's strategy and structure

Cost for the State of Wellbeing Research project on a representative sample of 1500 Palmdale residents is $20,000.

Total cost of the project for forming and norming the Palmdale Area Wellbeing Coalition, running 50 participants through CAPP, and the state of wellbeing research project is $295,000.

50% due on execution of agreement and the additional 50% upon the start of the CAPP cohort in July/August.

The Contract Price is CONSULTANT'S estimate of its charges for all the services, including all labor, equipment, material, subcontractor, and reimbursable costs, to be provided under this Agreement. Progress payments shall be made on a time and material basis. Final payment shall be made upon completion of all services and City acceptance of all deliverables, not-to-exceed the Contract Price.

9.2 CONSULTANT shall perform no work in excess of the total contract price without prior written approval of CITY. Total contract price includes expenses related to travel to and from CITY to meet with City and to appear, if so required, before City Council or any other board or commission of CITY.

9.3 CONSULTANT shall maintain adequate records and shall permit inspection and audit by CITY of CONSULTANT's charges under this Contract. CONSULTANT 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 CONSULTANT 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 CONSULTANT shall retain its records for the time required by such laws.

9.4 No payment made hereunder by CITY to CONSULTANT, shall be construed as an acceptance by CITY of any work or materials, nor as evidence of satisfactory performance by CONSULTANT of its obligations under this Contract.

10 INDEMNIFICATION

To the fullest extent permitted by law, CONSULTANT and any contractors or 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 CONSULTANT, its contractors or subcontractors, and regardless of any acts, omissions or negligence (whether active or passive) of any person or entity indemnified hereunder. At their own expense, CONSULTANT and, as applicable, any contractors or 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. CONSULTANT shall ensure that the contract of any contractor or subcontractor working under this agreement contain an indemnity agreement, requiring the contractor or subcontractor to indemnify and defend the Indemnified Parties pursuant the terms set forth above. CONSULTANT 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.

11 INSURANCE

11.1 CONSULTANT, 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 11.8, must be reviewed, and accepted by the City Attorney**.

11.1.1 Workers' Compensation and Employer's Liability

- 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

11.1.2 Professional Liability Insurance*
- $1,000,000.00 with no deductible, or;
- Comparable alternative as determined by the City Attorney; and
- Policy form on a claims-made basis

11.1.3 Commercial General Liability
- $1,000,000.00 limit on a per occurrence basis
- $2,000,000.00 general aggregate limit

11.1.4 Commercial Automobile Liability
- $1,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

11.2 All of CONSULTANT'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.

11.3 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, in the same manner as the named 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 certificate and endorsements shall state: "The City of Palmdale, the Successor Agency of the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, Industrial Development Authority of the City of Palmdale, Palmdale Airport Authority, their officers, agents, employees and volunteers are named as additional insured's."

B. "Severability of Interest" clause.

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

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

11.6 Any policy or policies of insurance that CONSULTANT 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.

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

11.8 Acceptable Proof of Insurance:

11.8.1 ACORD Certificate of Insurance listing all coverages, limits, deductibles and insureds; and endorsements for all applicable coverages if agent has authority to issue it; Additional insured Form CG20101185 or CG20100707 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

11.8.2 Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements listing all insurers must be submitted to the Housing Authority Counsel.

11.8.3 *When coverage is provided on a "claims made basis", CONTRACTOR will continue to renew the insurance for a period of five (5) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONTRACTOR for all claims made by CITY arising out of any acts or omissions of CONTRACTOR, or its officers, employees or agents during the time this Agreement was in effect.

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

12 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, CONSULTANT shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and sub-consultants to cease such work. CONSULTANT shall also surrender to CITY all finished or unfinished documents or programs and other materials, which shall be City's property. As compensation in full for services performed to the date of such termination, the CONSULTANT 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.

13 TERMINATION FOR CAUSE

13.1 If the City determines that the CONSULTANT 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, the City shall give written notice to the CONSULTANT specifying all defaults to be remedied within thirty (30) days. Such notice shall set forth the basis for the City's dissatisfaction and suggest corrective measures. If, after thirty days, the CONSULTANT has failed to implement the corrective measures, the City may elect to terminate this Contract, in whole or in part.

13.2 In the event the City terminates this Contract in whole or in part as provided herein above, the City may procure, upon such terms and in such manner, as it may deem appropriate, services similar to those terminated.

13.3 If this Contract is terminated as provided above, the City may require the CONSULTANT to provide all finished or unfinished documents, data, studies, software, drawings, maps, photographs, reports, etc., prepared by the CONSULTANT. Upon such termination, the CONSULTANT shall be paid an amount equal to the value of the services provided and work performed as of the date of termination. Such payment by the City may take into consideration the costs associated with hiring another CONSULTANT to complete the services. In the event no new CONSULTANT is employed, the CONSULTANT shall be paid an amount equal to the value of the work performed. 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 the City.

13.1 If, after notice of termination of the Contract under the provisions of this Section 13, it is determined, for any reason, that CONSULTANT 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 12.

14 DISPUTE RESOLUTION

All claims, disputes, and other matters in question between CITY and CONSULTANT 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.

15 OWNERSHIP OF DOCUMENTS

All documents, including, but not limited to, research, field notes, investigations, analysis, and studies which are prepared in the performance of this Contract are to be, and remain the property of CITY. CONSULTANT shall furnish CITY, upon its request, originals or reproducible or electronic copies of reports, studies and of all other documents listed above.

16 SUBCONTRACTING, DELEGATION AND ASSIGNMENT

16.1 CONSULTANT shall not delegate, subcontract 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 CONSULTANT from CITY under this Contract may be assigned to a bank, trust company or other financial institution without such approval. Any proposed delegation, assignment or subcontract shall provide a description of the services covered, identification of the proposed assignee, delegates or subcontractor, and an explanation of why and how the same was selected, including the degree of competition involved. Any proposed agreement with an assignee, delegates or subcontractor shall include the following:

A. The amount involved, together with CONSULTANT's analysis of such cost or price; and

B. A provision requiring that any subsequent modification or amendment shall be subject to the prior written consent of CITY.

C. The requirement to hire only those persons authorized by federal law to work in the United States.

16.2 Any assignment, delegation or subcontract shall be made in the name of CONSULTANT and shall not bind or purport to bind CITY and shall not release CONSULTANT 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 CONSULTANT under this Contract.

17 NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

17.1 In performance of this Contract, CONSULTANT shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation, or age. CONSULTANT 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, marital status, sexual orientation or age. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

17.2 The provisions of subsection 17.1 above shall be included in all solicitations or advertisements placed by or on behalf of CONSULTANT for personnel to perform any services under this Contract. CITY shall have access to all documents, data and records of CONSULTANT 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.

18 FINANCIAL INTEREST CERTIFICATION

18.1 CONSULTANT 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 CONSULTANT's firm.

18.2 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.

19 CONFLICT OF INTEREST

19.1 CONSULTANT 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 CONSULTANT 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.

19.2 CONSULTANT shall not employ any Housing Authority/City official or employee to perform any work required pursuant to this Contract.

19.3 If CONSULTANT is a registered professional engineer or licensed land surveyor and the scope of work requires CONSULTANT'S recommendation of the actual formula to spread the costs of an assessment district's improvements, then CONSULTANT shall not participate in making that recommendation if the additional elements set forth in Government Code section 87100.1(c) apply. Those additional elements are: (1) CONSULTANT has received income of $250 or more for professional services in connection with any parcel included in the benefit assessment district within 12 months prior to the creation of the district; and (2) the district includes other parcels in addition to those parcels for which CONSULTANT received the income. In the event a conflict of interest does arise in that context, City shall select a different CONSULTANT to recommend the actual formula to spread the

costs of the assessment district's improvements and the costs of such services shall be deducted from the compensation to be paid to CONSULTANT.

19.4 To the extent required by the City Manager/designee, CONSULTANT 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.

20 COMPLIANCE WITH LAW

20.1 CONSULTANT 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 CONSULTANT uses any subcontractors to complete this Contract, this same requirement shall be included in all subcontracts and strictly enforced by CONSULTANT.

20.2 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.

21 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.

22 ENTIRE CONTRACT AND AMENDMENTS

22.1 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.

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

22.3 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.

23 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:

J.J. Murphy, ICMA-CM Date
City Manager

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38300 Sierra Highway, Suite A
Palmdale, CA 93550

APPROVE AS TO FORM:

Christopher L. Beck
City Attorney

ATTEST:

Shanae S. Smith
City Clerk

THE WELLBEING LAB dba LOUIS ALLORO, LLC:

4-29-21

Louis Alloro Date
Director

ADDRESS FOR NOTICE:

THE WELLBEING LAB dba LOUIS ALLORO, LLC
412 Middlebury Court
Claremont, CA 91711

ATTEST: If Corporation

Secretary

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 04/29/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATIONIS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	
NUTMEG INS AGENCY INC/PHS 76210775 The Hartford Business Service Center 3600 Wiseman Blvd San Antonio, TX 78251	PHONE (A/C, No, Ext): (888) 925-3137	FAX (A/C, No): (888) 443-6112
	E-MAIL ADDRESS:	

INSURED	INSURER(S) AFFORDING COVERAGE	NAIC#
Louis Alloro LLC 412 MIDDLEBURY CT CLAREMONT CA 91711-2815	INSURER A : Sentinel Insurance Company Ltd.	11000
	INSURER B : Property and Casualty Insurance Company of Hartford	34690
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED.NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/Y YYY)	LIMITS	
A	COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR [X] General Liability GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [ ] PRO-JECT [X] LOC [ ] OTHER:			76 SBU BH3420	04/29/2021	04/29/2022	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$1,000,000 $1,000,000 $10,000 $1,000,000 $2,000,000 $2,000,000
A	**AUTOMOBILE LIABILITY** [ ] ANY AUTO [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS [X] HIRED AUTOS [X] NON-OWNED AUTOS			76 SBU BH3420	04/29/2021	04/29/2022	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$1,000,000
	[ ] **UMBRELLA LIAB** [ ] OCCUR [ ] **EXCESS LIAB** [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $						EACH OCCURRENCE AGGREGATE	
B	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N [ ] **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N/ A		76 WEG AL5K34	04/29/2021	04/29/2022	[X] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE -EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $1,000,000 $1,000,000 $1,000,000
A	PROFESSIONAL LIABILITY			76 SBU BH3420	04/29/2021	04/29/2022	Occurrence Aggregate	$1,000,000 $1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES **(ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**

Those usual to the Insured's Operations.

CERTIFICATE HOLDER	CANCELLATION
City of Palmdale 38300 SIERRA HIGHWAY STE A PALMDALE CA 93550-4611	**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.** **AUTHORIZED REPRESENTATIVE** Susan L. Castaneda

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THE HARTFORD
BUSINESS SERVICE CENTER
3600 WISEMAN BLVD
SAN ANTONIO TX 78251

April 29, 2021

City of Palmdale
38300 SIERRA HIGHWAY STE A
PALMDALE CA 93550-4611

Account Information:

Policy Holder Details :	Louis Alloro LLC

Contact Us

Business Service Center
Business Hours: Monday - Friday
(7AM - 7PM Central Standard Time)
Phone: (888) 925-3137
Fax: (888) 443-6112
Email: agency.services@thehartford.com
Website: https://business.thehartford.com

Enclosed please find a Certificate Of Insurance for the above referenced Policyholder. Please contact us if you have any questions or concerns.

Sincerely,

Your Hartford Service Team

City Council Staff Report

DATE: **MAY 6, 2021**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY MANAGER'S OFFICE**
FINANCE DIVISION

DISTRICT: **ALL**

SUBJECT: **ADOPT RESOLUTION NOS. CC 2021-051, PFA 2021-001, AND PCA 2021-001, APPROVING THE FORM AND AUTHORIZING EXECUTION OF CERTAIN LEASE FINANCING DOCUMENTS IN CONNECTION WITH THE REFUNDING OF THE CITY OF PALMDALE TAXABLE CERTIFICATES OF PARTICIPATION (2007 LAND ACQUISITION FINANCING PROJECT) AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO**

ISSUE

Adopt resolution Nos. CC 2021-051, PFA 2021-001, and PCA 2021-001, approving the form and authorizing execution of certain lease financing documents in connection with the refunding of the City of Palmdale Taxable Certificates of Participation (2007 Land Acquisition Financing Project) and authorizing and directing certain actions with respect thereto.

RECOMMENDATION

Staff recommends that the City Council:

1. Acting as the City Council, adopt Resolution No. CC 2021-051 approving the form and authorizing execution of certain lease financing documents in connection with the refunding of the City of Palmdale Taxable Certificates of Participation (2007 Land Acquisition Financing Project) and authorizing and directing certain actions with respect thereto.

2. Acting as the Palmdale Financing Authority, adopt Resolution No. PFA 2021- 001 approving the form and authorizing execution of certain lease financing documents in connection with the refunding of the City of Palmdale Taxable Certificates of Participation (2007 Land Acquisition Financing Project) and authorizing and directing certain actions with respect thereto.

3. Acting as the Palmdale Civic Authority, adopt Resolution No. PCA 2021- 001 approving the form and authorizing execution of a termination agreement in connection with the refunding of the City of Palmdale Taxable Certificates of

Participation (2007 Land Acquisition Financing Project) and authorizing and directing certain actions with respect thereto.

BACKGROUND

In 2007, the City of Palmdale delivered $19,960,000 Taxable Certificates of Participation (2007 Land Acquisition Financing Project) (the "2007 COPs") for the purpose of financing the acquisition of 620 acres of vacant land (the "Property") adjacent to Sierra Highway and located south of Avenue M for future use or sale by the City. The Property secures lease payments to be made by the City to the Palmdale Civic Authority (PCA), which are used for the payment of the 2007 COPs.

There is currently $14,765,000 of 2007 COPs principal outstanding. The 2007 COPs mature in Fiscal Year 2036-37 and bear interest at an average of 6.311%.

Approximately 120 acres of the Property was released from the lien of the 2007 COPs in 2015 in expectation of a sale of the property. Those parcels were never sold. Currently, the City is negotiating a lease of approximately 245 acres of the Property for airport expansion (the 120 acres that have already been released plus another 125 acres). Those additional acres will also need to be released from the lien of the 2007 COPs.

DISCUSSION

The City has an opportunity to refinance the 2007 COPs at an average estimated interest rate of approximately 4.12%. A refinancing at these rates produces a present value savings to the City of approximately 15% of the outstanding balance and a total estimated $4 million reduction in debt service payments over 15 years, or approximately $267,000 per year.

The City's proposed method of financing the acquisition is through the execution of a Site Lease and 2021 Lease Agreement with the Palmdale Financing Authority (PFA). The 2021 Lease Agreement will be secured by lease payments paid from the General Fund, with the remaining 375 acres of the Property securing the 2021 Lease Agreement. The PFA will assign the lease payments to a lender pursuant to an Assignment Agreement. Because of the nature of the leased asset (vacant land), staff and the municipal advisor determined that a public sale of bonds would not be the most effective method of refinancing the 2007 COPs. Rather, the financing would be accomplished by finding one lender to accept the lease payments for vacant land in exchange for financing the acquisition. This financing mechanism is called a "private placement." The City used this same process to refinance certain debt in 2014 secured by park assessments, acquisition and retrofit of the street lights in 2017 and acquisition of the records storage facility in 2018.

Approval of the financing requires that the City adopt a resolution authorizing the 2021 Lease Agreement, the execution of various documents in connection with the financing

by the City Manager and Finance Manager/City Treasurer, and execution of professional services agreements with the municipal advisor, bond counsel and placement agent. It also requires that the PFA adopt a resolution authorizing the 2021 Lease Agreement, the execution of various documents in connection with the financing by the City Manager and Finance Manager/City Treasurer, and that the PCA adopt a resolution authorizing the termination of the original lease agreement securing the 2007 COPs.

The City Council resolution establishes the following parameters for the 2021 Lease Agreement: (1) the par amount of the agreement cannot exceed $13,700,000, (2) maximum annual lease payments cannot exceed $1,300,000 and (3) the final maturity is not later than April 1, 2036. The placement agent received one bid from Western Alliance Bank ("Bank") to provide the financing. The terms of their bid included an interest rate based on spread of 2.5% to the sum of the 9-Year ICE Interest Rate Swap Rate. Based on current market conditions, the interest rate would be 4.12% as of April 8, 2021. The rate will continue to fluctuate until an agreement can be executed and the rate locked.

The terms also provide the City with the ability to prepay the outstanding balance at any time with no prepayment penalty if the City sells the Property.

The City Council resolution also approves the form of the following documents:

- A Letter Agreement for Purchase between the Bank and the City;
- A Site Lease between the PFA and the City;
- A 2021 Lease Agreement between the City and the PFA;
- An Escrow Agreement between the City and US Bank, as trustee for the 2007 COPs; and
- A Termination Agreement between the City, the PCA and US Bank, as trustee for the 2007 COPs.

Finally, the City Council resolution approves the execution of professional services agreements with the municipal advisor, bond counsel and placement agent.

The PFA resolution approves the form of the following documents:

- A Site Lease between the PFA and the City;
- A 2021 Lease Agreement between the City and the PFA; and
- An Assignment Agreement between the PFA and the Bank.

The PCA resolution approves the form of the Termination Agreement between the City, the PCA and US Bank, as trustee for the 2007 COPs.

FISCAL IMPACT

The 2007 COPs mature on April 1, 2037. The trustee holds a reserve fund for the 2007 COPs equal to one year's debt service. Applying the reserve fund to the final year debt service payment effectively means that the City's last payment on the 2007 COPs will be April 1, 2036. Because the Bank is not requiring a reserve fund for the 2021 Lease Agreement, the existing reserve fund will be applied toward the redemption of the 2007 COPs and the 2021 Lease Agreement will mature on April 1, 2036, one year before the 2007 COPs and consistent with the last expected payment on the 2007 COPs. Total lease payments for the 15-year term of the financing are expected to be $18,360,000, with annual payments of $1,224,000. The true interest cost (sometimes called the "effective interest rate") is expected to be 4.12% based on the April 8, 2021 interest rate market. A refinancing at this rate produces a present value savings to the City of approximately 15% of the outstanding balance of the 2007 COPs and a total estimated $4 million reduction in debt service payments over 15 years, or approximately $267,000 per year.

If the City Council, PFA and PCA approve the refinancing and adopt the resolutions, the interest rate will be locked, and savings will be finalized on May 5, 2021.

Refinancing the 2007 COPs will require a borrowing of approximately $13,576,000 as shown below.

2007 COP Redemption Price	$14,935,834
Less 2007 Reserve Fund	(1,500,834)
Net Escrow Fund Requirement	13,435,000
Costs of Issuance	141,000
Total 2021 Lease Amount	$13,576,000

The savings take into account the costs payable at closing shown below.

Bond Counsel	$ 55,000
Financial Advisor	33,000
Placement Agent	25,000
Counsel to the Bank	10,000
Escrow Bank Fees	2,000
Escrow Verification	1,500
Title Insurance	11,000
CDIAC	3,500
Total Costs	$141,000

There are no additional ongoing financing costs, as there is no trustee for the 2021 Lease, and no continuing disclosure filing requirement. This will actually save another $5,000

per year compared to the administrative costs of the 2007 COPs. The City staff will be responsible for filing the annual debt transparency report required by the California Debt and Investment Advisory Commission (CDIAC).

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.
D. Pursue alternative financing opportunities for continued infrastructure improvements and quality community programs.

Prepared by:	Willy Galindo, Senior Financial Analyst
Certified as to availability of Funds:	Keith Kang, Finance Manager
Approved by:	J.J. Murphy, ICMA-CM, City Manager
Approved as to form:	Christopher Beck, City Attorney

ATTACHMENTS

1. Resolution No. CC 2021-051
2. Resolution No. PFA 2021-001
3. Resolution No. PCA 2021-001
4. Letter Agreement for Purchase (A-7447)
5. Site Lease (A-7453)
6. Lease Agreement (A-7446)
7. Escrow Agreement (A-7448)
8. Assignment Agreement (A-7454)
9. Termination Agreement (A-7449)
10. Agreement for Legal Services (A-7450)
11. Agreement for Municipal Advisor Services (A-7451)
12. Agreement for Placement Agent Services (A-7452)

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2021-051

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF CERTAIN LEASE FINANCING DOCUMENTS IN CONNECTION WITH THE REFUNDING OF THE OUTSTANDING CITY OF PALMDALE TAXABLE CERTIFICATES OF PARTICIPATION (2007 LAND ACQUISITION FINANCING PROJECT) AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

WHEREAS, the City has previously caused the execution and delivery of its Taxable Certificates of Participation (2007 Land Acquisition Financing Project) (the "2007 Certificates") to finance the acquisition of certain real property for future use by the City (the "Property"); and

WHEREAS, principal and interest payments with respect to the 2007 Certificates are payable from lease payments made by the City from its general fund under a Lease Agreement, dated as of April 1, 2007, by and between the Palmdale Civic Authority (the "Civic Authority") and the City (the "2007 Lease Agreement"); and

WHEREAS, the current principal balance of the 2007 Certificates is $14,765,000; and

WHEREAS, the City has determined at this time, due to prevailing interest rates in the municipal bond market and for other reasons, to prepay the 2007 Lease Agreement and to refund the 2007 Certificates; and

WHEREAS, it is in the public interest and for the public benefit that the City authorize and direct execution of a lease agreement (the "Lease Agreement"), by and between the Palmdale Financing Authority (the "Authority") and the City, and certain other financing documents in connection therewith; and

WHEREAS, the documents below specified have been filed with the City and the members of its Council, with the aid of its staff, have reviewed said documents; and

WHEREAS, pursuant to section 5852.1 of the California Government Code, which became effective on January 1, 2018 by the enactment of Senate Bill 450, certain information relating to the Lease Agreement is set forth in Exhibit A attached to this Resolution, and such information is hereby disclosed and made public.

NOW, THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The Council hereby approves the prepayment of the 2007 Lease Agreement and the refunding of the 2007 Certificates.

SECTION 2. The below-enumerated documents, in the forms on file with the City Clerk, be and are hereby approved, and the Mayor, the City Manager or the Finance Manager/City Treasurer, or the designee thereof (each, a "Designated Officer"), are hereby individually authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such officials, and the City Clerk is hereby authorized and directed to attest to such official's signature:

(a) a letter agreement for purchase (A-7447), by and between Western Alliance Business Trust, a Delaware statutory trust, as purchaser (the "Purchaser"), and the City, whereby the Purchaser agrees to acquire certain rights of the Authority, including but limited to the lease payments to be made by the City under the Lease Agreement and the rights of the Authority under the Site Lease (hereinafter defined);

(b) a Site Lease (A-7453), by and between the City, as lessor, and the Authority, as lessee (the "Site Lease"), pursuant to which the City will lease a portion of the Property to the Authority;

(c) a lease agreement (A-7446), by and between the Authority, as lessor, and the City, as lessee (the "Lease Agreement"), pursuant to which the Authority will lease the such portion of the Property back to the City and pursuant to which the City will agree to make semi-annual lease payments (the "Lease Payments"), so long as the principal amount of the Lease Agreement is not greater than $13,700,000, the maximum annual lease payments to be paid by the City under the Lease Agreement is not greater than $1,300,000 and the term of the Lease Agreement does not extend beyond April 1, 2036;

(d) an escrow agreement (A-7448), by and between the City and U.S. Bank National Association, as escrow agent, providing for the defeasance of the 2007 Certificates; and

(e) a termination agreement (A-7449), by and among the Civic Authority, the City and U.S. Bank National Association, as trustee for the 2007 Certificates.

SECTION 3. The firm of Harrell & Company Advisors, LLC is hereby affirmed as municipal advisor to the City for the financing (the "Municipal Advisor"), the firm of

Quint & Thimmig LLP is hereby affirmed as special counsel to the City for the Bonds ("Special Counsel") and the firm of D.A. Davidson & Co. is hereby affirmed as placement agent for the financing (the "Placement Agent"). The City Manager is hereby authorized and directed to execute and deliver an agreement (A-7451) with the Municipal Advisor for its services related to the financing, an agreement (A-7450) with Special Counsel for its services related to the financing and an agreement (A-7452) with the Placement Agent for its services related to the financing, each such agreement to be in the respective forms on file with the City Clerk.

SECTION 4. The Mayor, the City Manager, the Finance Manager/City Treasurer, the City Clerk and all other appropriate officials of the Council and the City are hereby authorized and directed to execute such other agreements, documents and certificates as may be necessary to effect the purposes of this resolution and the financing herein authorized.

SECTION 5. This Resolution shall take effect from and after its adoption.

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

PASSED, APPROVED and **ADOPTED** this 6th day of May 2021.

_____
Steven D. Hofbauer, Mayor

Approved as to form:

ATTEST:

_____
Christopher Beck
City Attorney

_____
Shanae S. Smith, City Clerk

I, Shanae Smith, City Clerk of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 6th day of May 2021 by the following roll call vote:

AYES: _____

NOES:_____

ABSTAIN:_____ABSENT:_____

Date: _____

_____
Shanae S. Smith, City Clerk

EXHIBIT A

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates that have been provided by the Municipal Advisor which has been represented to have been provided in good faith:

(A) True Interest Cost of the Lease Agreement: 4.12%

(B) Finance Charges: $141,000

(C) Net Proceeds to be Received: $13,435,000 (net of finance charges)

(D) Total Payment Amount through Maturity: $18,360,000

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates on April 8, 2021.

The principal amount of the Lease Agreement, the true interest cost of the Lease Agreement, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Lease Agreement being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Lease Agreement sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the Lease Agreement being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Lease Agreement being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the Lease Agreement and the actual principal amount of Lease Agreement sold will be determined by the City based on the timing of the need for proceeds of the Lease Agreement and other factors. The actual interest rates with respect to the Lease Agreement will depend on market interest rates at the time of sale thereof. The actual amortization of the Lease Agreement will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.

PALMDALE FINANCING AUTHORITY
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. PFA 2021-001

A RESOLUTION OF THE PALMDALE FINANCING AUTHORITY OF THE CITY OF PALMDALE APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF CERTAIN LEASE FINANCING DOCUMENTS IN CONNECTION WITH THE REFUNDING OF THE OUTSTANDING CITY OF PALMDALE TAXABLE CERTIFICATES OF PARTICIPATION (2007 LAND ACQUISITION FINANCING PROJECT) AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

WHEREAS, the City has previously caused the execution and delivery of its Taxable Certificates of Participation (2007 Land Acquisition Financing Project) (the "2007 Certificates") to finance the acquisition of certain real property for future use by the City (the "Property"); and

WHEREAS, principal and interest payments with respect to the 2007 Certificates are payable from lease payments made by the City from its general fund under a Lease Agreement, dated as of April 1, 2007, by and between the Palmdale Civic Authority (the "Civic Authority") and the City (the "2007 Lease Agreement"); and

WHEREAS, the current principal balance of the 2007 Certificates is $14,765,000; and

WHEREAS, the City has determined at this time, due to prevailing interest rates in the municipal bond market and for other reasons, to prepay the 2007 Lease Agreement and to refund the 2007 Certificates; and

WHEREAS, it is in the public interest and for the public benefit that the Authority authorize and direct execution of a lease agreement (the "Lease Agreement"), by and between the Authority and the City, and certain other financing documents in connection therewith; and

WHEREAS, the documents below specified have been filed with the Authority and the members of its Board, with the aid of its staff, have reviewed said documents; and

NOW, THEREFORE, BE IT RESOLVED, THE PALMDALE FINANCING AUTHORITY OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The below-enumerated documents, substantially in the forms on file with the Secretary, be and are hereby approved, and the Chair, the Executive

Director or the Treasurer is hereby individually authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such officials, and the Secretary is hereby authorized and directed to attest to such official's signature.

(a) a Site Lease (A-7453), by and between the City, as lessor, and the Authority, as lessee (the "Site Lease"), pursuant to which the City will lease a portion of the Property to the Authority;

(b) a lease agreement (A-7446), by and between the Authority, as lessor, and the City, as lessee (the "Lease Agreement"), pursuant to which the Authority will lease such portion of the Property back to the City and pursuant to which the City will agree to make semi-annual lease payments (the "Lease Payments"); and

(c) an assignment agreement (A-7454), by and between the Authority and Western Alliance Business Trust, a Delaware statutory trust (the "Purchaser"), pursuant to which the Authority will assign to the Purchaser certain of its rights under the Site Lease and the Lease Agreement, including its right to receive the Lease Payments thereunder.

SECTION 2. The Chair, the Executive Director, the Treasurer, the Secretary and other officials of the Authority are hereby authorized and directed to execute such other agreements, documents and certificates and to take such other actions as may be necessary to effect the purposes of this resolution and the lease financing herein authorized.

SECTION 3. This Resolution shall take effect from and after its adoption.

SECTION 4. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED and **ADOPTED** this 6th day of May 2021.

Approved as to form:

_____
Steven D. Hofbauer, Chair

ATTEST:

_____
Christopher Beck
Authority Attorney

_____
Shanae S. Smith, Authority Secretary

I, Shanae Smith, Authority Secretary of the Palmdale Financing Authority of the City Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the Palmdale Financing Authority of the City of Palmdale at a regular meeting of said Authority held on the 6th day of May 2021 by the following roll call vote:

AYES: _____

NOES:_____

ABSTAIN:_____ABSENT:_____

Date: _____ _____
Shanae S. Smith, Authority Secretary

PALMDALE CIVIC AUTHORITY
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. PCA 2021-001

A RESOLUTION OF THE PALMDALE CIVIC AUTHORITY OF THE CITY OF PALMDALE APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A TERMINATION AGREEMENT IN CONNECTION WITH THE REFUNDING OF THE OUTSTANDING CITY OF PALMDALE TAXABLE CERTIFICATES OF PARTICIPATION (2007 LAND ACQUISITION FINANCING PROJECT) AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

WHEREAS, the City has previously caused the execution and delivery of its Taxable Certificates of Participation (2007 Land Acquisition Financing Project) (the "2007 Certificates") to finance the acquisition of certain real property for future use by the City (the "Property"); and

WHEREAS, principal and interest payments with respect to the 2007 Certificates are payable from lease payments made by the City from its general fund under a Lease Agreement, dated as of April 1, 2007, by and between the Palmdale Civic Authority (the "Civic Authority") and the City (the "2007 Lease Agreement"); and

WHEREAS, the current principal balance of the 2007 Certificates is $14,765,000; and

WHEREAS, the City has determined at this time, due to prevailing interest rates in the municipal bond market and for other reasons, to prepay the 2007 Lease Agreement and to refund the 2007 Certificates; and

WHEREAS, it is in the public interest and for the public benefit that the Authority authorize and direct execution of a termination agreement (the "Termination Agreement"), by and among the Authority, the City and U.S. Bank National Association, as trustee for the 2007 Certificates; and

WHEREAS, the documents below specified have been filed with the Authority and the members of its Board, with the aid of its staff, have reviewed said documents; and

NOW, THEREFORE, BE IT RESOLVED, THE PALMDALE CIVIC AUTHORITY OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The Termination Agreement (A-7449), in the form on file with the Secretary, be and is hereby approved, and the Chair, the Executive Director or the

Treasurer or the designee thereof (each, a "Designated Officer"), are hereby individually authorized and directed to execute said document, with such changes, insertions and omissions as may be approved by such officials, and the Secretary is hereby authorized and directed to attest to such official's signature.

SECTION 2. The Chair, the Executive Director, the Treasurer, the Secretary and other officials of the Authority are hereby authorized and directed to execute such other agreements, documents and certificates and to take such other actions as may be necessary to effect the purposes of this resolution and the lease financing herein authorized.

SECTION 3. This Resolution shall take effect from and after its adoption.

SECTION 4. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED and **ADOPTED** this 6th day of May 2021.

_____
Steven D. Hofbauer, Chair

Approved as to form:

ATTEST:

_____
Christopher Beck
Authority Attorney

_____
Shanae S. Smith, Authority Secretary

I, Shanae Smith, Authority Secretary of the Palmdale Civic Authority of the City Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the Palmdale Civic Authority of the City of Palmdale at a regular meeting of said Authority held on the 6th day of May 2021 by the following roll call vote:

AYES: _____

NOES:_____

ABSTAIN:_____ABSENT:_____

Date: _____ _____
Shanae S. Smith, Authority Secretary

LETTER AGREEMENT FOR PURCHASE
(A-7447)

May 5, 2021

City of Palmdale
38300 Sierra Highway
Palmdale, CA 93550
Attention: Finance Manager/City Treasurer

Re: $_____ Lease Agreement, dated as of May 1, 2021, by and between the Palmdale Financing Authority and the City of Palmdale, assigned to Western Alliance Business Trust, a Delaware statutory trust

---

Ladies and Gentlemen:

The undersigned, Western Alliance Business Trust, a Delaware statutory trust (including its successors and assigns, the "Purchaser"), offers, upon the following terms, to acquire (i) the rights, title and interest of Palmdale Financing Authority (the "Authority") under the Lease Agreement (hereinafter defined), including its rights to receive Lease Payments to be made by the City of Palmdale (the "City") under the Lease Agreement, dated as of May 1, 2021 (the "Lease Agreement"), by and between the City and the Authority; provided that the Authority's rights to indemnification and payment or reimbursement for any costs or expenses thereunder have been retained by the Authority to the extent such rights accrue to the Authority and shall have been assigned to the Purchaser, as assignee, to the extent such rights accrue to the Purchaser, by entering into an assignment agreement, dated as of May 1, 2021 (the "Assignment Agreement"), with the Authority, and (ii) except for the Authority's obligation under Section 4 thereof, the rights, title and interest of the Authority under the Site Lease, dated as of May 1, 2021 (the "Site Lease"), by and between the City and the Authority.

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Lease Agreement.

1. *Purchase and Purchase Price; Terms of Authority's Obligations*. The City and the Authority agree to execute and deliver the Site Lease and the Lease Agreement, and the Purchaser agrees to purchase the Authority's rights, title and interest under the Lease Agreement, as described more specifically above and in the Assignment Agreement, at an aggregate purchase price of $_____. The Lease Payments under the Lease Agreement and the interest rates applicable thereto shall be as shown in Exhibit A hereto.

The City acknowledges that:

(a) The Purchaser is acting in this transaction solely for its own account and not as a fiduciary for the City or in the capacity of broker, dealer, municipal securities underwriter, placement agent, or municipal advisor;

(b) The Purchaser has not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the City (including the municipal advisor engaged by the City) with respect to the structuring of the financing or the execution and delivery of the Lease Agreement;

(c) The Purchaser has no fiduciary duty pursuant to section 15B of the Securities Exchange Act of 1934, as amended, to the City with respect to the transactions relating to the structuring of the financing or the execution and delivery of the Lease Agreement and the discussions, undertakings, and procedures leading thereto;

(d) Each of the City and its municipal advisor has sought and shall seek and obtain financial, legal (including securities law), tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the lease financing transaction from its financial, legal, and other advisors (and not the Purchaser or its affiliates) to the extent that the City or its municipal advisor desires to, should, or needs to obtain such advice;

(e) The Purchaser has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, including but not limited to the City's municipal advisor, or the correctness of any legal interpretation made by counsel to any other party, including but not limited to counsel to the City's municipal advisor, with respect to any such matters; and

(f) The transactions between the City and the Purchaser are arm's length, commercial transactions in which the Purchaser is acting and has acted solely as a principal and for its own interest, and the Purchaser has not made recommendations to the City with respect to the transactions relating to the Lease Agreement.

2. *Use of Funds*. The purchase price paid by the Purchaser shall be used by the Authority to pay the City an amount equal to an advance rental of $_____, pursuant to Section 4 of the Site Lease. The City shall use such advance rental payment received from the Authority to (a) provide for the prepayment of the 2007 Lease Agreement and the redemption of 2007 Certificates, and (b) pay the costs related to the preparation, execution and delivery of the Lease Agreement, the Site Lease, the Assignment Agreement.

3. *Disposition of Proceeds*. On the Closing Date, the Purchaser shall transfer $1,252,500, via wire transfer (wire information to be provided), as follows:

(i) to the Escrow Bank the amount of $_____, to provide for the prepayment of the 2007 Lease Agreement and the redemption of 2007 Certificates, and

(ii) to the following payees the following sums to provide for the payment of the costs related to the preparation, execution and delivery of the Lease Agreement, the Site Lease, the Assignment Agreement:

(1) to Harrell & Company Advisors, LLC, as municipal advisor, the sum of $_____,
(2) to Quint & Thimmig LLP, as special counsel, the sum of $_____,
(3) to D.A. Davidson & Co., as placement agent, the sum of $_____, and
(4) to Stradling Yocca Carlson & Rauth, a Professional Corporation, as counsel to the Purchaser, the sum of $_____;
(5) to U.S. Bank National Association, as Escrow Bank, the sum of $_____;
(6) to Stewart Title Guaranty Company, as title insurer, the sum of $_____ and
(7) to the City, the sum of $_____, to pay the CDIAC fee and other costs of the City.

4. *Closing*. at 8:00 a.m. Pacific Daylight time, on May 25, 2021, or at such other time or on such earlier or later date as the Purchaser, the Authority and the City mutually agree upon (the "Closing Date"), the City will deliver (or cause to be delivered) the Site Lease and the Lease Agreement executed by the City and the Authority, the Assignment Agreement executed by the

Authority and the Purchaser and the Escrow Agreement, executed by the City and the Escrow Bank, and the Purchaser will pay the purchase price for the Authority's rights, title and interest in the Site Lease and the Lease Agreement as set forth in Section 1 hereof in federal or other immediately available funds.

5. *Representations and Warranties of the City*. The City represents and warrants to the Purchaser that:

(a) The City is a municipal corporation and chartered city organized and existing under the Constitution and the laws of the State of California (the "State"), and has all necessary power and authority to enter into and perform its duties under this Agreement, the Site Lease and the Lease Agreement (collectively, the "City Documents").

(b) To the best knowledge of the City, neither the execution and delivery of the City Documents, nor the execution of this Agreement, and compliance with the provisions on the City's part contained therein, nor the consummation of any other of the transactions herein and therein contemplated, nor the fulfillment of the terms hereof and thereof, materially conflicts with or constitutes a material breach of or default under nor materially contravenes any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, nor does any such execution, delivery, adoption or compliance result in the security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the City Documents.

(c) The City Documents have been duly authorized by the City, and, assuming due authorization, execution and delivery by the other parties thereto, will constitute legal, valid and binding agreements of the City enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if sought and by the limitations on legal remedies imposed on actions against cities in the State of California.

(d) There is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory agency having jurisdiction over the City required for the execution and delivery of the City Documents or the consummation by the City of the other transactions contemplated by the City Documents.

(e) To the best knowledge of the City, there is, and on the Closing Date (as hereinafter defined) there will be, no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or threatened against the City to restrain or enjoin the payments to be made pursuant to the Lease Agreement, or in any way contesting or affecting the validity of the City Documents or the authority of the City to approve this Agreement, or enter into the City Documents or contesting the powers of the City to enter into or perform its obligations under any of the foregoing or in any way contesting the powers of the City in connection with any action contemplated by this Agreement or to restrain or enjoin the payment of Lease Payments, nor is there any basis for any such action, suit, proceeding or investigation.

(f) By official action of the City prior to or concurrently with the execution hereof, the City has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the City Documents and the consummation by it of all other transactions contemplated by this Agreement.

(g) The City is not in breach of or default under any material applicable law or administrative regulation of the State of California or the United States or any material applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject and in connection with which the City is obligated to make payments from its own funds, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument the consequence of which could be to materially and adversely affect the performance of the City under the City Documents.

(h) The City will deliver all opinions, certificates, letters and other instruments and documents reasonably required by the Purchaser and this Agreement.

(i) Any certificate of the City delivered to the Purchaser shall be deemed a representation and warranty by the City to the Purchaser as to the statements made therein.

(j) As of the time of acceptance hereof and as of the Closing Date the City does not and will not have outstanding any indebtedness which is secured by a lien on the City's general fund except as disclosed to the Purchaser.

(k) The financial statements of, and other financial information regarding the City delivered to the Purchaser fairly present the financial position and results of the operations of the City as of the dates and for the periods therein set forth and the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied.

(l) Between the date of this Agreement and the date of Closing Date, the City will not, without the prior written consent of the Purchaser, offer or issue any certificates, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, secured by a lien on the City's general fund.

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

6. *Conditions Precedent to the Closing*. Other conditions precedent to the Closing are:

(a) The delivery by the City of a certified copy of (i) the resolution of the City Council authorizing the execution and delivery by the City of the Site Lease, the Lease Agreement and the Escrow Agreement, together with an incumbency certificate of the City, and (ii) the resolution of the Board of Directors of the Authority authorizing the execution and delivery by the Authority of the Site Lease, the Lease Agreement and the Assignment Agreement, together with an incumbency certificate of the Authority;

(b) The delivery by the City of fully executed copies of the Site Lease, the Lease Agreement and Assignment Agreement in form and substance acceptable to the Purchaser;

(c) Delivery of a legal opinion addressed to the City, with a reliance letter to the Purchaser, dated the Closing Date, of Quint & Thimmig LLP, as Special Counsel, with respect to

(i) the validity and enforceability of the Lease Agreement, the Site Lease, and the Assignment Agreement by and against the City and the Authority (as applicable), (ii) the tax-exempt status of the interest component of the Lease Payments, and (iii) such other matters as may be requested by the Purchaser in form and substance acceptable to the Purchaser;

(d) Delivery of an opinion addressed to the City and the Purchaser, dated the Closing Date, of the City Attorney, in form and substance acceptable to the Purchaser;

(e) Delivery of an opinion addressed to the City and the Purchaser, dated the Closing Date, of the City Attorney as counsel to the Authority, in form and substance acceptable to the Purchaser;

(f) The delivery of a certificate dated the Closing Date and signed by the City Manager, or such other officer of the City as the City Council of the City may approve, to the effect that:

(i) to the best knowledge of the City, there are no actions or proceedings against the City pending and notice of which has been served on the City or threatened that materially adversely affect the City's ability to pay the Lease Payments or to perform its obligations under the Site Lease and Lease Agreement;

(ii) the representations and warranties of the City contained in this agreement and the Lease Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; and

(iii) that the City acknowledges receipt from the Purchaser of the purchase price for the City's obligations under the Lease Agreement, including the Lease Payments;

(g) The delivery by the City of a title policy for the property that is the subject of the Site Lease and Lease Agreement in form acceptable to the Purchaser;

(h) The delivery by the Purchaser of a letter in form and substance as attached hereto as Exhibit B;

(i) The delivery by Special Counsel as to the legal defeasance of the 2007 Certificates; and;

(j) Such other documents as may be reasonably requested by the Purchaser.

7. *Events Permitting the Purchaser to Terminate*. The Purchaser may terminate its obligation to purchase the Authority's rights, title and interest under the Site Lease and the Lease Agreement before the Closing Date if any of the following occurs:

(a) any legislative, executive or regulatory action (including the introduction of legislation) or any court decision that, in the judgment of the Purchaser, casts sufficient doubt on the legality of or the tax-exempt status of the interest component of obligations such as those represented by the Lease Agreement and the Lease Payments so as to materially impair the marketability or to materially reduce the market price of such obligations, in the reasonable opinion of the Purchaser;

(b) any action by the Securities and Exchange Commission or a court that would require registration of the Lease Agreement under the Securities Act of 1933, as amended;

(c) any event occurs or becomes known that has a material adverse effect on the financial condition of the City or on the ability of the City or the Authority to perform under the Site Lease, the Lease Agreement or the Assignment Agreement;

(d) any of the representations or warranties of the City made in this Letter Agreement for Purchase are determined by the Purchaser to be untrue or materially inaccurate; or

(e) a national or international crisis materially affecting, in the Purchaser's opinion, the market price of the Lease Agreement and Lease Payments.

8. *Expenses*. The fees and disbursements of Special Counsel, the fees and disbursements of the municipal advisor to the City, CDIAC fees, fees of the Placement Agent, fees of Purchaser's Counsel and other miscellaneous expenses of the City incurred in connection with the offering and delivery of the City Documents or the Assignment Agreement shall all be the obligation of the City. The Purchaser shall have no responsibility for any expenses associated with the City Documents or the Assignment Agreement, including, but not limited to, the expenses identified above as the obligation of the City.

9. *Applicable Law*. This Agreement shall be governed by the laws of the State of California, exclusive of the choice of law provisions thereof.

10. (a) TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF THE CITY AND THE PURCHASER IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE CITY FURTHER AGREES THAT, IN THE EVENT OF LITIGATION, IT WILL NOT PERSONALLY OR THROUGH ITS AGENTS OR ATTORNEYS SEEK TO REPUDIATE THE VALIDITY OF THIS SECTION 10, AND IT ACKNOWLEDGES THAT IT FREELY AND VOLUNTARILY ENTERED INTO THIS AGREEMENT TO WAIVE TRIAL BY JURY IN ORDER TO INDUCE THE PURCHASER TO ENTER INTO THIS AGREEMENT.

(b) To the extent the foregoing waiver of a jury trial is unenforceable under applicable California law, the parties agree to refer, for a complete and final adjudication, any and all issues of fact or law involved in any litigation or proceeding (including all discovery and law and motion matters, pretrial motions, trial matter and post-trial motions up to and including final judgment), brought to resolve any dispute (whether based on contract, tort or otherwise) between the parties hereto arising out of, in connection with or otherwise related or incidental to this Agreement to a judicial referee who shall be appointed under a general reference pursuant to California Code of Civil Procedure Section 638, which referee's decision will stand as the decision of the court. Such judgment will be entered on the referee's statement of judgment in the same manner as if the action had been tried by the court. The parties shall select a single neutral referee, who shall be a retired state or federal judge with at least five years of judicial experience in civil matters; provided that the event the parties cannot agree upon a referee, the referee will be appointed by the court. The City shall be solely responsible to pay all fees and expense of any referee appointed in such action or proceeding.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Letter Agreement for Purchase by their officers thereunto duly authorized as of the day and year first above written.

WESTERN ALLIANCE BUSINESS TRUST,
a Delaware statutory trust, as Purchaser

By _____
Authorized Officer

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

CITY OF PALMDALE

By _____
Finance Manager and City Treasurer

EXHIBIT A

SCHEDULE OF LEASE PAYMENTS

Lease Payment Date	Principal Component	Interest Component	Total Lease Payment
10/1/21			
4/1/22			
10/1/22			
4/1/23			
10/1/23			
4/1/24			
10/1/24			
4/1/25			
10/1/25			
4/1/26			
10/1/26			
4/1/27			
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10/1/31			
4/1/32			
10/1/32			
4/1/33			
10/1/33			
4/1/34			
10/1/34			
4/1/35			
10/1/35			
4/1/36			
10/1/36			
4/1/37			
TOTAL			

(1) The applicable interest rate is ____% per annum. If the Default Rate (as defined in the Lease Agreement) is in effect, interest will be computed by applying such alternate rate.

EXHIBIT B

FORM OF PURCHASER'S LETTER

City of Palmdale
38300 Sierra Highway
Palmdale, CA 93550
Attention: Finance Manager/City Treasurer

Re: $_____ Lease Agreement, dated as of May 1, 2021, by and between the Palmdale Financing Authority and the City of Palmdale, assigned to Western Alliance Business Trust, a Delaware statutory trust

---

Ladies and Gentlemen:

The undersigned, Western Alliance Business Trust, a Delaware statutory trust (the "Purchaser"), has agreed to acquire (i) the rights, title and interest of Palmdale Financing Authority (the "Authority") under the Lease Agreement, dated as of May 1, 2021 (the "Lease Agreement"), by and between the City of Palmdale (the "City") and the Authority, including its rights to receive lease payments to be made by the City under the Lease Agreement. In connection with such purchase, the Purchaser hereby agrees and certifies to the Authority and the City that:

(a) The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other obligations of a nature similar to the Lease Agreement to be able to evaluate the risks and merits of the purchase of the rights, title and interest of the Authority under the Lease Agreement.

(b) The Purchaser is acquiring the rights, title and interest of the Authority under the Lease Agreement for its own account and not with a view to, or for sale in connection with, any distribution thereof or any part thereof. The Purchaser has not offered to sell, solicited offers to buy, or agreed to sell the rights, title and interest of the Authority under the Lease Agreement or any part thereof, and the Purchaser has no current intention of reselling or otherwise disposing of such rights, title and interest under the Lease Agreement *provided, however*, such representation shall not preclude the Purchaser from transferring or selling of the rights, title and interest under the Lease Agreement in accordance with the Lease Agreement. The Purchaser is not acting in a broker-dealer capacity in connection with its purchase of the rights, title and interest of the Authority under the Lease Agreement.

(c) The Purchaser has made its own credit inquiry and analysis with respect to the City and the Lease Agreement and has made an independent credit decision based upon such inquiry and analysis and in reliance on the truth, accuracy, and completeness of the representations and warranties of the City set forth in the Lease Agreement and in the information set forth in any materials submitted to the Purchaser by the City. The City has furnished to the Purchaser all the information which the Purchaser has requested of the City as a result of the Purchaser having attached significance thereto in making its decision with respect to the Lease Agreement, and the Purchaser has had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the City and the Lease Agreement. The Purchaser is able and willing to bear the economic risk of the purchase and ownership of the rights, title and interest of the Authority under the Lease Agreement.

(d) The Purchaser understands that the Lease Agreement has not been registered under the United States Securities Act of 1933 or under any state securities laws. The Purchaser agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Lease Agreement by it, and further acknowledges that any current exemption from registration of the Lease Agreement does not affect or diminish such requirements.

(e) The Purchaser has authority to purchase the rights, title and interest of the Authority under the Lease Agreement and to execute any instruments and documents required to be executed by the Purchaser in connection with the purchase of the rights, title and interest of the Authority under the Lease Agreement. The undersigned is a duly appointed, qualified, and acting officer of the Purchaser and is authorized to cause the Purchaser to make the representations and warranties contained herein on behalf of the Purchaser.

(f) The Purchaser acknowledges that rights, title and interest of the Authority under the Lease Agreement are transferable with certain requirements, as described in the Lease Agreement.

(g) The Purchaser acknowledges that the Lease Agreement is exempt from the requirements of Rule 15c2-12 of the Securities and Exchange Commission and that the City has not undertaken to provide any continuing disclosure with respect to the Lease Agreement but that the City has agreed to provide other ongoing information to the Purchaser.

WESTERN ALLIANCE BUSINESS TRUST,
a Delaware statutory trust

By _____
Name _____
Title _____

AFTER RECORDATION PLEASE RETURN TO:

Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726
Attention: Brian D. Quint, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

SITE LEASE
(A-7453)

Dated as of May 1, 2021

by and between the

CITY OF PALMDALE, as Lessor

and the

PALMDALE FINANCING AUTHORITY, as Lessee

[Property Acquisition Refinancing Project]

SITE LEASE
(A-7453)

THIS SITE LEASE (this "Site Lease"), dated as of May 1, 2021, is by and between the CITY OF PALMDALE, a municipal corporation and chartered city organized and existing under and by virtue of the laws of the State of California (the "City"), as lessor, and the PALMDALE FINANCING AUTHORITY, a joint exercise of powers entity organized and existing under and by virtue of the laws of the State of California (the "Authority"), as lessee;

W I T N E S S E T H :

WHEREAS, pursuant to this Site Lease, the City proposes to lease those certain parcels of real property situated in Los Angeles County, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (the "Property"), to the Authority, all for the purpose of enabling the City to refinance its acquisition of the Property;

WHEREAS, the Authority proposes to lease the Property back to the City pursuant to that certain Lease Agreement, dated as of May 1, 2021, a memorandum of which is recorded concurrently herewith (the "Lease Agreement") and to assign all of its rights, title and interest in, to and under this Site Lease and the Lease Agreement, including its right to receive lease payments under the Lease Agreement (the "Lease Payments"), its right to enforce payment of the Lease Payments and otherwise to enforce its interest and rights under the Lease Agreement in the event of a default thereunder by the City, to Western Alliance Business Trust, a Delaware statutory trust (the "Assignee"), pursuant to that certain assignment agreement, dated as of May 1, 2021, by and between the Authority and the Assignee (the "Assignment Agreement"), and recorded concurrently herewith;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED, as follows:

Section 1. Definitions. Capitalized terms used, but not otherwise defined, in this Site Lease shall have the meanings ascribed to them in the Lease Agreement.

Section 2. Site Lease. The City hereby leases to the Authority and the Authority hereby leases from the City, on the terms and conditions hereinafter set forth, the Project.

Section 3. Term. The term of this Site Lease shall commence on the date of recordation of this Site Lease in the City of the County Recorder of Los Angeles County, State of California, and shall end on April 1, 2036, unless such term is extended or sooner terminated as hereinafter provided. If, on April 1, 2036, the aggregate amount of Lease Payments (as defined in and as payable under the Lease Agreement) shall not have been paid by reason of abatement, default or otherwise, or provision shall not have been made for their payment in accordance with the Lease Agreement, then the term of this Site Lease shall be extended until such Lease Payments shall be fully paid or provision made for such payment, but in no event later than April 1, 2046. If, prior to April 1, 2036, all Lease Payments shall be fully paid or provision made for such payment in accordance with the Lease Agreement, the term of this Site Lease shall end.

Section 4. Advance Rental Payment. The City agrees to lease the Project to the Authority in consideration of the payment by the Authority of an advance rental payment of $_____. The City and the Authority agree that by reason of the assignment of the Lease Payments to the Assignee under and pursuant to the Assignment Agreement, the advance rental payment referenced in the preceding sentence shall be deemed to have been paid.

Section 5. Purpose. The Authority shall use the Project solely for the purpose of leasing the Project to the City pursuant to the Lease Agreement and for such purposes as may be incidental thereto; *provided, however*, that in the event of default by the City under the Lease Agreement, the Authority and its assigns may exercise the remedies provided in the Lease Agreement.

Section 6. City's Interest in the Project. The City covenants that it is the owner in fee of the Project.

Section 7. City Representations and Certifications to the Authority and the Assignee. The City hereby certifies and represents, warrants, covenants and agrees as follows:

(a) This Site Lease is in full force and effect, and there have been no amendments, modifications, changes or additions since its execution.

(b) To the best of the City's knowledge, the Authority is not and will not be, in any respect, in default under the terms and provisions of this Site Lease. Further, to the best of the City's knowledge, the City knows of no event which would, currently or with the passage of time or giving of notice, or both, constitute a default under the terms of this Site Lease by either the Authority or the City.

(c) The City has not currently encumbered its fee interest in the Project to any lender or financial institution, whether by way of mortgage, deed of trust or other security instruments, except for this Site Lease and the Lease Agreement which is being recorded concurrently herewith and Permitted Encumbrances (as defined in the Trust Agreement).

(d) The City acknowledges and hereby consents to the Lease Agreement.

(e) Upon the Event of Default under the Lease Agreement, the City will standstill and allow the Authority or the Assignee to pursue any and all remedies available to the Authority or Assignee under either this Site Lease or the Lease Agreement.

(f) Except for the rental payment referenced in Section 4, no additional rent is or will be due under this Site Lease by the Authority through the term of this Site Lease and the Authority has satisfied all of its obligations under this Site Lease.

(g) During the term of the Site Lease, the City will not consent to any amendment, modification or termination of this Site Lease without the prior written consent of the Assignee.

(h) During the term of this Site Lease, the City will not encumber its interest in the Site without the prior written consent of the Assignee.

(i) The City acknowledges that this Site Lease cannot be terminated by the City for any reason, except according to Section 3.

(j) Notwithstanding any Site Lease provisions to the contrary, policies of fire, casualty, and extended coverage insurance shall be carried and maintained by the City in accordance with the terms of the Lease Agreement covering the building or buildings constructed on the Site, with a loss payable clause to Assignee.

Section 8. Assignments and Subleases. Unless the City shall be in default under the Lease Agreement, the Authority may not assign its rights under this Site Lease or sublet the Project, except as provided in the Lease Agreement and the Assignment Agreement, without

the written consent of the City and the Assignee. The City consents to the assignment of the Authority's interest in this Site Lease to the Assignee. If the City is in default under the Lease Agreement, the Assignee (including their successors and assigns under the Lease Agreement) may fully and freely assign and sublease the Project or any portion thereof, subject to this Site Lease.

Section 9. Right of Entry. The City reserves the right for any of its duly authorized representatives to enter upon the Project at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 10. Termination. The Authority agrees, upon the termination of this Site Lease, to quit and surrender the Project in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Site at the time of the termination of this Site Lease shall remain thereon and title thereto shall vest in the City.

Section 11. Default. In the event the Authority shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Authority, the City may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Lease Agreement shall be deemed to occur as a result thereof and the City shall have no right to terminate this Site Lease as a remedy for such default. Notwithstanding the foregoing, so long as the Lease Agreement remains in effect, the City will continue to pay the Lease Payments to the Assignee.

In the event of the occurrence of an Event of Default under the Lease Agreement or a breach or default of the certifications and representations, warranties and covenants of the City contained in Section 7, the Authority and/or the Assignee may (i) exercise the remedies provided in the Lease Agreement, (ii) use the Project for any lawful purpose, subject to any applicable legal limitations or restrictions, and (iii) exercise all options provided herein.

Section 12. Quiet Enjoyment. The Authority, at all times during the term of this Site Lease, shall peaceably and quietly have, hold and enjoy all of the Project subject to the provisions of the Lease Agreement.

Section 13. Waiver of Personal Liability. All liabilities under this Site Lease on the part of the Authority are solely liabilities of the Authority and the City hereby releases each and every Boardmember, director, officer, employee and agent of the Authority of and from any personal or individual liability under this Site Lease. No Boardmember, director, officer, employee or agent of the Authority shall at any time or under any circumstances be individually or personally liable under this Site Lease for anything done or omitted to be done by the Authority hereunder.

Section 14. Taxes. All assessments of any kind or character and all taxes, including possessory interest taxes, levied or assessed upon the Project or the Authority's interest in the Project created by this Site Lease (including both land and improvements) will be paid by the City in accordance with the Lease Agreement.

Section 15. Eminent Domain. In the event the whole or any part of the Project is taken by eminent domain proceedings, the interest of the Authority shall be recognized and is hereby determined to be the amount of the then unpaid principal component of the Lease Payments, any then unpaid interest component of the Lease Payments and any premium due with respect to the prepayment of Lease Payments to the date such amounts are remitted to the Authority or

its assignee, and, subject to the provisions of the Lease Agreement, the balance of the award, if any, shall be paid to the City. The City hereby waives, to the extent permitted by law, any and all rights that it has or may hereafter have to acquire the interest of the Authority in and to the Project through the eminent domain powers of the City. However, the City hereby agrees, to the extent permitted by law, that the compensation to be paid in any condemnation proceedings brought by or on behalf of the City with respect to the Project shall be in an amount not less than the total unpaid principal component of Lease Payments, the interest component of Lease Payments accrued to the date of payment of all Lease Payments and any premium due with respect to the prepayment of Lease Payments under the Lease Agreement.

Section 16. Use of the Proceeds. The City and the Authority hereby agree that the lease to the Authority of the City's right and interest in the Project pursuant to Section 2 serves the public purposes of the City.

Section 17. Attorneys' Fees, Costs and Expenses. In any civil action or proceeding arising from or relating to this Site Lease or a party's performance under this Site Lease, the prevailing party shall be awarded its reasonable attorneys' fees, costs and expenses, including the reasonable attorneys' fees, costs and expenses incurred in collecting or executing upon any judgment, order or award.

Section 18. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall, to any extent, be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding, order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 19. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered mail, return receipt requested, postage prepaid, at the addresses set forth in the Lease Agreement, or to such other addresses as the respective parties may from time to time designate by notice in writing.

Section 20. Binding Effect. This Site Lease shall inure to the benefit of and shall be binding upon the City and the Authority and their respective successors and assigns. The Assignee are hereby made third party beneficiaries hereunder with all rights of a third party beneficiary.

Section 21. Amendment. This Site Lease may not be amended except as permitted under the Lease Agreement.

Section 21. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

Section 22. Applicable Law. This Site Lease shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed in California.

Section 23. No Merger. Neither this Site Lease, the Lease Agreement nor any provisions hereof or thereof shall be construed to effect a merger of the title of the City to the Project under this Site Lease and the City's leasehold interest therein under the Lease Agreement.

Section 24. Execution in Counterparts. This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City and the Authority have caused this Site Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY OF PALMDALE, as Lessor

By _____
Keith Kang
Finance Manager and City Treasurer

Attest:

_____
Shanae S. Smith
City Clerk

PALMDALE FINANCING AUTHORITY,
as Lessee

By _____
Keith Kang
Treasurer

Attest:

_____
Shanae S. Smith
Secretary

APPROVED AS TO FORM:

_____
Christopher L. Beck
City Attorney and Authority Counsel

[NOTARY ACKNOWLEDGMENTS TO BE ATTACHED]

EXHIBIT A

DESCRIPTION OF THE PROPERTY

All that certain real property situated in Los Angeles County, State of California, described as follows:

PARCELS 3 AND 4 AS SHOWN ON THE PARCEL MAP ENTITLED "PARCEL MAP NO. 070999" FILED FOR RECORD DECEMBER 10, 2014 IN BOOK 380, PAGES 77-79 OF PARCEL MAPS, IN THE LOS ANGELES COUNTY RECORDER'S OFFICE;

EXCEPTING THEREFROM ALL THAT PORTION OF PARCEL 4 AS SHOWN ON THE PARCEL MAP ENTITLED "PARCEL MAP NO. 070999" LYING EASTERLY OF THE WESTERLY LINE OF CHALLENGER WAY, ALSO KNOWN AS 10TH STREET E;

ALSO EXCEPTING THEREFROM ALL OIL, HYDROCARBON, GAS AND MINERALS IN OR UNDER SAID LAND AS RESERVED BY CARL LARSEN AND INDA LARSEN, HUSBAND AND WIFE AS JOINT TENANTS, AND GLEN J. BLAKE, JR. AND KATHLEEN M. BAKER, IN THE DEED RECORDED MARCH 3, 1957 AS INSTRUMENT NO. 1448, IN BOOK 53833 PAGE 249, OF OFFICIAL RECORDS.

LEASE AGREEMENT
(A-7446)

Dated as of May 1, 2021

by and between the

PALMDALE FINANCING AUTHORITY, as Sublessor

and the

CITY OF PALMDALE, as Sublessee

[Property Acquisition Refinancing Project]

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LEASE AGREEMENT
(A-7446)

THIS LEASE AGREEMENT (this "Lease Agreement"), dated as of May 1, 2021, is by and between the PALMDALE FINANCING AUTHORITY, a joint exercise of powers entity organized and existing under the laws of the State of California, as sublessor (the "Authority"), and the CITY OF PALMDALE, a municipal corporation and chartered city organized and existing under and by virtue of the laws of the State of California, as sublessee (the "City");

W I T N E S S E T H :

WHEREAS, pursuant to that certain Site Lease, dated as of May 1, 2021 (the "Site Lease"), the City has leased that certain parcel of real property situated in Los Angeles County, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (the "Property"), to the Authority, all for the purpose of enabling the City to refinance the prior acquisition of the Property;

WHEREAS, the Authority proposes to lease the Property back to the City pursuant to this Lease Agreement and to assign all of its rights, title and interest in, to and under this Lease Agreement, including its right to receive lease payments under this Lease Agreement (the "Lease Payments"), its right to enforce payment of the Lease Payments and otherwise to enforce its interest and rights under this Lease Agreement in the event of a default hereunder by the City and its rights under the Site Lease, to Western Alliance Business Trust, a Delaware statutory trust (the "Assignee"), pursuant to that certain assignment agreement, dated as of May 1, 2021, by and between the Authority and the Assignee; and

WHEREAS, the City and the Authority have agreed to enter into this Lease Agreement providing for Lease Payments with an aggregate principal component in the amount of $_____ for the purpose of implementing the refinancing described above.

A G R E E M E N T :

NOW, THEREFORE, for and in consideration of the premises and the covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS; RULES OF INTERPRETATION

Section 1.1. Definitions. All terms defined in this Section 1.1 have the meanings herein specified for all purposes of this Lease Agreement.

"*Additional Payments*" means the amounts specified as such in Section 4.3(b) of this Lease Agreement.

"*Applicable Environmental Laws*" means and shall include, but shall not be limited to, the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 USC Sections 9601 *et seq.*; the Resource Conservation and Recovery Act ("RCRA"), 42 USC Sections 6901 *et seq.*; the Federal Water Pollution Control Act, 33 USC Sections 1251 *et seq.*; the Clean Air Act, 42 USC Sections 7401 *et seq.*; the California Hazardous Waste Control Law ("HWCL"), California Health & Safety Code Sections 25100 *et seq.*; the Hazardous Substance Account Act ("HSAA"), California Health & Safety Code Sections 25300 *et seq.*; the Porter-Cologne Water Quality Control Act (the "Porter-Cologne Act"), California Water Code Sections 1300 *et seq.*; the Air Resources Act, California Health & Safety Code Sections 3900 *et seq.*; the Safe Drinking Water & Toxic Enforcement Act, California Health & Safety Code Sections 25249.5 *et seq.*; and the regulations under each thereof; and any other local, state, and/or federal laws or regulations, whether currently in existence or hereafter enacted, that govern:

(a) the existence, cleanup, and/or remedy of contamination on property;

(b) the protection of the environment from spilled, deposited, or otherwise emplaced contamination;

(c) the control of hazardous wastes; or

(d) the use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials.

"*Applicable Law*" means (a) all applicable common law and principles of equity and (b) all applicable provisions of all (i) constitutions, statutes, rules, regulations and orders of all Governmental Authorities, (ii) Applicable Environmental Laws, (iii) applicable seismic building code requirements at the time of construction, and (iv) orders, decisions, judgments, writs, injunctions and decrees of all courts (whether at law or in equity) and arbitrators.

"*Assignee*" means initially, Western Alliance Business Trust, a Delaware statutory trust, as assignee of all rights, title and interests of the Authority hereunder, and (b) any other entity to whom the rights of the Authority hereunder are assigned, including subsequent assignees of the Assignee.

"*Assignment Agreement*" means the Assignment Agreement, dated as of May 1, 2021, by and between the Authority, as assignor, and the Assignee, as originally executed or as thereafter amended under any duly authorized and executed amendments thereto.

"*Authority*" means the Palmdale Financing Authority, a joint exercise of powers entity, organized and existing under the laws of the State.

"*Authority Representative*" means the President, the Vice President, the Executive Director or the Treasurer or the designee of any such official, or any other person authorized by

resolution of the Authority delivered to the Assignee to act on behalf of the Authority under or with respect to the Site Lease, the Lease Agreement and the Assignment Agreement.

"*Bond Counsel*" means (a) Quint & Thimmig LLP, or (b) any other attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to obligations of municipal entities.

"*Business Day*" means a day other than a Saturday, Sunday or legal holiday, on which banking institutions are not closed in the State.

"*City*" means the City of Palmdale, a municipal corporation and chartered law city organized and existing under the laws of the State.

"*City Representative*" means the Mayor, the City Manager, the Finance Manager/City Treasurer, or the designee of any such official, or any other person authorized by resolution delivered to the Authority and the Assignee to act on behalf of the City under or with respect to the Site Lease and this Lease Agreement.

"*Closing Date*" means the date this Lease Agreement or a memorandum thereof is recorded in the office of the County Recorder of Los Angeles County.

"*Contract*" means any indenture, trust agreement, contract, agreement (other than this Lease Agreement), other contractual restriction, lease, mortgage or instrument.

"*Default Rate*" an interest rate of _____% per annum, on the basis of a 360-day year of twelve 30-day months.

"*Escrow Agreement*" means that certain Escrow Agreement, by and between the City and the Escrow Bank, relating to the prepayment of the 2007 Lease Agreement and the redemption of the 2007 Certificates.

"*Escrow Fund*" means the fund with that name established and held by the Escrow Bank under the Escrow Agreement.

"*Escrow Bank*" means U.S. Bank National Association, as escrow bank under the Escrow Agreement.

"*Event of Default*" means any of the events of default as defined in Section 8.1.

"*Federal Securities*" means any direct general non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the timely payment of principal of and interest on which are directly guaranteed by the United States of America.

"*Fiscal Year*" means each twelve-month period during the Term of this Lease Agreement commencing on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other twelve-month period selected by the City as its fiscal year period.

"*Governmental Authority*" means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, city or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or

functions of or pertaining to government, or any arbitrator, mediator or other person with authority to bind a party at law.

"*Hazardous Substance*" means any substance that shall, at any time, be listed as "hazardous" or "toxic" in any Applicable Environmental Law or that has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under Applicable Environmental Laws; and also means, without limitation, raw materials, building components, the products of any manufacturing, or other activities on the Property, wastes, petroleum, and source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended (42 USC Sections 3011 *et seq*.).

"*Lease Agreement* " means this Lease Agreement, dated as of May 1, 2021, between the Authority and the City.

"*Lease Payment Date*" means April 1 and October 1 in each year, commencing October 1, 2021, and continuing to and including the date on which the Lease Payments are paid in full.

"*Lease Payments*" means all payments required to be paid by the City under Section 4.3, including any prepayment thereof under Sections 9.2 or 9.3.

"*Material Adverse Effect*" means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the City, (b) the ability of the City to carry out its business in the manner conducted as of the date of this Lease Agreement or to meet or perform its obligations under this Lease Agreement on a timely basis, or (c) the validity or enforceability of this Lease Agreement.

"*Material Litigation*" means any action, suit, proceeding, inquiry or investigation against the City in any court or before any arbitrator of any kind or before or by any Governmental Authority, (a) if determined adversely to the City, may have a Material Adverse Effect, (b) seek to restrain or enjoin any of the transactions contemplated by this Lease Agreement, or (c) may adversely affect the ability of the City to perform its obligations under this Lease Agreement.

"*Net Proceeds*" means any insurance or eminent domain award (including any proceeds of sale to a governmental entity under threat of the exercise of eminent domain powers), paid with respect to the Property, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

"*Permitted Encumbrances*" means, as of any time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the City may permit to remain unpaid under Article VI of this Lease Agreement; (b) the Site Lease, this Lease Agreement and the Assignment Agreement; (c) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (d) the exceptions disclosed in the title insurance policy received by the City in connection with its acquisition with respect to the Property issued as of the Closing Date; and (e) any easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record and which the City certifies in writing will not materially impair the use of the Property for its intended purposes.

"*Property*" means that certain real property more particularly described in Exhibit A to the Site Lease and in Exhibit A to the Lease Agreement.

"*Rental Period*" means each period during the Term of the Lease commencing on and including April 2 in each year and extending to and including the next succeeding April 1. The first Rental Period begins on the Closing Date and ends on April 1, 2022.

"*Site Lease*" means the Site Lease, dated as of May 1, 2021, by and between the City, as lessor, and the Authority, as lessee, together with any duly authorized and executed amendments thereto.

"*State*" means the State of California.

"*Term of this Lease Agreement*" or "*Term*" means the time during which this Lease Agreement is in effect, as provided in Section 4.2.

"*2007 Certificates*" means the City of Palmdale Taxable Certificates of Participation (2007 Land Acquisition Financing Project), currently outstanding in the principal amount of $14,765,000.

"*2007 Lease Agreement*" means that certain lease agreement, dated as of April 1, 2007, by and between the Palmdale Civic Authority and the City.

Section 1.2. Interpretation.

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

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

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

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES

Section 2.1. Covenants, Representations and Warranties of the City. The City makes the following covenants, representations and warranties to the Authority and the Assignee as of the date of the execution and delivery of this Lease Agreement:

(a) *Due Organization and Existence*. The City is a municipal corporation and chartered city, organized and existing under and by virtue of the laws of the State, has full legal right, power and authority under the laws of the State to enter into the Site Lease and this Lease Agreement and to carry out and consummate all transactions on its part contemplated hereby and thereby, and by proper action the City has duly authorized the execution and delivery by the City of the Site Lease and this Lease Agreement.

(b) *Due Execution*. The representative of the City executing the Site Lease and this Lease Agreement has been fully authorized to execute the same by a resolution duly adopted by the City Council of the City.

(c) *Valid, Binding and Enforceable Obligations*. The Site Lease and this Lease Agreement have been duly authorized, executed and delivered by the City and constitute the legal, valid and binding agreements of the City enforceable against the City in accordance with their respective terms.

(d) *No Conflicts*. The execution and delivery of the Site Lease and this Lease Agreement, the consummation of the transactions therein and herein contemplated and the fulfillment of or compliance with the terms and conditions thereof and hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the City is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease or this Lease Agreement or the financial condition, assets, properties or operations of the City.

(e) *Consents and Approvals*. No consent or approval of any trustee or holder of any indebtedness of the City or of the voters of the City, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with the execution and delivery of the Site Lease and this Lease Agreement, or the consummation of any transaction therein and herein contemplated, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation*. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other Governmental Authority pending and notice of which has been served on the City or, to the knowledge of the City after reasonable investigation, threatened against or affecting the City or the assets, properties or operations of the City which, if determined adversely to the City or its interests, would have a Material Adverse Effect upon the consummation of the transactions contemplated by or the validity of the Site Lease and this Lease Agreement or upon the financial condition, assets, properties or operations of the City, and the City is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other

Governmental Authority, which default might have consequences that would have a Material Adverse Effect on the consummation of the transactions contemplated by this Lease Agreement, or the financial condition, assets, properties or operations of the City.

(g) *Sufficient Funds*. The City reasonably believes that sufficient funds can be obtained to make all Lease Payments and all other amounts required to be paid pursuant to this Lease Agreement.

(h) *No Defaults*. The City has never non-appropriated or defaulted under any of its payment or performance obligations or covenants, either under any financing lease of the same general nature as this Lease Agreement, or under any of its bonds, notes, or other debt obligations.

(i) *Fee Title*. The City is the owner in fee of title to the Property. No lien or encumbrance on the Property materially impairs the City's use of the Property for the purposes for which it is, or may reasonably be expected to be, held.

(j) *Use of the Property*. During the term of this Lease Agreement, the Property will be used by the City only for the purpose of performing one or more governmental or proprietary functions of the City consistent with the permissible scope of the City's authority.

(k) *Change in Financial Condition*. The City has experienced no material change in its financial condition since June 30, 2020.

(l) *Hazardous Substances*. The Property is free of all Hazardous Substances, and the City is in full compliance with all Applicable Environmental Laws.

(m) *Flooding Risk*. The Property is not located in a 100-year flood zone and has never been subject to material damage from flooding.

(n) *Value of Property*. The value of the Property (real property replacement cost) is not less than $_____.

(o) *Essential to City Operations*. The Property is essential to the City's efficient and economic operations and the lease thereof for use by the City is in the best interest of the City.

(p) *Financial Statements*. The statement of financial position of the City as of June 30, 2020, and the related statement of activities and statement of cash flows and changes in financial position for the year then ended and the auditors' reports with respect thereto, copies of which have heretofore been furnished to the Assignee, are complete and correct and fairly present the financial condition, changes in financial position and results of operations of the City at such date and for such period, and were prepared in accordance with generally accepted accounting principles. Since the period of such statements, there has been no (i) change which would have a Material Adverse Effect and (ii) no material increase in the indebtedness of the City.

(q) *No Material Adverse Change*. Since the most current date of the information, financial or otherwise, supplied by the City to the Assignee:

(i) There has been no change in the assets, liabilities, financial position or results of operations of the City which might reasonably be anticipated to cause a Material Adverse Effect.

(ii) The City has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect.

(iii) The City has not (A) incurred any material indebtedness, other than the Lease Payments, and trade accounts payable arising in the ordinary course of the City's business and not past due, or (B) guaranteed the indebtedness of any other person.

(r) *Accuracy of Information*. All information, reports and other papers and data furnished by the City to the Assignee were, at the time the same were so furnished, complete and accurate in all material respects and insofar as necessary to give the Assignee a true and accurate knowledge of the subject matter and were provided in expectation of the Assignee's reliance thereon in entering into the transactions contemplated by this Lease Agreement. No fact is known to the City which has had or, so far as the City can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the financial statements previously furnished to the Assignee or in other such information, reports, papers and data or otherwise disclosed in writing to the Assignee prior to the Closing Date. Any financial, budget and other projections furnished to the Assignee by the City or its or their agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the City's best estimate of its future financial performance. No document furnished nor any representation, warranty or other written statement made to the Assignee in connection with the negotiation, preparation or execution of this Lease Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

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

Section 2.2. Covenants, Representations and Warranties of the Authority. The Authority makes the following covenants, representations and warranties to the City and the Assignee as of the date of the execution and delivery of this Lease Agreement:

(a) *Due Organization and Existence*. The Authority is a joint exercise of powers entity, duly organized and existing under the laws of the State, has full legal right, power and authority to enter into the Site Lease, this Lease Agreement and the Assignment Agreement and to carry out and consummate all transactions on its part contemplated hereby and thereby, and by proper action the Authority has duly authorized the execution and delivery by the Authority of the Site Lease, this Lease Agreement and the Assignment Agreement.

(b) *Due Execution*. The representative of the Authority executing the Site Lease, this Lease Agreement and the Assignment Agreement is fully authorized to execute the same under official action taken by the Board of Directors of the Authority.

(c) *Valid, Binding and Enforceable Obligations*. The Site Lease, this Lease Agreement and the Assignment Agreement have been duly authorized, executed and delivered by the Authority and constitute the legal, valid and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms.

(d) *No Conflicts*. The execution and delivery of the Site Lease, this Lease Agreement and the Assignment Agreement, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Authority is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Authority, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease, this Lease Agreement and the Assignment Agreement or the financial condition, assets, properties or operations of the Authority.

(e) *Consents and Approvals*. No consent or approval of any trustee or holder of any indebtedness of the Authority, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with the execution and delivery of the Site Lease, this Lease Agreement or the Assignment Agreement, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation*. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other Governmental Authority pending and notice of which has been served on the Authority or, to the knowledge of the Authority after reasonable investigation, threatened against or affecting the Authority or the assets, properties or operations of the Authority which, if determined adversely to the Authority or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Site Lease, this Lease Agreement or the Assignment Agreement, or upon the financial condition, assets, properties or operations of the Authority, and the Authority is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other Governmental Authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease, this Lease Agreement or the Assignment Agreement or the financial condition, assets, properties or operations of the Authority.

ARTICLE III

DEPOSIT AND APPLICATION OF FUNDS

Section 3.1. Deposit of and Application of Funds. On the Closing Date, from the amounts paid by the Assignee of $_____ (which represents the principal amount of this Lease Agreement), the City shall cause (a) the amount of $_____ to be transferred to the Escrow Bank for deposit in the Escrow Fund, and (b) the amount of $_____ to be transferred various payees to pay financing costs of the transaction.

ARTICLE IV

LEASE OF PROPERTY; LEASE PAYMENTS

Section 4.1. Sublease of Property by the Authority Back to the City.

(a) The Authority hereby subleases the Property to the City, and the City hereby subleases the Property from the Authority, upon the terms and conditions set forth in this Lease Agreement.

(b) The leasing of the Property by the City to the Authority pursuant to the Site Lease shall not affect or result in a merger of the City's subleasehold estate pursuant to this Lease Agreement and its fee estate as lessor under the Site Lease.

Section 4.2. Term. The Term of this Lease Agreement commences on the date of recordation of this Lease Agreement or a memorandum hereof and ends on April 1, 2037, or the date on which all of the Lease Payments have been paid in full pursuant to the terms of this Lease Agreement. If on April 1, 2037, the Lease Payments payable hereunder shall have been abated at any time and for any reason and not otherwise paid from rental interruption insurance or other sources, or the City shall have defaulted in its payment of Lease Payments hereunder or any Event of Default has occurred and continues without cure by the City, then the term of this Lease Agreement shall be extended for the actual period of abatement or for so long as the default remains uncured, as necessary to accommodate the final payment of all Lease Payments due hereunder, not to exceed ten (10) years. The provisions of this Section 4.2 are subject to the provisions of Section 6.1 relating to the taking in eminent domain of the Property or any portion thereof.

Section 4.3. Lease Payments.

(a) *Obligation to Pay*. Subject to the provisions of Sections 6.1 and 6.3 and the provisions of Article IX, the City agrees to pay to the Authority, its successors and assigns, the Lease Payments (denominated into components of principal and interest) in the amounts specified in Exhibit C attached hereto (including any supplements thereto) and by this reference incorporated herein, to be due and payable in immediately available funds on each of the respective Lease Payment Dates specified in Exhibit C; *provided, however*, that if any Lease Payment Date is not a Business Day, such Lease Payment shall be due on the next succeeding Business Day. The Lease Payments payable in any Rental Period with respect to the Property shall be for the use of the Property during such Rental Period.

The interest components of the Lease Payments have been calculated based on an interest rate of ____% per annum, on the basis of a 360-day year of twelve 30-day months. The City understands that the Assignee will send an invoice to the City in advance of each Lease Payment Date. Upon the occurrence and continuation of an Event of Default, the interest component of the Lease Payments shall be equal to the Default Rate.

(b) *Additional Payments*. In addition to the Lease Payments set forth herein, the City agrees to pay as Additional Payments all of the following:

(i) all taxes and assessments of any nature whatsoever, including but not limited to excise taxes, ad valorem taxes, ad valorem and specific lien special assessments and gross receipts taxes, if any, levied upon the Property or upon any interest of the Authority therein or in this Lease Agreement; provided, however, the City may, at the City's expense and in its name, in good faith contest any such taxes and assessments

and, in the event of such contest, may permit such taxes and assessments to remain unpaid during the period of such contest and appeal therefrom unless the Authority shall notify the City that, in the opinion of Bond Counsel, by nonpayment of any such items, the interest of the Authority in the Property will be materially endangered or the Property, or any portion thereof, will be subject to loss or forfeiture, in which event the City shall promptly pay such taxes and assessments or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority;

(ii) insurance premiums, if any, on all insurance required under the provisions of Article V hereof; and

(iii) any other reasonable fees, costs or expenses incurred by the Authority in connection with the execution, performance or enforcement of this Lease Agreement or any of the transactions contemplated hereby or related to the Property, including, without limitation, any amounts which may become due; provided, however, the City shall not be responsible for any costs incurred by the Authority associated with any assignment made by the Assignee.

Amounts constituting Additional Payments payable hereunder shall be paid by the City directly to the person or persons to whom such amounts shall be payable. The City shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 60 days after notice in writing from the Authority to the City stating the amount of Additional Payments then due and payable and the purpose thereof.

(c) *Effect of Prepayment*. If the City prepays the Lease Payments in part but not in whole under Section 9.3, the principal components of the remaining Lease Payments will be reduced on a pro rata basis; and the interest component of each remaining Lease Payment will be reduced on a pro rata basis.

(d) *Rate on Upon Event of Default*. Upon the occurrence and continuation of an Event of Default, the payment in default will continue as an obligation of the City until the amount in default has been fully paid.

(e) *Fair Rental Value*. The Lease Payments coming due and payable during each Rental Period constitute the total rental for the Property for such Rental Period, and will be paid by the City in each Rental Period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Property during each Rental Period. The parties hereto have agreed and determined that the total Lease Payments due during each Rental Period are not in excess of the fair rental value of the Property during such Rental Periods. In making this determination, consideration has been given to the estimated fair market value of the Property, the estimated replacement cost of the Property, the uses and purposes which may be served by the Property and the benefits therefrom which will accrue to the City and the general public.

(f) *Source of Payments; Budget and Appropriation*. The Lease Payments are payable from any source of legally available funds of the City, subject to the provisions of Sections 6.1 and 9.1. The City covenants to take such action as may be necessary to include all Lease Payments in each of its annual budgets during the Term of this Lease Agreement and to make the necessary annual appropriations for all such Lease Payments. The covenants on the part of the City herein contained constitute duties imposed by law and it is the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the

official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the City.

(g) *Allocation of Lease Payments*. All Lease Payments received shall be applied first to the interest components of the Lease Payments due hereunder, then to the principal components of the Lease Payments due hereunder, but no such application of any payments that are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

(h) *No Offsets*. Notwithstanding any dispute between the Authority, or Assignee as the Authority's assignee, and the City, the City shall make all Lease Payments when due without deduction or offset of any kind and shall not withhold any Lease Payments pending the final resolution of such dispute.

(i) *Assignment Agreement*. The City understands and agrees that all Lease Payments have been assigned by the Authority to the Assignee under the Assignment Agreement executed concurrently herewith, and the City hereby assents to such assignment. The Authority hereby directs the City, and the City hereby agrees, to pay to the Assignee, all payments payable by the City under this Section 4.3 and all amounts payable by the City under Article IX. Lease Payments shall be paid to the Assignee.

Section 4.4. Quiet Enjoyment. Throughout the Term of this Lease Agreement, the Authority will provide the City with quiet use and enjoyment of the Property and the City will peaceably and quietly have and hold and enjoy the Property, without suit, trouble or hindrance from the Authority, except as expressly set forth in this Lease Agreement. The Authority will, at the request of the City and at the City's cost, join in any legal action in which the City asserts its right to such possession and enjoyment to the extent the Authority may lawfully do so. Notwithstanding the foregoing, the Authority and the Assignee have the right to inspect the Property as provided in Sections 5.12(c) and 7.2.

Section 4.5. Title. At all times during the Term of this Lease Agreement, the City shall hold title to the Property, including all additions which comprise fixtures, repairs, replacements or modifications thereto, subject to Permitted Encumbrances and subject to the provisions of Section 7.2.

Upon the termination of this Lease Agreement (other than under Section 8.2(b) hereof), all right, title and interest of the Authority in and to the Property shall be transferred to and vested in the City. Upon the payment in full of all Lease Payments allocable to the Property, or upon the deposit by the City of security for such Lease Payments as provided in Section 9.1, all right, title and interest of the Authority in and to the Property shall be transferred to and vested in the City. The Authority agrees to take any and all steps and execute and record any and all documents reasonably required by the City to consummate any such transfer.

Section 4.6. Release of Excess Property. The City may, at any time and from time to time, release any portion of the Property (the "Released Property") from this Lease Agreement, with the prior written consent of the Assignee, which consent shall be at the Assignee's sole discretion, and upon satisfaction of all of the following requirements which are conditions precedent to such release:

(a) The City shall certify to the Authority and the Assignee that no Event of Default has occurred and is continuing, and no event giving rise to an abatement of Lease Payments under Section 6.3 has occurred or is continuing with respect to the Property to be remaining following release of the Released Property;

(b) The City shall file with the Authority and the Assignee, and cause to be recorded in the office of the Los Angeles County Recorder, an amendment to this Lease Agreement which deletes the Released Property from the description of the Property;

(c) The City shall file with the Authority and the Assignee a written certificate of the City stating the City's determination that the estimated value of the real property which will remain leased under this Lease Agreement following such release is at least equal to the original principal components of the Lease Payments and upon request of the Assignee, the City shall provide to the Assignee additional information and documents to evidence the value of the remaining portion of the Property;

(d) The City shall file with the Authority and the Assignee a written certificate of the City stating the City's determination that the estimated fair rental value, for each remaining Rental Period and in the aggregate, of the Property remaining after release of the Released Property is at least equal to the remaining Lease Payments for each remaining Rental Period and in the aggregate; and

(e) The City shall file with the Authority and the Assignee such other information, documents and instruments as the Authority or the Assignee shall reasonably request, including (if requested by the Assignee) evidence of the insurable value of the Property to be remaining following release of the Released Property, indicating that such value is in excess of the then unpaid principal component of the Lease Payments and such endorsements to the title policy delivered on the Closing Date.

Upon the satisfaction of all such conditions precedent, the Term of this Lease Agreement will thereupon end as to the Released Property. The City is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such release. The Authority and the City shall execute, deliver and cause to be recorded all documents required to discharge this Lease Agreement of record against the Released Property.

Section 4.7. Substitution of Property.

(a) In the event of damage or destruction of the Property due to earthquake or other uninsured casualty for which rental interruption insurance is not available or in the event that following the condemnation of all or a portion of the Property the fair rental value of the Property remaining after such condemnation is less than the remaining Lease Payments due under this Lease Agreement, the City shall substitute under the Site Lease and this Lease Agreement one or more parcels of unimpaired and unencumbered real property, the fair rental value of which, for each remaining Rental Period and in the aggregate, shall be at least equal to the remaining Lease Payments hereunder.

(b) If for any reason the City is unable to so substitute real property for the Property with a fair rental value at least equal to the remaining Lease Payments hereunder, the City shall use its best efforts to obtain other financing in an amount necessary to prepay the principal component of the Lease Payments not supported by the fair rental value of the substituted property, if any.

ARTICLE V

MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS

Section 5.1. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Lease Agreement, as part of the consideration for the rental of the Property, all improvement, repair and maintenance of the Property are the sole responsibility of the City, and the City will pay for or otherwise arrange for the payment of all utility services supplied to the Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the City or any assignee or sublessee thereof. In exchange for the Lease Payments herein provided, the Authority agrees to provide only the Property, as hereinbefore more specifically set forth. The City waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code, but such waiver does not limit any of the rights of the City under the terms of this Lease Agreement.

The City will pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Authority or the City affecting the Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City is obligated to pay only such installments as are required to be paid during the Term of this Lease Agreement as and when the same become due.

The City may, at the City's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority shall notify the City that, in its reasonable opinion, by nonpayment of any such items the interest of the Authority in the Property will be materially endangered or the Property or any part thereof will be subject to loss or forfeiture, in which event the City will promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority. The City shall promptly notify the Assignee of any tax, assessment, utility or other charge it elects to contest.

Section 5.2. Modification of Property. The City has the right, at its own expense, to make additions, modifications and improvements to the Property or any portion thereof. All additions, modifications and improvements to the Property will thereafter comprise part of the Property and become subject to the provisions of this Lease Agreement. Such additions, modifications and improvements may not in any way damage the Property, or cause the Property to be used for purposes other than those authorized under the provisions of state and federal law; and the Property, upon completion of any additions, modifications and improvements made thereto under this Section, must be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements.

Section 5.3. Public Liability Insurance. The City shall maintain or cause to be maintained throughout the Term of this Lease Agreement a standard comprehensive general liability insurance policy or policies in protection of the City, the Assignee and their respective members, officers, agents, employees and assigns. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Property. Such policy or policies must provide coverage with limits of at least $1,000,000 per

occurrence, $3,000,000 in the aggregate, for bodily injury and property damage coverage, and excess liability umbrella coverage of at least $5,000,000, and in all events in form and amount (including any deductibles) satisfactory to the Assignee. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City (including, with Assignee's prior written consent, a self-insurance program), and may be maintained in whole or in part in the form of the participation by the City in a joint powers authority or other program providing pooled insurance. The City will apply the proceeds of such liability insurance toward extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

Section 5.4. Casualty Insurance. The City will procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, casualty insurance against loss or damage to all buildings situated on the Property and owned by the City, in an amount at least equal to the greater of the replacement value of the insured buildings and the aggregate principal amount of the Lease Payments outstanding, with a lender's loss payable endorsement. Such insurance must, as nearly as practicable, cover loss or damage by all "special form" perils. Such insurance shall be subject to a deductible of not to exceed $250,000. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City (including, with the Assignee's prior written consent, a self-insurance program), and may be maintained in whole or in part in the form of the participation by the City in a joint powers authority or other program providing pooled insurance. The City will apply the Net Proceeds of such insurance as provided in Section 6.2.

Section 5.5. Rental Interruption Insurance. The City will procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the Property and the improvements situated thereon as a result of any of the hazards covered in the insurance required by Section 5.4, in an amount at least equal to the maximum Lease Payments coming due and payable during any future 24 month period. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of the participation by the City in a joint powers authority or other program providing pooled insurance; provided that such rental interruption insurance shall not be self-insured by the City. The City will apply the Net Proceeds of such insurance towards the payment of the Lease Payments as the same become due and payable.

Section 5.6. Worker's Compensation Insurance. If required by applicable California law, the City shall carry worker's compensation insurance covering all employees on, in, near or about the Property and, upon request, shall furnish to the Authority certificates evidencing such coverage throughout the Term of this Lease Agreement. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City (including a self-insurance program), and may be maintained in whole or in part in the form of the participation by the City in a joint powers authority or other program providing pooled insurance.

Section 5.7. Recordation Hereof; Title Insurance. On or before the Closing Date, the City shall, at its expense, (a) cause this Lease Agreement, the Site Lease and the Assignment Agreement, or a memorandum hereof or thereof in form and substance approved by Special Counsel, to be recorded in the office of the Los Angeles County Recorder with respect to the Property, and (b) obtain a CLTA title insurance policy insuring the Assignee's interests in the leasehold estate established under the Site Lease and hereunder in the Property, subject only to Permitted Encumbrances, in an amount equal to the original principal components of the Lease Payments. The City will apply the Net Proceeds of such insurance as provided in Section 6.2.

Section 5.8. Insurance Net Proceeds; Form of Policies. All insurance policies (or riders) required by this Article V and provided by third party insurance carriers shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State, and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least ten days before the cancellation or revision becomes effective. Each insurance policy or rider required by Sections 5.3, 5.4 and 5.5 and provided by third party insurance carriers shall name the City and the Assignee as insured parties and the Assignee as loss payees and shall include a lender's loss payable endorsement for the benefit of the Assignee. Prior to the Closing Date, the City will deposit with the Assignee policies (and riders and endorsements, if applicable) evidencing any such insurance procured by it, or a certificate or certificates of the respective insurers stating that such insurance is in full force and effect. Before the expiration of any such policy (or rider), the City will furnish to the Assignee evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Article V unless such insurance is no longer obtainable, in which event the City shall notify the Assignee of such fact.

Section 5.9. Installation of City's Personal Property. The City may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Property. All such items shall remain the sole property of the City, in which the Authority has no interest, and may be modified or removed by the City at any time. The City must repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items. Nothing in this Lease Agreement prevents the City from purchasing or leasing items to be installed under this Section under a lease or conditional sale agreement, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest may attach to any part of the Property.

Section 5.10. Liens. The City will not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Property, other than as herein contemplated and except for such encumbrances as the City certifies in writing to the Assignee do not materially and adversely affect the leasehold estate in the Property hereunder and for which the Assignee provides its prior written approval, which approval shall be at Assignee's sole discretion. Except as expressly provided in this Article V, the City will promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The City will reimburse the Assignee for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 5.11. Advances. If the City fails to perform any of its obligations under this Article V, the Authority may take such action as may be necessary to cure such failure, including the advancement of money, and the City shall be obligated to repay all such advances as additional rental hereunder, with interest at the rate set forth in Section 4.3(c).

Section 5.12. Environmental Covenants.

(a) *Compliance with Laws; No Hazardous Substances*. The City will comply with all Applicable Environmental Laws with respect to the Property and will not use, store, generate, treat, transport, or dispose of any Hazardous Substance thereon or in a manner that would cause any Hazardous Substance to later flow, migrate, leak, leach, or otherwise come to rest on or in the Property.

(b) *Notification of Assignee*. The City will transmit copies of all notices, orders, or statements received from any governmental entity concerning violations or asserted violations of Applicable Environmental Laws with respect to the Property and any operations conducted thereon or any conditions existing thereon to the Assignee, and the City will notify the Assignee in writing immediately of any release, discharge, spill, or deposit of any Hazardous Substance that has occurred or is occurring that in any way affects or threatens to affect the Property, or the people, structures, or other property thereon, provided that no such notification shall create any liability or obligation on the part of the Assignee.

(c) *Access for Inspection*. The City will permit the Assignee, its agents, or any experts designated by the Assignee to have full access to the Property during reasonable business hours for purposes of such independent investigation of compliance with all Applicable Environmental Laws, provided that the Assignee has no obligation to do so, or any liability for any failure to do so, or any liability should it do so.

Section 5.13. City Consent to Assignment Agreement. The Authority's rights under this Lease Agreement (excluding the right to receive notices, the right to reimbursement of costs and to indemnification), including the right to receive and enforce payment of the Lease Payments, and the Site Lease, are being assigned to the Assignee pursuant to the Assignment Agreement. The City hereby consents to such assignment and to any additional assignment of such rights by the Assignee or its assignees. The City agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements, which may be reasonably requested by the Assignee or its assignees to protect their interests in the Property and in this Lease Agreement.

ARTICLE VI

EMINENT DOMAIN; USE OF NET PROCEEDS

Section 6.1. Eminent Domain. If all of the Property shall be taken permanently under the power of eminent domain or sold to a governmental entity threatening to exercise the power of eminent domain, the Term of this Lease Agreement shall cease as of the day possession shall be so taken. If less than all of the Property shall be taken permanently, or if all of the Property or any part thereof shall be taken temporarily under the power of eminent domain, (1) this Lease Agreement shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (2) there shall be a partial abatement of Lease Payments in an amount equal to the application of the Net Proceeds of any eminent domain award to the prepayment of the Lease Payments hereunder, in an amount to be agreed upon by the City and the Assignee such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portion of the Property.

Section 6.2. Application of Net Proceeds.

(a) *From Insurance Award*.

(i) Any Net Proceeds of insurance against damage to or destruction of any part of the Property collected by the City in the event of any such damage or destruction shall be deposited by the City promptly upon receipt thereof in a special fund with the Assignee designated as the "Insurance and Condemnation Fund."

(ii) Within ninety (90) days following the date of such deposit, the City shall determine and notify the Authority and the Assignee in writing of its determination either (A) that the replacement, repair, restoration, modification or improvement of the Property is not economically feasible or in the best interest of the City and the Net Proceeds, together with other moneys available therefor, are sufficient to cause the prepayment of the principal components of all unpaid Lease Payments pursuant to Section 9.3 hereof, or (B) that all or a portion of such Net Proceeds are to be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property and the fair rental value of the Property following such repair, restoration, replacement, modification or improvement will at least equal the unpaid principal component of the Lease Payments.

(iii) In the event the City's determination is as set forth in clause (A) of subparagraph (ii) above, such Net Proceeds shall be promptly applied to the prepayment of Lease Payments and other amounts pursuant to Section 9.3 of this Lease Agreement; *provided, however*, that in the event of damage or destruction of the Property in full, such Net Proceeds may be so applied only if sufficient, together with other moneys available therefor, to cause the prepayment of the principal components of all unpaid Lease Payments, all accrued and unpaid interest, Prepayment Premiums described in Section 9.2, and all other costs related to such prepayments pursuant to Section 9.3 of this Lease Agreement and otherwise such Net Proceeds shall be applied to the prompt replacement, repair, restoration, modification or improvement of the Property; *provided further, however*, that in the event of damage or destruction of the Property in part, such Net Proceeds may be applied to the prepayment of Lease Payments only if the resulting Lease Payments following such prepayment from Net Proceeds represent fair consideration for the remaining portions of the Property and otherwise such Net Proceeds shall be applied to the prompt replacement, repair,

restoration, modification or improvement of the Property, evidenced by a certificate signed by a City Representative.

(iv) In the event the City's determination is as set forth in clause (B) of subparagraph (ii) above and the City certifies to the Assignee that such repair or replacement can be completed within 24 months, such Net Proceeds shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property by the City, and until the Property has been restored to its prior condition, the City shall not place any lien or encumbrance on the Property that is senior to this Lease Agreement without the prior written consent of the Assignee, at its sole discretion.

(b) *From Eminent Domain Award*. If all or any part of the Property shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be deposited by the City in the Insurance and Condemnation Fund and shall be applied and disbursed as follows:

(i) If the City has given written notice to the Authority and the Assignee of its determination that (A) such eminent domain proceedings have not materially affected the operation of the Property or the ability of the City to meet any of its obligations with respect to the Property under this Lease Agreement, and (B) such proceeds are not needed for repair or rehabilitation of the Property, the City shall so certify to the Authority and the Assignee, and the City shall credit such proceeds towards the prepayment of the Lease Payments pursuant to Section 9.3 of this Lease Agreement.

(ii) If the City has given written notice to the Authority and the Assignee of its determination that (A) such eminent domain proceedings have not materially affected the operation of the Property or the ability of the City to meet any of its obligations with respect to the Property under this Lease Agreement, and (B) such proceeds are needed for repair, rehabilitation or replacement of the Property, the City shall so certify to the Authority and the Assignee, and the City shall apply such amounts for such repair or rehabilitation.

(iii) If (A) less than all of the Property shall have been taken in such eminent domain proceedings or sold to a government threatening the use of eminent domain powers, and if the City has given written notice to the Authority and the Assignee of its determination that such eminent domain proceedings have materially affected the operation of the Property or the ability of the City to meet any of its obligations with respect to the Property under the Lease Agreement or (B) all of the Property shall have been taken in such eminent domain proceedings, then the City shall credit such proceeds towards the prepayment of the Lease Payments pursuant to Section 9.3 of this Lease Agreement.

(iv) In making any determination under this Section 6.2(b), the City may, but shall not be required to, obtain at its expense, the report of an independent engineer or other independent professional consultant, a copy of which shall be filed with the Authority and the Assignee. Any such determination by the City shall be final.

(c) *From Title Insurance*. The Net Proceeds from a title insurance award shall be applied by the City towards the prepayment of Lease Payments required to be paid pursuant to Section 9.3 of this Lease Agreement.

Section 6.3. Abatement of Lease Payments in the Event of Damage or Destruction. Lease Payments shall be abated during any period in which, by reason of damage or destruction, there is substantial interference with the use and occupancy by the City of the Property or any portion thereof to the extent to be agreed upon by the City and the Assignee. The parties agree that the amounts of the Lease Payments under such circumstances shall not be less than the amounts of the unpaid Lease Payments as are then set forth in Exhibit C, unless such unpaid amounts are determined to be greater than the fair rental value of the portions of the Property not damaged or destroyed, based upon an appropriate method of valuation, in which event the Lease Payments shall be abated such that they represent said fair rental value. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction as evidenced by a Certificate of a City Representative to the Authority and the Assignee. In the event of any such damage or destruction, this Lease Agreement shall continue in full force and effect and the City waives any right to terminate this Lease Agreement by virtue of any such damage and destruction. Notwithstanding the foregoing, there shall be no abatement of Lease Payments under this Section 6.3 to the extent that (a) the proceeds of rental interruption insurance or (b) amounts in the Insurance and Condemnation Fund are available to pay Lease Payments which would otherwise be abated under this Section 6.3, it being hereby declared that such proceeds and amounts constitute special funds for the payment of the Lease Payments.

ARTICLE VII

OTHER COVENANTS OF THE CITY

Section 7.1. Disclaimer of Warranties. THE AUTHORITY MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE CITY OF THE PROPERTY OR ANY PORTION THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROPERTY OR ANY PORTION THEREOF. THE CITY ACKNOWLEDGES THAT THE CITY LEASES THE PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE CITY. In no event is the Authority liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease Agreement for the existence, furnishing, functioning or use of the Property by the City.

Section 7.2. Access to the Property; Grant and Conveyance of Right of Entry. The City agrees that the Authority, and the Authority's successors or assigns, has the right at all reasonable times, following at least 48 hours written notice provided to the City, to enter upon and to examine and inspect (to the extent permitted by law and public policy) the Property or any part thereof. The City further agrees that the Authority, and the Authority's successors or assigns shall have such rights of access to the Property or any component thereof, following at least 48 hours written notice provided to the City, as may be reasonably necessary to cause the proper maintenance of the Property if the City fails to perform its obligations hereunder. Neither the Authority nor any of its assigns has any obligation to cause such proper maintenance.

The City further grants, conveys and confirms to the Authority, for the use, benefit and enjoyment of the Authority, its successors and assigns in interest to the Property, including the Assignee, and its sublessees, and their respective employees, invitees, agents, independent contractors, patrons, customers, guests and members of the public visiting the Property, a right of entry which shall be irrevocable for the Term of this Lease Agreement over, across and under the property of the City adjacent to the Property to and from the Property for the purpose of: (a) ingress, egress, passage or access to and from the Property by pedestrian or vehicular traffic; (b) installation, maintenance and replacement of utility wires, cables, conduits and pipes; and (c) other purposes and uses necessary or desirable for access to and from and for operation and maintenance of the Property.

Section 7.3. Release and Indemnification Covenants. The City hereby indemnifies the Authority, the Assignee and their respective directors, officers, agents, employees, successors and assigns against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on the Property by the City or the City's employees, agents, contractors, invitees or licensees, (b) any breach or default on the part of the City in the performance of any of its obligations under this Lease Agreement, (c) any negligence or willful misconduct of the City or of any of its agents, contractors, servants, employees or licensees with respect to the Property, (d) any intentional misconduct or negligence of any sublessee of the City with respect to the Property, (e) the acquisition, construction, improvement and equipping of the Property, (f) the clean-up of any Hazardous Substances or toxic wastes from the Property, or (g) any claim alleging violation of any Applicable Environmental Laws, or the authorization of payment of the costs thereof. No indemnification is made under this Section 7.3 or elsewhere in this Lease Agreement for willful misconduct or gross negligence under this Lease Agreement by the Authority, the Assignee, or their respective officers, agents, employees, successors or assigns. The City and the Authority

each agree to promptly give notice to each other and the Assignee of any claim or liability hereby indemnified against following learning thereof.

Section 7.4. Assignment by the Authority. The Authority's rights, title and interests under this Lease Agreement, including the right to receive and enforce payment of the Lease Payments to be made by the City hereunder, have been assigned to the Assignee; provided that the Authority's rights to indemnification and payment or reimbursement for any costs or expenses hereunder have been retained by the Authority to the extent such rights accrue to the Authority and shall have been assigned to the Assignee to the extent such rights accrue to the Assignee. The City hereby consents to such assignment. Whenever in this Lease Agreement any reference is made to the Authority, such reference shall be deemed to refer to the Assignee (including its assignees).

The Assignee may make additional assignments of its rights, title and interests herein, but no such assignment will be effective as against the City, unless and until the Assignee has filed with the City prior written notice thereof and an executed copy of a letter of the assignee of the Assignee (the "Future Assignee") addressed to the City and the Authority substantially in the form of the letter delivered by the Assignee on the Closing Date. Such assignment may be made only an affiliate of the Assignee or to an "accredited investor" or a "qualified institutional buyer," each as defined in the Securities Act of 1933, as amended. The City shall thereafter pay all Lease Payments hereunder to the Future Assignee, pursuant to the written direction of the Future Assignee. During the Term of this Lease Agreement, the City will keep a complete and accurate record of all assignments, if any.

Section 7.5. Assignment and Subleasing by the City. This Lease Agreement may not be assigned, mortgaged, pledged or transferred by the City. The City may sublease the Property, or any portion thereof, with the prior written consent of the Assignee, at the Assignee's sole discretion, subject to all of the following conditions:

(a) This Lease Agreement and the obligation of the City to make Lease Payments hereunder shall remain obligations of the City, and any sublease shall be subject and subordinate to this Lease Agreement.

(b) The City shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Authority and the Assignee a true and complete copy of such sublease.

(c) No such sublease by the City may cause the Property to be used for a purpose other than as may be authorized under the provisions of the laws of the State.

(d) The City shall furnish the Authority and the Assignee with a written opinion of special counsel stating that such sublease does not cause the interest components of the Lease Payments to become subject to personal income taxation by the State.

(e) Any such sublease shall be subject and subordinate in all respects to the Site Lease and this Lease Agreement.

Notwithstanding the foregoing, in connection with any sublease entered into for financing purposes, the principal component of the then remaining Lease Payments plus the principal component of the sublease payments shall not exceed the fair market value of the Property.

Section 7.6. Amendment of Lease Agreement. This Lease Agreement may be amended with the prior written consent of the Authority and the Assignee (at the Assignee's sole

discretion) provided such amendment does not, in the Assignee's sole judgment, adversely affect the Assignee.

Section 7.7. Financial Statements; Budgets; Other Information. Within two hundred seventy (270) days following the end of each Fiscal Year of the City during the Term of this Lease Agreement, the City will provide the Authority and the Assignee with a copy of its audited financial statements for such Fiscal Year. Such audited financial statements shall include the City's Annual Financial Report, including such information as is required by applicable Government Accounting Standards Board pronouncements and applicable State law. Within thirty (30) days of the end of each fiscal year, the City will provide the Assignee with a copy of its annual budget. The City hereby agrees to provide the Assignee with such other information as may be reasonably requested by the Assignee.

Section 7.8. Records and Accounts. The City covenants and agrees that it shall keep proper books of record and accounts of its operations in accordance with GASB, in which complete and correct entries shall be made of all transactions relating to the City. Said books and records shall at all reasonable times be subject to the inspection of the Assignee upon 72 hours' prior notice.

Section 7.9. Observance of Laws and Regulations. The City will well and truly keep, observe and perform or cause to be kept, observed and performed all valid and lawful obligations, regulations or Applicable Laws now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State, or by any officer, board, commission or Governmental Authority having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired and enjoyed by the City, including the City's right to exist and carry on business as a county office of education, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 7.10. Notices. During the Term of this Lease Agreement, the City shall provide to the Assignee:

(a) immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default under this Lease Agreement, together with a detailed statement by a City Representative of the steps being taken by the City to cure the effect of such Event of Default.

(b) prompt written notice of any Material Litigation, or any investigation, inquiry or similar proceeding by any Governmental Authority.

(c) with reasonable promptness, such other information respecting the City, and the operations, affairs and financial condition of the City as the Assignee may from time to time reasonably request.

(d) Notices of filings with the Municipal Securities Regulatory Board's EMMA system, other than regular annual filings.

(e) Notice in a timely manner of an event that could cause a Material Adverse Effect.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined. Any one or more of the following events constitutes an Event of Default hereunder:

(a) Failure by the City to pay any Lease Payment or other payment required to be paid hereunder at the time specified herein, including the failure to prepay the Lease Payments if requested by the Assignee pursuant to Section 9.4 hereof.

(b) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in the preceding clause (a) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Assignee. However, if in the reasonable opinion of the City the failure stated in the notice can be corrected, but not within such 30-day period, the Authority and the Assignee shall not unreasonably withhold their consent to an extension of such time (for a period not to exceed 60 days) if corrective action is instituted by the City within such 30-day period and diligently pursued until the default is corrected.

(c) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar federal or State act now existing or which may hereafter be enacted.

(d) Any statement, representation or warranty made by the City in or pursuant to this Lease Agreement or its execution, delivery or performance shall have been false, incorrect, misleading or breached in any material respect on the date when made.

(e) Any default occurs under any other agreement for borrowing money, lease financing of property or otherwise receiving credit under which the City is an obligor, if such default (i) arises under any other agreement for borrowing money, lease financing of property or provision of credit provided by the Assignee or any affiliate of the Assignee, or (ii) arises under any obligation under which there is outstanding, owing or committed an aggregated amount in excess of $300,000.

(f) Any default by the City to observe any covenant, condition or agreement on its part to be observed or performed under the Site Lease.

(g) Any court of competent jurisdiction shall find or rule that the Site Lease or this Lease Agreement is not valid or binding against the City.

(h) The City abandons any part of the Property.

Section 8.2. Remedies on Default. Whenever any Event of Default has happened and is continuing, the Authority may exercise any and all remedies available under law or granted under this Lease Agreement; provided, however, that notwithstanding anything herein to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable.

Each and every covenant hereof to be kept and performed by the City is expressly made a condition and upon the breach thereof the Authority may exercise any and all rights granted hereunder; provided, that no termination of this Lease Agreement shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. Upon the occurrence and during the continuance of any Event of Default, the Authority may exercise any one or more of the following remedies:

(a) *Enforcement of Payments Without Termination*. If the Authority does not elect to terminate this Lease Agreement in the manner hereinafter provided for in subparagraph (b) hereof, the City agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions herein contained and shall reimburse the Authority for any deficiency arising out of the re-leasing of the Property, or, if the Authority is unable to re-lease the Property, then for the full amount of all Lease Payments to the end of the Term of this Lease Agreement, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease Payments hereunder, notwithstanding such entry or re-entry by the Authority or any suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Property or the exercise of any other remedy by the Authority. The City hereby irrevocably appoints the Authority as the agent and attorney-in-fact of the City to enter upon and re-lease the Property upon the occurrence and continuation of an Event of Default and to remove all personal property whatsoever situated upon the Property, to place such property in storage or other suitable place in Los Angeles County for the account of and at the expense of the City, and the City hereby exempts and agrees to save harmless the Authority from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-leasing of the Property and the removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions herein contained. The City agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Authority to re-lease the Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Authority in effecting such re-leasing shall constitute a surrender or termination of this Lease Agreement irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by the City the right to terminate this Lease Agreement shall vest in the Authority to be effected in the sole and exclusive manner hereinafter provided for in subparagraph (b) hereof. The City agrees to surrender and quit possession of the Property upon demand of the Authority for the purpose of enabling the Property to be re-let under this paragraph. Any rental obtained by the Authority in excess of the sum of Lease Payments plus costs and expenses incurred by the Authority for its services in re-leasing the Property shall be paid to the City.

(b) *Termination of Lease.* If an Event of Default occurs and is continuing hereunder, the Authority at its option may terminate this Lease Agreement and re-lease all or any portion of the Property, subject to the Site Lease. If the Authority terminates this Lease Agreement at its option and in the manner hereinafter provided due to a default by the City (and notwithstanding any re-entry upon the Property by the Authority in any manner whatsoever or the re-leasing of the Property), the City nevertheless agrees to pay to the Authority all costs, loss or damages howsoever arising or occurring payable at the same time and in the same manner as is herein provided in the case of payment of Lease Payments and Additional Payments. Any surplus received by the Authority from such re-leasing shall be applied by the Authority to Lease Payments due under this Lease Agreement. Neither notice to pay rent or to deliver up possession of the premises given under law nor any proceeding in unlawful detainer taken by the Authority shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of default by the City shall be or become effective by operation of law, or otherwise, unless and until the Authority shall have given written notice to

the City of the election on the part of the Authority to terminate this Lease Agreement. The City covenants and agrees that no surrender of the Property, or of the remainder of the Term hereof or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Authority by such written notice.

(c) *Proceedings at Law or In Equity*. If an Event of Default occurs and continues hereunder, the Authority may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

(d) *Remedies under the Site Lease*. If an Event of Default occurs and continues hereunder, the Authority may exercise its rights under the Site Lease.

Section 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article VIII it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

Section 8.4. Agreement to Pay Attorneys' Fees and Expenses. If either party to this Lease Agreement defaults under any of the provisions hereof and the non-defaulting party should employ attorneys (including in-house legal counsel) or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the non-defaulting party (including the Assignee) the reasonable fees of such attorneys (including allocable costs and expenses of in-house legal counsel, if any) and such other expenses so incurred by the non-defaulting party.

Section 8.5. No Additional Waiver Implied by One Waiver. If any agreement contained in this Lease Agreement is breached by either party and thereafter waived by the other party, such waiver is limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 8.6. Assignee to Exercise Rights. Such rights and remedies as are given to the Authority under this Article VIII have been assigned by the Authority to the Assignee, to which assignment the City hereby consents.

ARTICLE IX

PREPAYMENT OF LEASE PAYMENTS

Section 9.1. Security Deposit. Notwithstanding any other provision of this Lease Agreement, the City may on any date secure the payment of the Lease Payments in whole or in part by depositing with the Assignee or a fiduciary reasonably satisfactory to the Assignee, in trust, an amount of cash, which shall be held in a segregated trust or escrow fund under a trust or escrow agreement that is in form and content acceptable to the Assignee, which cash so held is either (a) sufficient to pay such Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment schedule set forth in Exhibit C, or (b) invested in whole in non-callable Federal Securities maturing not later than the dates such funds will be required to make Lease Payments or any prepayment in an amount which is sufficient, in the opinion of an independent certified public accountant (which opinion must be in form and substance, and with such an accountant, acceptable to the Assignee and addressed and delivered to the Assignee), together with interest to accrue thereon and without reinvestment and together with any cash which is so deposited, to pay such Lease Payments when due under Section 4.3(a) or when due on any optional prepayment date under Section 9.2, as the City instructs at the time of said deposit. In the event of a security deposit under this Section with respect to all unpaid Lease Payments, (i) the Term of this Lease Agreement shall continue, (ii) all obligations of the City under this Lease Agreement, and all security provided by this Lease Agreement for said obligations, shall thereupon cease and terminate, excepting only (A) the obligation of the City to make, or cause to be made, all of the Lease Payments from such security deposit and, to the extent of any deficiency, as rent payable from other legally available funds of the City, and (B) the release and indemnification obligations of the City under subparagraphs (f) and (g) of Section 7.3, and (iii) under Section 4.5, the Authority's leasehold interest in the Property will vest in the City on the date of said deposit automatically and without further action by the City or the Authority. The City hereby grants a first priority security interest in and the lien on said security deposit and all proceeds thereof in favor of the Assignee. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Lease Payments in accordance with the provisions of this Lease Agreement and, notwithstanding anything to the contrary herein, Lease Payments therefrom shall not be subject to abatement under Section 6.3 hereof to the extent payable from the funds held by the Assignee or the fiduciary as described in the first sentence of this Section 9.1.

Section 9.2. Optional Prepayment.

(a) The City may prepay the principal component of the Lease Payments in whole or in part in such order of prepayment as shall be selected by the City on any date on and after April 1, 2023, upon at least 30 days' notice to the Assignee, at a prepayment amount equal to the principal amount of Lease Payments to be prepaid, together with accrued interest to the date fixed for prepayment, and any other costs related to such prepayment, without premium, from any source of funds other than the proceeds of a refunding of this Lease Agreement.

(b) The City may prepay the principal component of the Lease Payments in whole or in part in such order of prepayment as shall be selected by the City on any date on and after April 1, 2029, upon at least 30 days' notice to the Assignee, at a prepayment amount equal to the principal amount of Lease Payments to be prepaid, together with accrued interest to the date fixed for prepayment, and any other costs related to such prepayment, without premium, from the proceeds of a refunding of this Lease Agreement.

Section 9.3. Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain. The City shall be obligated to prepay the unpaid principal components of the Lease

Payments in whole or in part in such order of prepayment as shall be selected by the City on any date, together with any accrued and unpaid interest, and any other costs related to such prepayment, from and to the extent of any proceeds of insurance award or condemnation award with respect to the Property to be used for such purpose under Section 6.2. The City and the Authority hereby agree that such proceeds, to the extent remaining after payment of any delinquent Lease Payments, shall be credited towards the City's obligations under this Section 9.3.

Section 9.4. Mandatory Prepayment From Proceeds of the Sale of the Property. The City shall be obligated to prepay all or a portion of the unpaid principal components of the Lease Payments on any date on and after October 1, 2022, together with any accrued and unpaid interest, and any other costs related to such prepayment, from and to the extent of proceeds of the sale of all or a portion of the Property in whole.

ARTICLE X

MISCELLANEOUS

Section 10.1. Notices. Any notice, request, complaint, demand or other communication under this Lease Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority, the City and the Assignee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the Authority:	Palmdale Financing Authority c/o City of Palmdale 38300 Sierra Highway Palmdale, CA 93550 Attention: Finance Manager/City Treasurer Telephone: (661) 267-5100 Fax: (661) 267-5122
If to the City:	City of Palmdale 38300 Sierra Highway Palmdale, CA 93550 Attention: Finance Manager/City Treasurer Telephone: (661) 267-5100 Fax: (661) 267-5122
If to the Assignee:	Western Alliance Business Trust One East Washington Street, Suite 1400 Phoenix, AZ 85004 Attention: Senior Vice President Telephone: (602) 346-7467

Section 10.2. Binding Effect. This Lease Agreement inures to the benefit of and is binding upon the Authority, the City and their respective successors and assigns.

Section 10.3. Severability. If any provision of this Lease Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 10.4. Net-net-net Lease. This Lease Agreement is a "net-net-net lease" and the City hereby agrees that the Lease Payments are an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever.

Section 10.5. Further Assurances and Corrective Instruments. The Authority and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended to be so or for carrying out the expressed intention of this Lease Agreement.

Section 10.6. Judicial Reference. To the extent permitted by law, the parties to this Lease Agreement hereby irrevocably waive any and all right to trial by jury in any legal proceeding

arising out of or relating to this Lease Agreement or any of the related documents or the transaction contemplated hereby or thereby. If and to the extent that the foregoing waiver of the right to a jury trial is unenforceable for any reason in such forum, the parties hereby consent to the adjudication of any and all claims pursuant to judicial reference as provided in California Code of Civil Procedure Section 638, and the judicial referee shall be empowered to hear and determine any and all issues in such reference whether fact or law. The parties represent that each has reviewed this waiver and consent and each knowingly and voluntarily waives its jury trial rights and consents to judicial reference following the opportunity to consult with legal counsel of its choice on such matters. In the event of litigation, a copy of this agreement may be filed as a written consent to judicial reference under California Code of Civil Procedure section 638 as provided herein.

Section 10.7. Execution in Counterparts. This Lease Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Section 10.8. Applicable Law. This Lease Agreement is governed by and construed in accordance with the laws of the State.

Section 10.9. Captions. The captions or headings in this Lease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or section of this Lease Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Authority and the City have caused this Lease Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

PALMDALE FINANCING AUTHORITY,
as Sublessor

By _____
Keith Kang
Treasurer

Attest:

_____
Shanae S. Smith
Secretary

CITY OF PALMDALE, as Sublessee

By _____
Keith Kang
Finance Manager and City Treasurer

Attest:

_____
Shanae S. Smith
City Clerk

APPROVED AS TO FORM:

_____
Christopher L. Beck
City Attorney and Authority Counsel

EXHIBIT A

DESCRIPTION OF THE PROPERTY

All that certain real property situated in Los Angeles County, State of California, described as follows:

PARCELS 3 AND 4 AS SHOWN ON THE PARCEL MAP ENTITLED "PARCEL MAP NO. 070999" FILED FOR RECORD DECEMBER 10, 2014 IN BOOK 380, PAGES 77-79 OF PARCEL MAPS, IN THE LOS ANGELES COUNTY RECORDER'S OFFICE;

EXCEPTING THEREFROM ALL THAT PORTION OF PARCEL 4 AS SHOWN ON THE PARCEL MAP ENTITLED "PARCEL MAP NO. 070999" LYING EASTERLY OF THE WESTERLY LINE OF CHALLENGER WAY, ALSO KNOWN AS 10TH STREET E;

ALSO EXCEPTING THEREFROM ALL OIL, HYDROCARBON, GAS AND MINERALS IN OR UNDER SAID LAND AS RESERVED BY CARL LARSEN AND INDA LARSEN, HUSBAND AND WIFE AS JOINT TENANTS, AND GLEN J. BLAKE, JR. AND KATHLEEN M. BAKER, IN THE DEED RECORDED MARCH 3, 1957 AS INSTRUMENT NO. 1448, IN BOOK 53833 PAGE 249, OF OFFICIAL RECORDS.

EXHIBIT B

SCHEDULE OF LEASE PAYMENTS

Lease Payment Date	Principal Component	Interest Component	Total Lease Payment
10/1/21			
4/1/22			
10/1/22			
4/1/23			
10/1/23			
4/1/24			
10/1/24			
4/1/25			
10/1/25			
4/1/26			
10/1/26			
4/1/27			
10/1/27			
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10/1/31			
4/1/32			
10/1/32			
4/1/33			
10/1/33			
4/1/34			
10/1/34			
4/1/35			
10/1/35			
4/1/36			
10/1/36			
4/1/37			
TOTAL			

(1) The applicable interest rate is ____% per annum. If the Default Rate (as defined in the Lease Agreement) is in effect, interest will be computed by applying such alternate rate.

f

ESCROW AGREEMENT
(A-7448)

by and between the

CITY OF PALMDALE

and

U.S. BANK NATIONAL ASSOCIATION, as Escrow Bank

Dated May 25, 2021

Relating to the refunding of the
City of Palmdale
Taxable Certificates of Participation
(2007 Land Acquisition Financing Project)

ESCROW AGREEMENT
(A-7448)

This ESCROW AGREEMENT (this "Escrow Agreement"), dated May 25, 2021, is by and between the CITY OF PALMDALE, a municipal corporation and chartered city organized and existing under and by virtue of the laws of the State of California (the "City"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as escrow agent (the "Escrow Bank").

W I T N E S S E T H:

WHEREAS, the City has previously caused the execution and delivery of its Taxable Certificates of Participation (2007 Land Acquisition Financing Project) (the "2007 Certificates") to finance the acquisition of certain real property for future use by the City (the "Property");

WHEREAS, the 2007 Certificates were executed and delivered pursuant to the terms of a trust agreement, dated as of April 1, 2007 (the "2007 Trust Agreement"), by and among the City, the Palmdale Civic Authority and U.S. Bank National Association, as trustee thereunder (the "2007 Trustee");

WHEREAS, principal and interest payments with respect to the 2007 Certificates are payable from lease payments (the "2007 Lease Payments") made by the City from its general fund under a Lease Agreement, dated as of April 1, 2007, by and between the Palmdale Civic Authority and the City (the "2007 Lease Agreement");

WHEREAS, the City has determined that it is in the best interests of the City at this time to provide for the payment and prepayment of the 2007 Lease Payments and, as a result thereof, to provide for the payment and redemption of the 2007 Certificates and, to that end, the City proposes to enter into a new lease agreement, dated as of May 1, 2021, by and between the Palmdale Financing Authority (the "Authority") and the City (the "Lease Agreement");

WHEREAS, the City proposes to provide for the payment described above and to appoint the Escrow Bank as its agent for the purpose of applying said deposit to provide for the prepayment of the 2007 Lease Payments in accordance with the instructions provided by this Escrow Agreement and of applying said prepaid 2007 Lease Payments to the redemption of the 2007 Certificates and the Escrow Bank desires to accept said appointment;

WHEREAS, the City wishes to provide for the payment described above and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited;

WHEREAS, to obtain moneys to make such deposit, and for certain other purposes, the Authority proposes to assign and transfer certain of its rights under the Lease Agreement to Western Alliance Business Trust, a Delaware statutory trust (the "Assignee"), pursuant to that certain Assignment Agreement, dated as of May 1, 2021, by and between the Authority and the Assignee;

WHEREAS, the Escrow Bank has full powers to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein set forth, the parties hereto do hereby agree as follows:

Section 1. Definitions. Capitalized terms used, but not otherwise defined, herein, shall have the meanings ascribed thereto in the 2007 Trust Agreement.

Section 2. Appointment of Escrow Bank. The City hereby appoints the Escrow Bank as escrow agent for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Bank hereby accepts such appointment.

Section 3. Establishment of Escrow Fund. There is hereby created by the City with, and to be held by, the Escrow Bank, as security for the prepayment of the 2007 Lease Payments and the redemption of the 2007 Certificates, as hereinafter set forth, an irrevocable escrow to be maintained by the Escrow Bank on behalf of the City (the "Escrow Fund"). The Escrow Fund shall be held separate and apart from other funds and moneys of, or held by, the Escrow Bank. All moneys deposited in the Escrow Fund shall be held as a special fund for the prepayment of the 2007 Lease Payments and the payment and redemption of the 2007 Certificates. If at any time the Escrow Bank shall receive actual knowledge that the moneys in the Escrow Fund will not be sufficient to make any payment required by Section 5 hereof, the Escrow Bank shall notify the City of such fact and the City shall immediately cure such deficiency. The Escrow Bank shall have no liability for such deficiency.

Section 4. Deposit into Escrow Fund; Investment of Amounts.

(a) Concurrently with delivery of the Lease Agreement, the City shall cause to be transferred to the Escrow Bank for deposit into the Escrow Fund the amount of $_____ in immediately available funds, derived as follows:

(i) $_____ from the proceeds of the assignment of the Lease Agreement to the Assignee,

(ii) $_____ from amounts on deposit in the reserve fund held by the 2007 Trustee under the 2007 Trust Agreement (the "2007 Reserve Fund"), and

(iii) $_____ from amounts on deposit in the lease payment fund held by the 2007 Trustee under the 2007 Trust Agreement (the "2007 Lease Payment Fund").

(b) The Escrow Bank shall hold all moneys deposited in the Escrow Fund in cash, uninvested. Such moneys shall be held by the Escrow Bank in the Escrow Fund solely for the uses and purposes set forth herein.

(c) The Escrow Bank shall not be liable or responsible for any loss resulting from its full compliance with the provisions of this Escrow Agreement.

(d) Any money left on deposit in the Escrow Fund after payment in full of the 2007 Certificates, and the payment of all amounts due to the Escrow Bank hereunder, shall be transferred to the City to be applied to the payment of principal and interest with respect to the Lease Agreement.

Section 5. Instructions as to Application of Deposit.

(a) The moneys deposited in the Escrow Fund pursuant to Section 4 shall be applied by the Escrow Bank for the sole purpose of redeeming the 2007 Certificates on June 7, 2021, at a

redemption price equal to the principal amount of the 2007 Certificates plus accrued interest such date, as set forth in Exhibit A attached hereto and by this reference incorporated herein.

(b) The Escrow Bank, in its capacity as 2007 Trustee has previously been requested to give timely notice of the redemption of the 2007 Certificates on June 7, 2021, in accordance with the applicable provisions of the 2007 Trust Agreement and the Escrow Bank, as 2007 Trustee, has done so.

Section 6. Application of 2007 Bond Moneys. The Escrow Bank, as 2007 Trustee, is hereby directed to (i) transfer $_____ on deposit in the 2007 Reserve Fund to the Escrow Fund, and (ii) transfer $_____ on deposit in the 2007 Lease Payment Fund to the Escrow Fund. Any amounts remaining on deposit in any fund or account established under the 2007 Trust Agreement for the 2007 Certificates, including any investment earnings received after the date of original delivery of the Lease Agreement, shall be transferred by the Escrow Bank to the City and applied as a credit against payments of principal and interest with respect to the Lease Agreement.

Section 7. Compensation to Escrow Bank. The City shall pay the Escrow Bank full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 8. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or risk or incur any financial liability in the performance of its duties under this Escrow Agreement unless the City shall have deposited sufficient funds with the Escrow Bank. The Escrow Bank may rely and shall be protected in acting upon the written instructions of the City or its agents relating to any matter or action as Escrow Bank under this Escrow Agreement.

The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or any securities deposited therein, the purchase of the securities to be purchased pursuant hereto, the retention of such securities or the proceeds thereof, the sufficiency of the securities or any uninvested moneys held hereunder to accomplish the purposes set forth in Section 5 hereof, or any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "whereas" clauses herein shall be taken as the statement of the City, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representations as to the sufficiency of the securities to be purchased pursuant hereto and any uninvested moneys to accomplish the purposes set forth in Section 5 hereof or to the validity of this Escrow Agreement as to the City and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence or willful misconduct, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Escrow Agreement, and no implied covenants or obligations shall be read into this Escrow Agreement against the Escrow Bank. The Escrow Bank may consult with counsel, who may or may not be counsel to the City, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith.

Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel) may be deemed to be conclusively established by a written certification of the City.

The Escrow Bank may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

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

Anything in this Escrow Agreement to the contrary notwithstanding, in no event shall the Escrow Bank be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Bank has been advised of the likelihood of such loss or damage and regardless of the form of action.

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

particular needs and circumstances; and (iv) to notify the Escrow Bank immediately upon learning of any compromise or unauthorized use of the security procedures.

The Escrow Bank may at any time resign by giving 30 days written notice of resignation to the City and the 2007 Trustee. Upon receiving such notice of resignation, the City shall promptly appoint a successor, and, upon the acceptance by the successor of such appointment, release the resigning Escrow Bank from its obligations hereunder by written instrument, a copy of which instrument shall be delivered to each of the City, the 2007 Trustee, the resigning Escrow Bank and the successor. If no successor shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Escrow Bank may petition any court of competent jurisdiction for the appointment of a successor.

The City hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated), to the extent permitted by law, to indemnify, protect, save and hold harmless the Escrow Bank and its respective directors, officers, employees, successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties; provided, however, that the City shall not be required to indemnify the Escrow Bank against its own negligence or willful misconduct. The indemnities contained in this Section 8 shall survive the termination of this Escrow Agreement or the resignation or removal of the Escrow Bank.

The Escrow Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Escrow Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics, pandemics, quarantine restrictions or other similar occurrences."

Section 9. Amendment. This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consent of the 2007 Trustee shall have been filed with the Escrow Bank. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of the 2007 Trustee, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the City, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, provided any such cure, correction or supplement does not adversely affect the interests of the 2007 Trustee, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel reasonably acceptable to the 2007 Trustee shall not materially adversely affect the interests of the holders of the 2007 Certificates, and that such amendment will not cause interest with respect to the 2007 Certificates to become subject to federal income taxation.

Section 10. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or

unenforceability of such section, paragraph, sentence clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

Section 11. Notice to Escrow Bank and District. Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the Principal Corporate Trust Office of the Escrow Bank. Any notice to or demand upon the City shall be deemed to have been sufficiently given or served for all purposes by being mailed by first class mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the 2007 Trust Agreement (or such other address as may have been filed in writing by the City with the Escrow Bank).

Section 12. Merger or Consolidation of Escrow Bank. Any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company is reasonably acceptable to the City, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

Section 13. Governing Law. This Escrow Agreement shall be governed by the laws of the State of California.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City and the Escrow Bank have each caused this Escrow Agreement to be executed by their duly authorized officers all as of the date first above written.

CITY OF PALMDALE, as Lessee

By _____
Keith Kang
Finance Manager and City Treasurer

Attest:

_____
Shanae S. Smith
City Clerk

APPROVED AS TO FORM:

_____
Christopher L. Beck
City Attorney

U.S. BANK NATIONAL ASSOCIATION, as Escrow Bank

By _____
Authorized Representative

EXHIBIT A

REDEMPTION SCHEDULE

Date	Maturing Principal	Called Principal	Interest	Redemption Premium	Total Payment
6/7/21	—	$14,765,000		—	

AFTER RECORDATION RETURN TO:

Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726
Attention: Brian D. Quint, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11922 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

ASSIGNMENT AGREEMENT
(A-7454)

For Value Received, the PALMDALE FINANCING AUTHORITY (the "Authority") without recourse does hereby sell, assign and transfer to Western Alliance Business Trust, a Delaware statutory trust, and its successors and assigns (the "Assignee"), (i) all rights, title and interest in and to the Lease Agreement, dated as of May 1, 2021, in the amounts shown on Exhibit A attached hereto, a memorandum of which has been recorded concurrently herewith, by and between the Authority, as sublessor, and the City of Palmdale (the "City"), as sublessee (said Lease Agreement and any supplements, amendments, annexations, extensions or renewals thereof are referred to hereinafter as the "Lease Agreement"), as well as its rights to enforce payment of Lease Payments (as defined in the Lease Agreement) when due or otherwise to protect its interests and exercise all remedies in the event of a default or termination by the City under the Lease Agreement; provided that the Authority's rights to indemnification and payment or reimbursement for any costs or expenses thereunder have been retained by the Authority to the extent such rights accrue to the Authority and shall have been assigned to the Assignee to the extent such rights accrue to the Assignee, (ii) except for the Authority's obligation under Section 4 thereof, all of its rights, title and interest in and to the Site Lease, dated as of May 1, 2021, which has been recorded concurrently herewith, by and between the City, as lessor, and the Authority, as lessee (the "Site Lease"), and (iii) all moneys, sums and amounts now due or hereinafter to become due under the Lease Agreement, including proceeds of insurance or condemnation awards with respect to the Property. The Site Lease and the Lease Agreement delivered to the Assignee are duly executed duplicate originals that comprise the entire writing, obligation and agreement between the Authority and the City respecting the leases made thereunder and the lease payments made therefor.

The Assignee, hereby accepts the foregoing assignment. The above assignment is intended to be an absolute and unconditional assignment to the Assignee and is not intended as a loan by the Assignee to the Authority. Accordingly, in the event of bankruptcy of the Authority, the assigned property shall not be part of the Authority's estate. However, if the above assignment is deemed to be a loan by the Assignee to the Authority, then the Authority shall be deemed to have granted to the Assignee, and hereby grants to the Assignee, a continuing first priority security interest in the assigned property and all proceeds thereof as collateral security for all obligations of the Authority hereunder and all obligations of the City under the Lease Agreement and this Assignment Agreement shall be deemed a security agreement with respect to such loan.

The Authority acknowledges that:

(1) The Assignee is acting in this transaction solely for its own loan account and not as a fiduciary for the Authority or in the capacity of broker, dealer, municipal securities underwriter, placement agent, or municipal advisor;

(2) The Assignee has not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the Authority (including the municipal advisor engaged by the Authority) with respect to the structuring of the financing or the execution and delivery of the Lease Agreement;

(3) The Assignee has no fiduciary duty pursuant to section 15B of the Securities Exchange Act of 1934, as amended, to the Authority with respect to the transactions relating to the structuring of the financing or the execution and delivery of the Lease Agreement and the discussions, undertakings, and procedures leading thereto;

(4) Each of the Authority and its municipal advisor has sought and shall seek and obtain financial, legal (including securities law), tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the lease financing transaction from its financial, legal, and other advisors (and not the Assignee or its affiliates) to the extent that the Authority or its municipal advisor desires to, should, or needs to obtain such advice;

(5) The Assignee has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, including but not limited to the Authority's municipal advisor, or the correctness of any legal interpretation made by counsel to any other party, including but not limited to counsel to the Authority's municipal advisor, with respect to any such matters; and

(6) the transactions between the Authority and the Assignee are arm's length, commercial transactions in which the Assignee is acting and has acted solely as a principal and for its own interest, and the Assignee has not made recommendations to the Authority with respect to the transactions relating to the Lease Agreement.

The Authority represents and warrants as follows:

(1) it has made no prior sale or assignment of any interest in the Site Lease and the Lease Agreement;

(2) that the Lease Agreement and the Site Lease are genuine and in all respects are what they purport to be;

(3) that the Assignee is not liable for and does not assume responsibility for the performance of any of the covenants, agreements, duties or obligations specified in the Lease Agreement to be kept, paid or performed by the Authority, with exception of such covenants, agreements, duties and obligations (if any) which are expressly made the responsibility of the Assignee under the Lease Agreement;

(4) that the Authority has the power, authority, and legal right to execute, deliver and perform this Assignment Agreement and this Assignment Agreement is a valid, binding, and enforceable obligation of the Authority, except as such enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the application of equitable principles;

(5) that good and marketable title to the assigned property has been duly vested in the Assignee free and clear of any liens, security interests, encumbrances or other claims other than the rights of the City under the Lease Agreement, and the Authority has not assigned or transferred any of the assigned property or any interest in the assigned property to any party other than the Assignee;

(6) that this Assignment Agreement has been duly authorized by all necessary action on the part of the Authority;

(7) that the Authority agrees that it (a) shall not have any right to amend, modify, compromise, release, terminate or permit prepayment of the Lease Agreement, and (b) shall not take any action that may impair the payment of Lease Payments or the validity or enforceability of the Lease Agreement;

(8) that if the Authority receives any Lease Payments, then the Authority shall receive such payments in trust for the Assignee and shall immediately deliver the same to the Assignee in the form received, duly endorsed by the Authority for deposit by the Assignee; and

(9) that the Authority shall execute and deliver to the Assignee such documents, in form and substance reasonably satisfactory to the Assignee, and the Authority shall take such other actions, as the Assignee may reasonably request from time to time to evidence, perfect, maintain, and enforce the Assignee's rights in the assigned property and/or to enforce or exercise the Assignee's rights or remedies under the Lease Agreement.

The Authority further represents and warrants that as of the date of this Assignment Agreement, the Lease Agreement and the Site Lease are in full force and effect and the City is not in default of any of the terms set forth therein.

By its acceptance of this Assignment Agreement, the Assignee, represents and warrants (i) the price paid in consideration for assignment of the Site Lease and the Lease Agreement is $_____; and (ii) that the Assignee reasonably expects to hold its interests in the Lease Agreement for its own account and does not presently expect to sell, assign, or otherwise transfer its interests in the Lease Agreement, subject to the Assignee's right to dispose of or otherwise deal with its property (including its interest in the Lease Agreement) as it determines to be in its best interests from time to time.

This Assignment Agreement shall be construed and governed in accordance with the laws of the State of California applicable to contracts made and performed in the State of California. Any provision of this Assignment Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Assignment Agreement.

This Assignment Agreement binds and inures to the benefit of the parties and their respective successors and assigns. In the event of litigation between the Authority and the Assignee arising under this Assignment Agreement, the prevailing party shall be entitled to recover from the other party all costs and expenses, including attorneys' fees which may be those of in-house counsel, incurred by the prevailing party in exercising any of its rights or remedies hereunder or enforcing any of the terms, conditions or provisions of this Assignment Agreement.

If any one or more of the terms, provisions, covenants, or conditions of this Assignment Agreement shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provision, covenants and conditions of this Assignment Agreement shall be affected thereby, and each provision of this Assignment Agreement shall be valid and enforceable to the fullest extent permitted by law.

The descriptions of the Site and the Facility which are the subject of the Site Lease and the Lease Agreement are set forth in Exhibits B and C attached hereto and by this reference incorporated herein.

[Remainder of page intentionally left blank]

This Assignment Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Dated as of May 1, 2021

PALMDALE FINANCING AUTHORITY,
as Seller

By _____
Keith Kang
Treasurer

Attest:

_____
Shanae S. Smith
Secretary

APPROVED AS TO FORM:

_____
Christopher L. Beck
Authority Counsel

ACCEPTANCE OF ASSIGNMENT:

WESTERN ALLIANCE BUSINESS TRUST,
a Delaware statutory trust, as Assignee

By _____
Name _____
Title _____

EXHIBIT A

SCHEDULE OF LEASE PAYMENTS

Lease Payment Date	Principal Component	Interest Component	Total Lease Payment
10/1/21			
4/1/22			
10/1/22			
4/1/23			
10/1/23			
4/1/24			
10/1/24			
4/1/25			
10/1/25			
4/1/26			
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4/1/31			
10/1/31			
4/1/32			
10/1/32			
4/1/33			
10/1/33			
4/1/34			
10/1/34			
4/1/35			
10/1/35			
4/1/36			
e			
4/1/37			
TOTAL			

(1) The applicable interest rate is ____% per annum. If the Default Rate (as defined in the Lease Agreement) is in effect, interest will be computed by applying such alternate rate.

EXHIBIT B

DESCRIPTION OF THE PROPERTY

All that certain real property situated in Los Angeles County, State of California, described as follows:

PARCELS 3 AND 4 AS SHOWN ON THE PARCEL MAP ENTITLED “PARCEL MAP NO. 070999” FILED FOR RECORD DECEMBER 10, 2014 IN BOOK 380, PAGES 77-79 OF PARCEL MAPS, IN THE LOS ANGELES COUNTY RECORDER’S OFFICE;

EXCEPTING THEREFROM ALL THAT PORTION OF PARCEL 4 AS SHOWN ON THE PARCEL MAP ENTITLED “PARCEL MAP NO. 070999” LYING EASTERLY OF THE WESTERLY LINE OF CHALLENGER WAY, ALSO KNOWN AS 10TH STREET E;

ALSO EXCEPTING THEREFROM ALL OIL, HYDROCARBON, GAS AND MINERALS IN OR UNDER SAID LAND AS RESERVED BY CARL LARSEN AND INDA LARSEN, HUSBAND AND WIFE AS JOINT TENANTS, AND GLEN J. BLAKE, JR. AND KATHLEEN M. BAKER, IN THE DEED RECORDED MARCH 3, 1957 AS INSTRUMENT NO. 1448, IN BOOK 53833 PAGE 249, OF OFFICIAL RECORDS.

AFTER RECORDATION RETURN TO:

Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726
Attention: Brian D. Quint, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

TERMINATION AGREEMENT
(A-7449)

Dated as of May 1, 2021

by and among the

CITY OF PALMDALE

the

PALMDALE CIVIC AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION, as Assignee

TERMINATION AGREEMENT
(A-7449)

This TERMINATION AGREEMENT is made and entered into as of May 1, 2021, by and among the CITY OF PALMDALE, as lessor and lessee (the "City"), the PALMDALE CIVIC AUTHORITY, as lessee and lessor (the "Authority"), and U.S. BANK NATIONAL ASSOCIATION, as assignee (the "Assignee").

W I T N E S S E T H :

WHEREAS, in connection with a financing to provide for the acquisition of certain real property by the City for future use, the City, the Authority and the Assignee entered into the following documents (collectively, the "Documents"):

(a) Site Lease, dated as of April 1, 2007, by and between the City, as lessor, and the Authority, as lessee, recorded on May 15, 2007, in as document 071176782, in the Official Records of Los Angeles County, (the "Site Lease"),

(b) Lease Agreement, dated as of April 1, 2007, by and between the Authority, as lessor, and the City, as lessee, recorded by memorandum on May 15, 2007, in as document 071176783å, in the Official Records of Los Angeles County (the "Lease Agreement"), and

(c) Assignment Agreement, dated as of April 1, 2007, by and between the Authority, as assignor, and the Assignee, as assignee, recorded on May 15, 2007, in as document 071176784, in the Official Records of Los Angeles County (the "Assignment Agreement");

WHEREAS, the Lease Agreement provides that in the event that the City pays, prepays or deposits moneys for the prepayment of the lease payments (the "2007 Lease Payments") due thereunder, then all of the obligations of the City under the Lease Agreement and all of the security provided by the City for such obligations shall cease and terminate, and unencumbered title to the property leased thereunder shall be vested in the City without further action by the City or the Authority;

WHEREAS, the City has determined that, as a result of favorable financial market conditions and for other reasons, it is in the best interests of the City at this time to prepay the City's obligation to make the 2007 Lease Payments and, to that end, the Authority proposes to lease certain real property from the Palmdale Financing Authority (the "Financing Authority") pursuant to that certain Lease Agreement, dated as of May 1, 2021 (the "2021 Lease Agreement"), a memorandum of which has been recorded concurrently herewith;

WHEREAS, to obtain moneys to make such deposit, the Financing Authority proposes to assign and transfer certain of its rights under the Lease Agreement to _____, as assignee (the "Assignee"), pursuant to that certain Assignment Agreement, dated as of May 1, 2021, by and between the Authority and the Assignee, which has been recorded concurrently herewith; and

WHEREAS, upon the deposit of sums for the prepayment of the 2007 Lease Payments and the redemption of the 2007 Certificates, the Lease Agreement and the agreements related thereto need not be maintained and the parties hereto now desire to provide for the termination of such documents as provided herein;

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree:

Section 1. Termination.

(a) By virtue of the prepayment of the 2007 Lease Payments and the redemption of the 2007 Certificates, all obligations of the City under the Lease Agreement shall cease and terminate and title to the property leased under the Lease Agreement shall vest in the City on the date of said deposit automatically and without further action by the City or the Authority.

(b) In accordance with the foregoing, the Site Lease, the Lease Agreement and the Assignment Agreement are hereby terminated and are of no further force or effect.

(c) From and after the date hereof, none of the parties shall have any further rights or obligations thereunder.

Section 2. Execution in Counterparts. This Termination Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have duly executed this Termination Agreement.

CITY OF PALMDALE, as Lessor and Lessee

By _____
Keith Kang
Finance Manager and City Treasurer

Attest:

_____
Shanae S. Smith
City Clerk

PALMDALE CIVIC AUTHORITY, as Lessee and Lessor

By _____
Keith Kang
Treasurer

Attest:

_____
Shanae S. Smith
Secretary

APPROVED AS TO FORM:

_____
Christopher L. Beck
City Attorney and Authority Counsel

U.S. BANK NATIONAL ASSOCIATION, as Assignee

By _____
Name _____
Title _____

NOTARY ACKNOWLEDGMENTS TO BE INSERTED

EXHIBIT A

DESCRIPTION OF THE PROPERTY

All that certain real property situated in Los Angeles County, State of California, described as follows:

Parcels 3 and 4 as shown on the Parcel Map entitled "Parcel Map No. 070999" filed for record December 10, 2014 in Book 380, Pages 77-79 of Parcel Maps, in the Los Angeles County Recorder's Office.

Except therefrom all oil, hydrocarbon, gas and minerals in or under said land as reserved by Carl Larsen and Inda Larsen, husband and wife as joint tenants, and Glen J. Blake, Jr. and Kathleen M. Baker, in the deed recorded March 3, 1957 as Instrument No. 1448, in Book 53833 Page 249, of Official Records.

Agreement for Legal Services
(A-7450)

PRIVATE PLACEMENT
(Land Acquisition Refinancing Project)
Lease Agreement,
Dated as of June 1, 2021
By and between the
Palmdale Financing Authority
and the
CITY OF PALMDALE,
Assigned to
Western Alliance Business Trust,
a Delaware statutory trust

THIS AGREEMENT FOR LEGAL SERVICES is made and entered into this ____ day of _____, 2021, by and between the CITY OF PALMDALE (the "City"), and QUINT & THIMMIG LLP, Larkspur, California ("Attorneys").

W I T N E S S E T H :

WHEREAS, the City has previously caused the execution and delivery of its Taxable Certificates of Participation (2007 Land Acquisition Financing Project) (the "2007 Certificates") to finance the acquisition of certain real property for future use by the City;

WHEREAS, principal and interest payments with respect to the 2007 Certificates are payable from lease payments made by the City from its general fund under a Lease Agreement, dated as of April 1, 2007, by and between the Palmdale Civic Authority and the City (the "2007 Lease Agreement");

WHEREAS, the current principal balance of the 2007 Certificates is $14,765,000;

WHEREAS, the City has determined at this time, due to prevailing interest rates in the municipal bond market and for other reasons, to prepay the 2007 Lease Agreement and to refund the 2007 Certificates;

WHEREAS, the City requires the services of bond counsel in connection with the Financing;

WHEREAS, the City has determined that Attorneys are qualified by training and experience to perform the services of bond counsel and Attorneys are willing to provide such services; and

WHEREAS, the public interest, economy and general welfare will be served by this Agreement for Legal Services;

NOW, THEREFORE, IT IS HEREBY AGREED, as follows:

Section 1. Duties of Attorneys.

(a) *Bond Counsel Services*. Attorneys shall provide legal services, as *bond counsel*, in connection with the authorization, issuance and consummation of the financing proceedings relating to the Financing. Such services shall include the following:

(i) Consult and cooperate with officials of the City, City legal counsel, financing consultants and other consultants, staff and employees of the City, and assisting such consultants, staff and employees in the formulation of coordinated financial and legal proceedings;

(ii) Attend all meetings of the City at which the Financing is to be discussed, as deemed necessary by for the proper planning of the financing proceedings or when specifically requested to attend;

(iii) Prepare any required indentures, ordinances and all resolutions, notices and legal documents necessary for the proper conduct of the Financing proceedings;

(iv) Review all financial documents for legal sufficiency;

(v) Prepare and provide a signature and no-litigation certificate, an arbitrage certificate and any and all other closing documents required to accompany completion of the Financing;

(vi) Prepare and provide a complete transcript of the proceedings relating to the Financing;

(vii) Subject to the completion of proceedings provide a legal opinion that interest due with respect to the Financing is excluded from gross income for purposes of federal income taxation and that such interest is exempt from California personal income taxation;

(viii) Subject to the completion of proceedings, provide a legal opinion approving in all regards the legality of all proceedings relating to the Financing;

(ix) Confer and consult with the City officials and agents with regard to problems which may arise during the servicing and payment of principal of and interest with respect to the Financing; and

(x) Such other and further services as are normally performed by bond counsel in connection with the issuance of securities.

(b) *Services Not Provided*. Attorneys shall not be responsible for: (i) any continuing disclosure requirements under federal securities laws that may apply to the Financing during the period following the closing of the Financing, (ii) on-going advice and preparation of necessary documentation regarding compliance with section 148 of the Internal Revenue Code of 1986, relating to arbitrage limitations and rebate provisions applicable to the Financing, or (iii) the representation of the City in connection with any litigation involving the Financing. Without limiting the generality of the foregoing, Attorneys shall not be responsible for preparing any documentation related to, or for providing any, ongoing continuing disclosure, arbitrage and rebate computation services or litigation services in respect of the Financing without a separate agreement between the City and Attorneys. In addition, unless specifically retained to do so by a separate agreement between Attorneys and the City, Attorneys shall not be responsible for auditing or otherwise reviewing or assuring compliance by the City with any past or existing continuing disclosure obligations of the City related to any debt obligations.

Section 2. Compensation. For the services set forth under Section 1 above, Attorneys shall be paid a legal fee of $55,000, inclusive of all out-of-pocket expenses.

Payment of said fees shall be entirely contingent, shall be due and payable upon the completion of the Financing and shall be payable solely from the proceeds of the Financing and from no other funds of the City.

Section 3. Responsibilities of the City. The City shall cooperate with Attorneys and shall furnish Attorneys with certified copies of all proceedings taken by the City, or other deemed necessary by Attorneys to render an opinion upon the validity of such proceedings. All costs and expenses incurred incidental to the Financing, including the cost and expense of preparing certified copies of proceedings required by Attorneys in connection with the Financing and any other expenses incurred in connection with the Financing, shall be paid from the proceeds of the Financing.

Section 4. Non-Legal Services. In performing their services as bond counsel pursuant to this Agreement for Legal Services, it is understood and acknowledged by the City that Attorneys will not be providing financial advisory, placement agent, investment banking or other similar services. It is expected that the City will engage other consultants to provide any such services with respect to the financing.

Section 5. Termination of Agreement. This Agreement for Legal Services may be terminated at any time by the City, with or without cause, upon written notice to Attorneys. In the event of such termination, all finished and unfinished documents shall, at the option of the City, become its property and shall be delivered by Attorneys to the City.

Section 6. Amendment or Modification. No amendment, modification, or other alteration of this Agreement shall be valid unless in writing and signed by both of the parties hereto.

Section 7. Entire Agreement. This Agreement contains the entire agreement of the parties hereto. No other agreement, statement, or promise made on or before the effective date of this Agreement will be binding on the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

CITY OF PALMDALE

By _____
Name _____
Title _____

QUINT & THIMMIG LLP

By _____
Brian D. Quint, Partner

AGREEMENT NO. A-7451
CONTRACT FOR MUNICIPAL ADVISOR SERVICES BETWEEN THE CITY OF PALMDALE AND HARRELL & COMPANY ADVISORS, LLC

THIS AGREEMENT is made and entered into this 4th day of May 2021 by and between the City of Palmdale, a body corporate and politic in the State of California (hereinafter called "City") and Harrell & Company Advisors, LLC, a California limited liability company (hereinafter called "Harrell & Co.").

RECITALS

WHEREAS the City proposes to enter into a lease agreement with the Palmdale Financing Authority (the "Transaction") for the purpose refinancing the City of Palmdale Taxable Certificates of Participation (2007 Land Acquisition Financing Project); and

WHEREAS, the Authority will assign its rights to receive lease payments to a lender; and

WHEREAS the City requires assistance from a financial advisor in the development of a sound and practical financing plan to implement the Transaction; and

WHEREAS Harrell & Co. represents it is qualified to perform the services under this contract; and

WHEREAS the City Manager is authorized to enter into this Agreement on behalf of the City,

NOW, THEREFORE, AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREINAFTER CONTAINED, it is mutually agreed between the parties as follows:

APPOINTMENT OF HARRELL & COMPANY

The City hereby appoints and designates Harrell & Co. as its municipal advisor for the purpose of assisting the City in the preparation and execution of the Transaction. Harrell & Co. represents and warrants that it is duly qualified to perform the services under this contract.

MUNICIPAL ADVISOR DISCLOSURES

In connection with the services described herein, certain disclosures are required by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board regarding municipal advisors. These disclosures are attached hereto as Exhibit A.

SCOPE OF SERVICES

Harrell & Co. will be responsible for performing the following:

1. Financing Schedule. Develop and monitor the schedule of activities to assist the City in meeting agenda deadlines and public notice requirements.

2. Document Review. Review and comment on all legal documents prepared by the City's bond counsel to ensure conformance with the financing structure.

3. Staff Reports. Draft staff reports for approval of Transaction documents.

4. Fee Proposals. Request fee proposals from the City's bond counsel and placement agent for services.

5. Pricing. Prepare cash flows for final pricing information.

6. Bond Closing. Review the proposed arrangements for closing of Transaction and delivery of the funds, including certificates and representations of other parties to ensure certification of information relied upon in the financing.

7. Administration. Advise the City in administration of the Transaction after closing.

8. Attendance at Meetings. Attend all meetings of the working group and the City Council as required.

COMPENSATION

For services relating to serving as municipal advisor for the Transaction with an estimated par amount of $14 million, Harrell & Co. shall be compensated at Bond closing:

- A fixed fee of $32,500 for all other financial advisory services as described herein.

- Out of pocket expenses, if any, not to exceed $500.

COST THE RESPONSIBILITY OF THE CITY

The City understands that there are several program costs that are required for completion of the Transaction that shall be the responsibility of the City. These may include the cost of bond counsel, trustees, and of any other experts required for completion of the Transaction.

COOPERATION BY CITY

The City agrees to make available to Harrell & Co. without cost, sufficient copies of the resolutions, and other relevant material pertaining to the Transaction or the City as reasonably may be required from time to time for the prompt and efficient performance by Harrell & Co. of its obligations hereunder.

NOTICES

Notice to Harrell & Co. shall be deemed delivered if sent by certified mail, return receipt requested, to Harrell & Company Advisors, LLC, 333 City Boulevard West, Suite 1215, Orange, CA 92868. Notices by Harrell & Co to City shall be deemed delivered if sent by certified mail, return receipt requested, to the City Manager, City of Palmdale, 38300 Sierra Highway, Palmdale, CA 93550.

TERM OF THE AGREEMENT

The term of this agreement is a two year period commencing from the date first written above. This agreement may be terminated by either party due to either party's failure to comply to the terms of this agreement, provided that notice must be given not less than 7 days prior to such unilateral termination. In addition, this agreement may be terminated by either party without cause upon 30 days prior notice. In the event of such termination, Harrell & Co. shall be compensated for all reasonable out-of-pocket expenses and for actual time expended (based upon Harrell & Co.'s hourly rate of $300) on behalf of City pursuant to this agreement.

INSURANCE

Harrell & Co. will maintain errors and omissions insurance during the term of the agreement with a combined single limit of at least $1,000,000.

INDEMNIFICATION

Neither party hereto shall be liable for any damages approximately resulting from the negligent or wrongful actions or omissions of the other party, or the other party's employees, agents or contractors performing under this agreement, and each party shall indemnify, defend and save harmless the other party from such damage or liability. It is expressly understood and agreed by

City that in performing the duties and activities under this agreement Harrell & Co. is to be acting solely on Harrell & Co.'s own behalf.

ENTIRE AGREEMENT

This Agreement shall constitute the entire agreement between the parties. Any amendments to or clarification necessary to this agreement shall be in writing and acknowledged by both parties to the agreement.

In witness whereof that the parties hereto have caused this agreement to be executed by their duly authorized officials and representatives as of the day and year above written:

City of Palmdale

By:_____
City Manager

Harrell & Company Advisors, LLC

By: _____
Suzanne Q. Harrell
Managing Director

Exhibit A
Municipal Advisor Disclosures

Harrell & Company Advisors, LLC (Harrell & Co.) is registered as a "municipal advisor" pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the United States Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB"). The SEC has approved MSRB Rule G-42 which, among other matters, requires Harrell & Co. to provide the City with information regarding any conflicts of interest that Harrell & Co. may have and with information about where to find Harrell & Co.'s SEC filings on the SEC website.

As a municipal advisor in connection with the execution of the Transaction, Harrell & Co. will owe a fiduciary duty to the City and will carry out its duties in accordance with such duty. Simply put, this means that Harrell & Co. owes the City both a duty of loyalty and a duty of care and that in performing services that Harrell & Co. may undertake in connection with any bond issue, Harrell & Co. will put the needs of the City ahead of its own. This standard of care is higher than that required of other financial services providers such as underwriters.

The fees to be paid by the City to Harrell & Co. are contingent on the successful closing of the Transaction. Although this form of compensation may be customary, it presents a conflict because Harrell & Co. may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the City. In addition, if facts or circumstances arise that could cause the financing to be delayed or fail to close, Harrell & Co. may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing. Harrell & Co. manages and mitigates this conflict primarily by adherence to the fiduciary duty which Harrell & Co. owes to municipal entities such as the City which require Harrell & Co. to put the interests of the City ahead of its own.

Harrell & Co. has determined, after exercising reasonable diligence, that other than described above, it has no known material conflicts of interest that would impair its ability to provide advice to the City in accordance with its fiduciary duty to municipal entity clients such as the City. To the extent any such material conflicts of interest arise after the date of our engagement Harrell & Co. will inform the City of such conflicts as described below.

The City may terminate Harrell & Co.'s services at any time upon written notice as described in this Agreement. Harrell & Co. may withdraw from its representation as Municipal Advisor upon written notice to the City subject to the fiduciary duty described above which may require it to continue to represent the City until an appropriate replacement is identified which will depend on the status of the transaction.

As part of its registration Harrell & Co. is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving us. Pursuant to MSRB Rule G-42, Harrell & Co. is required to disclose any legal or disciplinary event that is material to the City's evaluation of Harrell & Co. or the integrity of its management or advisory personnel. As reflected in Harrell & Co.'s filings with the SEC, Harrell & Co. has determined that no such event exists. Copies of our registration filings with the SEC can currently be found by accessing the SEC's EDGAR system Company Search Page which is currently available at https://www.sec.gov/edgar/searchedgar/companysearch.html and searching for either "Harrell & Co Advisors" or for our CIK number which is 0001610917.

The MSRB has made available on its website (www.msrb.org) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority.

D|A DAVIDSON
FIXED INCOME CAPITAL MARKETS

74-710 Highway 111, Suite 102
Palm Desert, CA 92260
213-244-9380
www.dadavidson.com/ficm
D.A. Davidson & Co. member SIPC

AGREEMENT FOR PLACEMENT AGENT SERVICES
(A-7452)

April 1, 2021

City of Palmdale, California
38300 Sierra Highway
Palmdale, CA 93550
Attn: Keith Kang

Re: Placement Agent Engagement Letter

Dear Mr. Kang,

On behalf of D.A. Davidson & Co. ("we" or "Davidson"), thank you for the opportunity to serve as placement agent for City of Palmdale (the "City") on the proposed Taxable Lease Revenue Refunding Bonds (2007 Land Acquisition Finance Project), Series 2021 (the "Placement"). This letter will confirm the terms of our engagement.

1. Services to be Provided by Davidson. The City hereby engages Davidson to serve as the placement agent for the Placement, and in such capacity Davidson agrees to provide the following services:

- Review and evaluate the proposed terms of the Placement
- Contact potential purchasers (the "Purchasers"), provide them with related financial information, respond to their inquiries and, if requested, coordinate their due diligence sessions
- Consult with counsel and the municipal advisor and other service providers with respect to the terms of the Placement

- Negotiate the terms, including the interest rate, of the Placement
- Plan and arrange for the closing and settlement of the issuance and the delivery of the Placement
- Perform such other usual and customary placement agent services as may be requested by the City

As placement agent, Davidson will not purchase the Placement.

2. No Advisory or Fiduciary Role. The City acknowledges and agrees: (i) the primary role of Davidson, as a placement agent, is to find Purchasers for the Placement, in an arm's-length commercial transaction between the City and the Purchasers, and that Davidson may have financial and other interests that may differ from those of the City; (ii) Davidson is not acting as a municipal advisor, financial advisor, or fiduciary to the City and Davidson has not assumed any advisory or fiduciary responsibility to the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether Davidson has provided other services or is currently providing other services to the City on other matters or transactions); (iii) the only obligations Davidson has to the City with respect to the transaction contemplated hereby expressly are set forth in this agreement; and (iv) the City has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate. If the City desires to consult with and hire a municipal advisor for this transaction that has legal fiduciary duties to the City, the City should separately engage a municipal advisor to serve in that capacity.

In addition, the City acknowledges receipt of a letter outlining certain regulatory disclosures as required by the Municipal Securities Rulemaking Board and attached to this agreement as Exhibit A. The City further acknowledges Davidson may be required to supplement or make additional disclosures as may be necessary as the specific terms of the transaction progress.

3. Fees and Expenses. Davidson proposes a placement agent fee not to exceed $25,000. The City shall be responsible for paying all other costs of issuance, including without limitation, bond counsel, rating agency fees and expenses, and all other expenses incident to the performance of the City's obligations under the proposed Placement.

4. Term and Termination. The fee is contingent on the closing of the transaction. The term of this engagement shall extend from the date of this letter to the closing of the offering of the Placement. Either party may terminate Davidson's engagement at any time without liability of penalty upon at least 30 days' prior written notice to the other party. If Davidson's engagement is terminated by the City, the City agrees to compensate Davidson for the services provided and to reimburse Davidson for its out-of-pocket fees and expenses incurred to the date of termination.

5. Limitation of Liability. The City agrees neither Davidson nor its employees, officers, agents or affiliates shall have any liability to the City for the services provided hereunder.

6. Miscellaneous. This letter shall be governed and construed in accordance with the laws of the State of California. This Agreement may not be amended or modified except by means of a written instrument executed by both parties hereto. This Agreement may not be assigned by either party without the prior written consent of the other party.

If there is any aspect of this Agreement that you believe requires further clarification, please do not hesitate to contact us. If the foregoing is consistent with your understanding of our engagement, please sign and return the enclosed copy of this letter.

Again, we thank you for the opportunity to assist you with your proposed financing and the confidence you have placed in Davidson.

Very truly yours,

D.A. DAVIDSON & CO.



By: Katie Koster

Title: Managing Director | Southwest Region

Accepted this ___ day of _____, 2021

City of Palmdale

By: _____

Title: _____

D|A DAVIDSON
FIXED INCOME CAPITAL MARKETS

EXHIBIT A

March 30, 2021

City of Palmdale
38300 Sierra Highway
Palmdale, CA 93550

Re: Disclosures by D.A. Davidson & Co., as Placement Agent
Pursuant to MSRB Rule G-17 and G-23
Taxable Lease Revenue Refunding Bonds, Series 2021

Mr. Kang:

We are writing to provide the City with certain disclosures required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 that relate to the above-referenced refinancing (the "Placement").

The City, on behalf of the CFD as its legislative body, has engaged D.A. Davidson & Co. ("Davidson") to serve as a private placement agent (the "Placement Agent"), and not as a Municipal Advisor, in connection with the Placement. As part of our services as Placement Agent, D.A. Davidson may provide advice concerning the structure, timing, terms, and other similar matters concerning the Placement. The specific terms of our engagement will be as set forth in a placement agent agreement or similar document to be entered into by the parties if and when the issue is placed. As Placement Agent, Davidson will not be required to purchase the securities.

1. Disclosures Concerning the Placement Agent's Role, Compensation, Regulation and Educational Materials.

(i) MSRB Rule G-17 requires Davidson, as private placement agent, to deal fairly at all times with both municipal issuers and investors.

(ii) The Placement Agent has financial and other interests that differ from those of the City.

(iii) Unlike a municipal advisor, the Placement Agent does not have a fiduciary duty to the City under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the City without regard to its own financial or other interests.

(iv) The City may choose to engage the services of a municipal advisor with a fiduciary obligation to represent the City's interest in this transaction.

(v) The Placement Agent has a duty to place the bonds at a fair and reasonable price, but must balance that duty with its duty to place the bonds with investors at prices

that are fair and reasonable.

(vi) The Placement Agent will review the placement memorandum or term sheet or offering document for the Placement in accordance with, and as part of, its respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.[1]

(vii) The Placement Agent will be compensated by a fee that will be set forth in the placement agreement or otherwise documented with the City. Payment or receipt of the fee will be contingent on the closing of the transaction and the amount of the fee may be based, in whole or in part, on a percentage of the principal amount of the Placement. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the Placement Agent may have an incentive to recommend to the City a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

(viii) Davidson is registered as a broker-dealer with the U.S. Securities and Exchange Commission ("SEC") and the MSRB, and is subject to the regulations and rules on municipal securities activities established by the SEC and MSRB. The website address for the MSRB is www.msrb.org. The MSRB website includes educational material about the municipal securities market, as well as an investor brochure that describes the protections that may be provided by the MSRB rules and how to file a complaint with an appropriate regulatory authority.

2. Deal-Specific Conflicts of Interest Disclosures

Davidson has not identified any additional potential or actual material conflicts that require disclosure.

3. Disclosures Concerning Complex Municipal Securities Financing

Since Davidson has not recommended a "complex municipal securities financing" to the City, additional disclosures regarding the financing structure for the Placement are not required under MSRB Rule G-17. In accordance with the requirements of MSRB Rule G-17, if Davidson recommends a "complex municipal securities financing" to the City, this letter will be supplemented to provide disclosure of the material financial characteristics of that financing structure as well as the material financial risks of the financing that are known to us and reasonably foreseeable at that time.

4. Questions and Acknowledgment.

If you or any other City officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should

[1] Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the Placement Agent is solely for purposes of satisfying its obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

consult with the City's own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

It is our understanding that you have the authority to bind the City by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately.

We are required to seek your acknowledgement that you have received this letter. Accordingly, please send me an email to that effect, or sign and return the enclosed copy of this letter to me at the address set forth below. Otherwise, an email read receipt from you or automatic response confirming that our email was opened by you will serve as an acknowledgement that you received these disclosures.

Depending on the structure of the transaction that the City decides to pursue, or if additional potential or actual material conflicts are identified, we may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction and/or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.

Again, we thank you for the opportunity to assist you with your financing and the confidence you have placed in us.

CITY OF PALMDALE
OFFICE OF THE CITY COUNCIL

M E M O R A N D U M

TO: City Clerk

FROM: Laura Bettencourt, Mayor Pro Tem

SUBJECT: Monthly Informational Report – Events and Meetings

DATE: April 29, 2021

During the period April 2 through 29, 2021, I attended the following meetings and events:

April 6: Palmdale City Council Meeting

April 7: Spanish Radio Show

April 8: Group Photo with Little League Representatives for New Bleachers at Domenic Massari Park

April 19: NCTC Board Meeting

April 20: Palmdale City Council Workshop

April 22: Ramadan 25th Annual Community Breakfast

April 28: CA State Prison Citizens' Advisory Committee (CAC)

*Also met with multiple nonprofits and constituents.

CITY OF PALMDALE
OFFICE OF THE CITY COUNCIL

M E M O R A N D U M

TO: City Clerk

FROM: Austin Bishop, Councilmember

SUBJECT: Monthly Informational Report – Events and Meetings

DATE: April 29, 2021

During the period April 2 through 29, 2021, I attended the following meetings and events:

April 3: Desert Clean Up Event

April 6: Palmdale City Council Meeting

April 10: Desert Clean Up Event

April 17: Desert Clean Up Event

April 19: North Los Angeles County Transportation Coalition (NCTC) JPA Meeting

April 19: Palmdale Recycled Water Authority (PRWA) Board Meeting

April 20: Antelope Valley Air Quality Management District (AVAQMD) Meeting

April 20: Palmdale City Council Workshop

April 24: Desert Clean Up Event

April 27: Ribbon Cutting Ceremony and Grand Opening of AVTA's new Marvin E. Crist Wellness Center

CITY OF PALMDALE
OFFICE OF THE CITY COUNCIL

M E M O R A N D U M

TO: City Clerk

FROM: Juan Carrillo, Councilmember

SUBJECT: Monthly Informational Report – Events and Meetings

DATE: April 29, 2021

During the period April 2 through 29, 2021, I attended the following meetings and events:

April 6: Palmdale City Council Meeting

April 14: Meeting with US Soccer Foundation

April 15: League of California Cities' Housing, Community and Economic Development Meeting

April 19: North Los Angeles County Transportation Coalition (NCTC) JPA Board Meeting

April 19: Palmdale Recycled Water Authority (PRWA) Board Meeting

April 20: Palmdale City Council Workshop

April 22: Ramadan 25th Annual Community Breakfast